



***McCANDLESS
TRUCK CENTER LLC.***

16704 East 32nd Ave

Aurora, CO 80011

(303) 739-9900

www.mctrux.com

PROPOSAL FOR:

REGIONAL AIR QUALITY DIVISION

REQUEST FOR PROPOSAL COMPBD2010

Submitted by:

McCandless Truck Center L.L.C

EXECUTIVE SUMMARY

McCandless Truck Center is pleased to provide this formal offer to perform the bid requirements set forth in COMPBD2010.

McCandless Truck Center (Hereafter referred to as MITC) has developed the following proposal with the intention of providing a turnkey installation process for the Council and the fleets participating in the retrofit program. MITC's proposal offers the following benefits to the Council and fleets;

- Extensive experience in the installation of pre-heaters in many late model school busses operating within the nine County R.A.Q.C. areas.
- Colorado Department of Education certified technicians.
- Existing relationships with many State and County fleet operators and a good knowledge of the needs of their operations.
- MITC operates two full service Navistar service locations within the Denver Metro area, and also has locations in Colorado Springs and Pueblo.
- MITC can perform many of the functions required in the bid off-site utilizing state of the art mobile service vehicles.
- MITC has over 30 factory-trained technicians working in our two metro-area locations with 7 day a week hours of operations. Our Aurora location is open until midnight Monday-Friday.
- The majority of tailpipe and crankcase retrofits can be performed at the customers' location. MITC has the staffing to enable multiple technicians to perform these modifications at the customers' location's at times convenient with their operations.
- Many pre-heater installations can be performed at the customers' locations, however certain hydraulic pre-heating applications may need to be performed at our facilities, particularly when hydraulic tank modifications are required.
- MITC proposes to provide pre-heaters with complete on-board diagnostics and ambient temperature sensing capabilities. These features, combined with 7-day timers will minimize the time the operators need to interface with the units. The ambient temperature switch will eliminate the waste of having the pre-heater operate during warm spells. (Quite common in Colorado as we all know!)
- MITC proposes providing state of the art tailpipe emission devices requiring zero maintenance over the life of the device and providing up to a 40% reduction in tailpipe emissions. The closed crankcase filtration systems simply require a filter change on an annual basis. All tailpipe and crankcase devices are EPA and CARB verified.

We at McCandless Truck Center believe that these highlights illustrate why MITC should be the obvious choice as your partner in this venture. With flexible scheduling to accommodate the customer's downtime, superior mobile and in-house facilities, a highly experienced, factory trained staff, and our commitment to exceeding the customers' expectations. This all combines to make McCandless Truck Center the leading candidate to be the vendor of choice for this wide-ranging initiative.

Any questions or clarifications can be directed to the following individual:

Vic Yoder

Service Manager

16704 E. 32nd Avenue

Aurora, Co.80011

Phone: 303-739-9900

Fax: 303-344-0737

Email: vyoder@mctrux.com

COMPANY OVERVIEW

Navistar, Inc. has operated an International dealer franchise in the Colorado front-range market since the early 1950's. McCandless Truck Center, LLC ("MITC") assumed operating control of the franchise under its current ownership in April 2000. Our core business is the Sale, Lease, Financing, Parts Support, and Service Support of Medium and Heavy duty Trucks and Busses. Our OEM brand affiliation is with Navistar, Inc. the world's leading manufacturer of Trucks, Busses, and Diesel Engines. Navistar, Inc brands include International[®], IC Corporation[®], Workhorse[®], MaxxForce Engines[®], Navistar Financial[®], Navistar Defense[®], Continental Mixer[®], and Navistar Parts[®]. McCandless Truck Center, LLC is also an authorized service and parts dealer for Caterpillar and Cummins engines, and Allison Transmissions. McCandless Truck Center, LLC has 4 convenient Colorado front-range locations; Aurora, Colorado Springs, Pueblo, and Henderson. Our current parts inventory is approximately \$3 million and includes both captive OEM parts and all-makes maintenance parts.

MITC hereby attests its ability to, and agrees to; provide all services necessary on a timely basis in order to accomplish the services identified under the scope of work in this proposal. MITC is committed to working closely with the nine county area and the Regional Air Quality Council staff to ensure a smooth and easy transition into this agreement. On a daily basis the service department of MITC is called on to diagnose, repair, and replace any and all components of the exhaust system on trucks and busses. Our experience in working on diesel exhaust system crosses all levels of EPA retrofit equipment; Level 1, Level 2, and Level 3. The service department has extensive experience on the installation and repair of pre-heater systems. Our service department is thoroughly experienced in the maintenance and repair of all makes and models of trucks and busses.

