



*A Member of*



**FOODSERVICE, Inc.**

## Cost Assumptions, Conditions and Constraints

### Assumptions

- Some delivery locations will take a delivery every 2 weeks (i. e. as often as allowed) while others will only order every other delivery period, or less.
- The further a delivery location is from our warehouse, the higher the delivery cost.
- The more geographically dispersed are the delivery locations in a Region, the higher the delivery cost.
- Labor costs will rise during the contract period.
- Fuel costs will rise during the contract period.
- New delivery locations will be added in each Region during the contract period.

### Constraints

- Inclement weather.
- We have no control over delivery locations ordering frequency. There is great volatility in the number of delivery locations and cases ordered from one delivery period to the next. From time to time the stars will align and delivery locations will order close to double (or even triple) the number of orders and/or cases as compared to other delivery periods.
- This volatility places a strain on human resources and time. Overtime can come into play.
- This volatility can also bring DOT restrictions into play. When that much product is ordered at one time, it may physically fit on a single truck, but weight restrictions (especially 6/#10 cans) can force us to split what is normally a single route into multiple routes, again with the strain on human resources as well as vehicles.
- School closures due to holidays or spring/fall/other breaks also add to the issues we have in scheduling routes.