Our primary dealership contacts are listed below:

Dealer Principal and President of McCandless Truck Center:

Scott McCandless P: (303) 739-9900 C: (303) 818-5110 Email: smccandless@mctrux.com

Employed as the President of McCandless Truck Center, LLC and McCandless Idealease, LLC Apr 2000 – Present.

Scott grew up working at his family's International Truck Dealership in Las Vegas, NV. Positions held include; Aug 1998 – Mar 2000 General Manger Dealership Operations. Feb 1994 – Jul 1998 Manager - Truck Sales Department. Jun 1988 – Jan 1994 Started new truck rental and leasing business, grew from initial fleet of 15 units to over 300 trucks. Jan 1981 – May 1988 Worked as Delivery Driver, Shipping and Receiving, Parts Counter Person, Write-Up Clerk Service Department, and Outside Parts Sales.

Education: Jun 2004 – May 2006 Completed UCLA Executive Dealer Leadership Program. 1976 - 1981 Attended University of Nevada - Las Vegas. May 1975 – Graduated Valley High School – Las Vegas, NV

Service Manager

Vic Yoder P: (303) 739-9900 C: (303) 434-7742 Email: vyoder@mctrux.com

Vic Yoder holds an Associates degree in Automotive and Diesel Technologies and has worked as a technician and a manager in the industry for over 30 years. He has managed fleets in excess of 12,000 units, as many as 35 locations across 9 states, and managed both automobile and truck dealership service departments.

Vic Yoder will service as the installation project manager and primary installation contact for this project.

Parts Director:

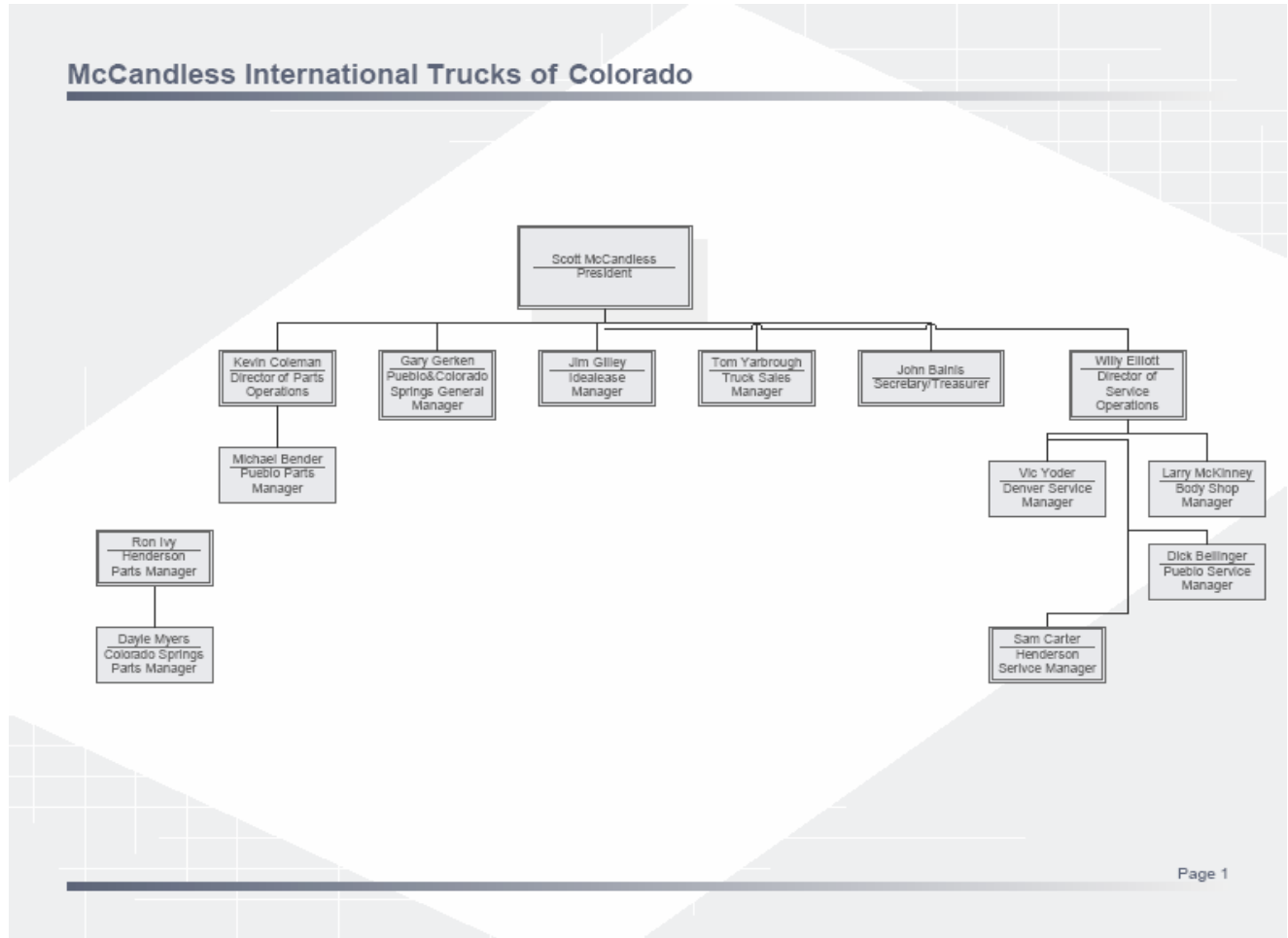
Kevin Coleman P: (303) 739-9900 C: (303) 901-7593 Email: kcoleman@mctrux.com

Hired by McCandless Truck Center in August of 2006 as Director of Parts Operations. Serves as the general manager for McCandless Truck Center parts department with accountability for; sales (retail and wholesale), marketing, customer service, pricing, purchasing, inventory management, personnel management, shipping & receiving, and local pick-up & delivery. The McCandless Truck Center parts department has 4 Colorado locations, 50 employees, and a combined parts inventory of approximately \$3 million. Annual parts sales and revenue for 2009 was \$19.8 million. Previously worked at Navistar, Inc and subsidiary companies from July 1997 until August 2006. Positions held include; Leasing Analyst (NFC) 97-98, Tax Analyst (NFC) 98-99, Process Improvements and Special Projects Analyst (NFC) 99-00, Manager Sales Analysis 00-01, Transaction and Invoice Process Manager (Truck) 01-02, Manager Competitive Pricing 02-04, Area Sales Manager AZ, CO, ID, NV, and UT (Parts) 04-06, Area Sales Manager CO, ID, and UT 06. Earned BA degree majoring in Finance from North Central College in Naperville, IL in June 1997.

Kevin Coleman will serve as the parts procurement project manager and primary parts contact for this project.

McCandless Truck Center employs 25 service technicians at their Aurora location (the servicing base location for this project). The lead mechanic for this project will be Steven Vogt. Steven is Master Bus Certified, CDE Certified, and a Diamond Certified Navistar Technician. Steve has installed dozens of pre-heaters on school bus fleets across the Front Range and will be responsible for over-seeing the installations performed under this proposal.

ORGANIZATIONAL CHART



EXPERIENCE AND QUALIFICATIONS

McCandless Truck Center has handled numerous large projects as the exclusive Navistar OEM franchise in Eastern Colorado. In 2008 MITC worked with the R.A.Q.C. to re-program over 150 school buses for Denver Public Schools in order to reduce idle-time. MITC routinely initiates and performs Authorized Field Changes and

Campaigns at our customer's locations. These projects typically encompass hundreds of vehicles at a time. MITC is also accustomed to performing installations on large groups of equipment at the time of delivery.

MITC is committed to quality. All repairs performed at our location are inspected first by our full-time shop foreman, and subsequently inspected by our full-time quality inspector. Our quality inspector tests operation of the item repaired and/or road tests the vehicle an appropriate distance to ensure that the repair is performed correctly. This approach greatly improves customer satisfaction, reduces comebacks and improves uptime for our customers.

TIMELINE

Upon notification from a fleet that they would like to proceed with any of these installations, MITC will send a representative to their location within two business days to assess the needed materials and resources to perform the job. Product will be ordered at the conclusion of the assessment. Typically all of the product will be ordered through our internal channels and will usually be available within two to three weeks. During this time MITC will determine the best time of day to do the installations and coordinate our staff to be able to perform the installations at the customers location. In a nutshell, in most cases we will be able to begin installation in about 2 to 3 weeks from the time we are notified. Obviously the length of time to complete the installations will be dependent upon the size of the fleet, location, weather etc.

REFERENCES

1. Colorado Department of Transportation

David Kile, Transportation Manager, 18500 E. Colfax Ave, Aurora, Co. 80011. Phone: 303-365-7000, Fax: 303-916-1116, Email: david.kile@dot.state.co.us

2. Jefferson County Schools

Marc Horner, Fleet Manager, 809 Quail St. Lakewood, Co. 80215. Phone: 303-982-2320, Fax: 303-982-2284, Email: mhorner@jeffco.k12.co.us

3. Poudre Valley School District

Gary Vavra, Transportation Manager, 2407 Laporte Ave, Ft. Collins, Co. 80521. Phone: 970-490-3569, Fax: 970-490-3403, Email: gvavra@psdschools.org

4. Xcel Energy

Juanita Griggs, Fleet Manager, 1123 W. 3rd Ave. Denver, Co. 80223. Phone: 303-571-3820, Email: Juanita.griggs@xcelenergy.com

5. West Metro Fire Protection District

P. Shannon, Fleet Manager, 433 S. Allison Pkwy. Lakewood, Co. 80226. Phone: 303-973-0325, Email: pshannon@westmetrofire.org

SUBCONTRACTORS

MITC will be performing all of the installations without the use of subcontractors.

DRUG AND ALCOHOL COMPLIANCE POLICY

MITC is a drug and alcohol free workplace. (Copy of policy included in appendix)

NET 60 PAYMENT TERMS AND NET 90 FINANCE CHARGES

MITC's payment terms are Net 60 days from date of invoice. Payments received beyond 60 days may be assessed a finance charge of 1.5% per month or 18% per annum.

EQUIPMENT SPECIFICATIONS

Diesel Oxidation Catalysts

MITC will be providing Diesel Oxidation Catalysts manufactured by Engine Control Systems for Navistar. The AZ Purimuffler. These products are CARB verified for level 1 on road PM reduction, verified under US EPA urban bus retrofit/rebuild program, and verified by the US EPA voluntary retrofit program for

two stroke and four stroke diesel engines. They are also verified by the US EPA for 40% PM reduction for specific on road engines. (Documentation attached) These units operate on 1991 or newer engines. They are manufactured in an insulated double wall, heavy 14 and 16 gauge 304 series stainless steel design. This serves to maximize catalyst performance and reduce external skin temperatures. These units require no maintenance. These products are warranted for 5 years or 100, 00 miles. (Brochure attached) MITC replaces mufflers and exhaust system components on a daily basis. MITC will provide training on the installation of these products either at our facilities training center, or at the customer's location.

Closed Crankcase Ventilation Systems

MITC will be providing a Racor CCV System that is EPA Verified for 40% PM reduction when combined with a DOC on all engines. This component eliminates the road draft tube. A filter change is required every 750 hours. These products are warranted for 5 years or 150,000 miles. MITC will provide training on the installation and maintenance of these products either at our facilities training center, or at the customer's location.

Idle Reduction Systems

MITC will be providing products manufactured by Espar. We will propose utilizing several different Espar products based upon the application. The E-Guardian 5 or 12 for school busses, the Airtronic D4 or D5 for air heaters in busses, and the Hydronic 5 and 10 pre-heaters for medium or large power units. All of these units are diesel powered, #1 and #2 diesel and can accept up to 20 bio-diesel.

The Espar systems feature inertia switches on school bus applications for safety. They are CARB approved and EPA verified and come adjusted for altitude. They include a 7-day timer with built in self-diagnostics. Operating parameters are adjustable using a USB interface and a diagnostic software package is available via download from the web. These units also come equipped with an ambient temperature switch limiting usage until the temperature drops below a specified value. These products are warranted for 2 yrs. Or 2000 hours and this warranty will be extended 6 months for spring/summer installations. Brochures are attached for all of the above products. Installation training can be provided for the engine and cab installations either in our training center or at the customer's location.

Hydraulic Heating Systems

Hydraulic unit installations will be considerably more complicated and training may not be available due to the wide variations in applications. We will however provide the training if the fleet has the capabilities and the desire to do said installations. The products quoted for these installations will include the Espar Hydronic 10 preheater, (previously described) and either the Arctic Fox Hydraliner 16 or Hydraliner 24 depending on system capacity. These deliver 5000-8000 btu/hr in hydraulic oil applications. Arctic Fox products are warranted for 5 years or 600,000 miles.

VENDOR LOCATION

McCandless Truck Center is located at 16704 E. 32nd Avenue in Aurora, Colorado. (I-70 and Airport Blvd. Exit) MITC offers routine parts delivery throughout the Front Range. We also operate mobile service units that can come to the customer's location and perform most installations.

SALES PLAN

McCandless Truck Center would be delighted to utilize our resources to help with recruiting efforts. MITC will incorporate the program details in our sales flyers and on OUR counter advertising materials. MITC will also host a Fleet Night, inviting our major fleet customers to our location. RAQC would be invited to present the program to the fleets with our assistance. MITC has an outside sales staff of 6 persons, as well as Service Advisors and Parts Counterpersons that will also make customers aware of this program.

Pricing Form I – Tailpipe Equipment Cost Per Unit (Prices for 1 to 20 Units)

| | Equipment Brand Name | Equipment Cost | Install Cost | Installation Training per Equipment Type | Misc. Costs* | Ongoing Annual Costs** | Total Cost |
|----------|--|----------------|--------------|--|--------------|------------------------|------------|
| Option 1 | DOC-BUS AZ Purimuffler (AZ28) | \$1200.00 | \$500.00 | \$250.00 | | | \$1950.00 |
| Option 2 | DOC/CCF BUS AZ Purimuffler (AZ28)/Racor CCV | \$1850.00 | \$650.00 | \$400.00 | | \$95.00 | \$2995.00 |
| Option 3 | CCF-BUS Racor CCV | \$650.00 | \$400.00 | \$150.00 | | \$95.00 | \$1295.00 |
| Option 4 | DOC-PUBLIC WORKS- MEDIUM AZ Purimuffler (AZ29) | \$1700.00 | \$500.00 | \$250.00 | | | \$2450.00 |
| Option 5 | DOC/CCF-PUBLIC WORKS- MEDIUM AZ Purimuffler (AZ29) /Racor CCV | \$2350.00 | \$800.00 | \$400.00 | | \$95.00 | \$3495.00 |

| | | | | | | | |
|----------|--|--|----------|----------|--|---------|---|
| Option 6 | CCF-PUBLIC WORKS-MEDIUM Racor CCV | \$650.00 | \$400.00 | \$150.00 | | \$95.00 | \$1295.00 |
| Option 7 | DOC-PUBLIC WORKS-HEAVY AZ Purimuffler (AZ 30 or AZ 31) | 8.8-11.1L = \$1900.00 11.2-14.3L= \$2700.00 | \$500.00 | \$250.00 | | | 8.8-11.1L = \$2650.00 11.2-14.3L = \$3450.00 |
| Option 8 | DOC /CCF-PUBLIC WORKS HEAVY AZ Purimuffler (AZ 30 or AZ31)/Racor CCV | 8.8-11.1L= \$2575 11.2-14.3L = \$3375.00 | \$750.00 | \$400.00 | | \$75.00 | 8.8-11.1L = \$3800.00 11.2 - 14.3L = \$4600.00 |
| Option 9 | CCF-PUBLIC WORKS HEAVY Racor CCV | \$675.00 | \$500.00 | \$250.00 | | \$75.00 | \$1500.00 |

**Ongoing costs are the replacement of the CCV filter every 750 hours

* A trip charge of \$115.00 per hour will be charged for less than 4 installations at a time

IDLING REDUCTION TECHNOLOGIES

In each table please ensure that options 1 through options 10 are consistently related in Pricing Forms II and III.

Pricing Form II – Idle Reduction Cost Per Unit*

| | Equipment Brand Name | Equipment Cost | Install Cost | Installation Training per Equipment Type | Misc. Cost* | Ongoing Annual Costs** | Total Cost |
|----------|---|----------------|--------------|--|-------------|------------------------|------------|
| Option 1 | SMALL ENGINE PREHEATER-BUS-Espar E-Guardian 5 | \$1750.00 | \$800.00 | \$450.00 | | | \$3000.00 |
| Option 2 | LARGE ENGINE PREHEATER-BUS- Espar | \$2800.00 | \$950.00 | \$500.00 | | | \$4250.00 |

| | | | | | | | |
|----------|---|-----------|-----------|----------|--|--|-----------|
| | E-Guardian 12 | | | | | | |
| Option 3 | SMALL ENGINE PREHEATER-PUBLIC WORKS-Espar Hydronic 5 | \$1500.00 | \$800.00 | \$450.00 | | | \$2750.00 |
| Option 4 | LARGE ENGINE PREHEATER-PUBLIC WORKS- Espar Hydronic 10 | \$2550.00 | \$950.00 | \$500 | | | \$4000.00 |
| Option 5 | CAB HEATER Espar Airtronic D2 | \$1800.00 | \$650.00 | \$300.00 | | | \$2750.00 |
| Option 6 | AIR HEATER-SMALL BUS – Espar Airtronic D4 | \$1945.00 | \$700.00 | \$350.00 | | | \$2995.00 |
| Option 7 | AIR HEATER-LARGE BUS – Espar Airtronic D5 | \$2390.00 | \$800.00 | \$450.00 | | | \$3640.00 |
| Option 8 | SMALL HYDRAULIC HEATER-Espar Hydronic 5 & Arctic Fox Hydraliner 16 | \$2300.00 | \$1500.00 | \$700.00 | | | \$4500.00 |
| Option 9 | LARGE HYDRAULIC HEATER-Espar Hydronic 10 & Arctic Fox Hydraliner 24 | \$3200.00 | \$1500.00 | \$700.00 | | | \$5400.00 |
| | | | | | | | |

*A trip charge of \$115.00 per hour will be charged for less than 4 installations at a time

**Vendors must explain and itemize all ongoing annual costs (fuel filter costs, etc.)

Pricing Form III – Idle Reduction Equipment Parameters

| | BTU/Hr | Fuel Consumption/Hr | Alternative fluid heating time (low range/high range | Ambient Temp. Yes/No | Computer diagnostics/setup via USB |
|----------|---|---------------------|--|----------------------|------------------------------------|
| Option 1 | SMALL ENGINE PREHEATER-BUS – E-Guardian 5 8,200-17,000 btu/hr | 008-0.16 GPH | Low range = 1hr High range = 2hr | YES | YES |
| Option 2 | LARGE ENGINE PREHEATER-BUS – E-Guardian 12 4,100-42,000 btu/hr | 0.04-0.40 GPH | Low range = 1hr High range = 2hr | YES | YES |
| Option 3 | SMALL ENGINE PREHEATER-PUBLIC WORKS-Espar Hydronic 5 8,200-17,100 btu/hr | 0.07-0.16 GPH | Low range = 1hr High range = 2hr | YES | YES |
| Option 4 | LARGE ENGINE PREHEATER-PUBLIC | 0.18-1.2 GPH | Low range = 1hr | YES | YES |

| | | | | | |
|----------|---|-----------------------|---|------------|------------|
| | WORKS-Espar Hydronic 10 5,120-32,450 btu/hr | | High range = 2hr | | |
| Option 5 | CAB HEATER-Espar Airtronic D2 2,900-7,500 btu/hr | 0.026-0.07 GPH | Low range = 1hr High range = 2hr | NO | YES |
| Option 6 | AIR HEATER-SMALL BUS- Espar Airtronic D4 3,400-13,650 btu/hr | 0.034-0.13 GPH | Low range = 1hr High range = 2hr | NO | YES |
| Option 7 | AIR HEATER-LARGE BUS- Espar Airtronic D5 4,100-18,800 btu/hr | 0.04-0.18 GPH | Low range = 1hr High range = 2hr | NO | YES |
| Option 8 | SMALL HYDRAULIC HEATER – Espar- Hydronic 5 8,200-17,100 btu/hr | 0.07-0.16 GPH | Low range = 1hr High range = 2hr | YES | YES |
| Option 9 | LARGE HYDRAULIC HEATER-Espar Hydronic 10 5,120-32,450 btu/hr | 0.18-1.2 GPH | Low range = 1hr High range = 2hr | YES | YES |

Pricing Form IV – Volume Discounts***

| Pieces of Equipment | Tailpipe/CCF Percentage Reduced | Idle Technologies Percentage Reduced |
|---------------------|---------------------------------|--------------------------------------|
| 21- 40 Units | 2% | 2% |
| 41- 60 Units | 3% | 3% |
| 61-80 Units | 4% | 4% |
| 81-100 Units | 5% | 5% |
| 101+ Units | 6% | 6% |

***Volume discounts will be enforced on a per order basis

APPENDIX