



SUBSCRIPTION PROPOSAL TERMINAL PERFORMANCE ANALYSIS

SCOPE

Distribution Consulting Services Inc. (DCS) is a company specializing in consultancy in distribution, shipping and terminalling of bulk products, mainly for the oil, gas and chemical industries. Assignments range from feasibility studies for new projects to improvements on existing distribution operations, fleets and terminals.

DCS has completed three multi-client Terminal Performance Analysis (TPA) group studies, TPA '94, TPA '97 and TPA 2000. The TPA analysis continues to be available to subscribers and is now operated on a 'rolling' basis which participants can join at any time. This has the advantage that participants can proceed with data collection at their own pace and receive analytical findings very soon after the data input and validation process is completed. Analysis and reporting utilize the most recent version of the TPA 2000 format or any subsequent major upgrade that may become available. TPA is a unique approach using modern economic research methods to accurately analyze and compare the performance of bulk liquid terminals anywhere in the world.

The TPA program is designed to cover any size of terminal, either part of a refinery, gas liquefaction or chemical plant or a stand alone facility. The analysis provides a range of benchmarks and rankings against all terminals in the study and various peer groups for measures such as: costs, maintenance, manpower, productivity and operational efficiency. Participants in the study receive two copies of a customized report on each terminal's performance. In addition to the formal reports, the subscription includes a visit by a DCS consultant to each participating company to deliver a presentation of the study results. The presentation will highlight the most productive areas for improvements and cost savings.

STUDY COORDINATORS SEMINARS

As the value of the analysis is closely related to the accuracy and consistency of the input, DCS has taken care to provide comprehensive instructions in the Data Input package. Participants also have the option of a special seminar for their Data Input Coordinators. These seminars are intended to ensure coordinators have a clear idea of the objectives and benefits of the study and provide the correct input information. In addition, the seminars address the analytical procedure, type of data in the final report and how it should be used to improve performance. Study Coordinators' Seminars can be held in Dallas or at the subscriber's offices with a charge to cover any cost to DCS for travel, accommodation and consultants' time.



DATA INPUT AND CONSISTENCY CHECK

Data Input involves completion of sections of a questionnaire that are relevant to the terminal on Excel worksheets supplied by DCS on a diskette or by E-mail. Both US and metric unit versions of the worksheets and a built in consistency check system are included in the data input package which will also print out a comprehensive instruction manual. Data can be for a calendar year, financial year, or for a shorter period annualized by scaling up to a full year. Financial information can be in local currency.

DATA VALIDATION

In addition to built in worksheet computerized consistency checks, DCS will undertake a careful validation procedure on receipt of participants data to highlight any apparent errors before running the analysis. This process is intended to add further value and confidence in the final product.

CONFIDENTIALITY

All bulk liquid terminal operations are eligible to participate in this study. The sole purpose of this effort is to develop valid industry performance criteria which will enable each participating facility to evaluate its performance relative to the competition. To that end, DCS will send identical data requests to each subscriber, maintain the privacy of data for each participant, and ensure that no part of the submission is made available to any other party. The final reports will include results in a way that eliminates the possibility that any individual participant's performance criteria can be identified. Companies that have been invited to participate in the TPA program may be identified by DCS, but the final subscription list will not be disclosed. The results of the study will be available only to those who have contributed to the database.

SCHEDULE

The TPA 2000 system operates on a 'rolling' basis which participants can join at any time and complete data input at their own pace. The analysis of a corporate group of terminals will proceed when data from all a company's participating facilities has been received and validated. Subject to workload DCS will normally transmit initial findings by E-mail promptly after running the analysis and forward complete reports for each terminal by express delivery service within two weeks. The date for the corporate presentation will be mutually agreed.

SUBSCRIPTION



The full cost of the project will be shared equitably by all participants and this share is detailed in the Subscription Agreement (Attachment 1). Each subscribing company will be assessed a Corporate Entry Fee for each group of terminals entered and analyzed, plus a charge for each participating terminal. The Corporate Entry Fee will be waived for companies with more than ten participating terminals. The subscription will cover all expenses associated with the validation and analysis of data, preparation of the project reports and presentation of the study results.

Participants requesting the option of a Study Coordinators' Seminar will be charged at a cost according to the schedule in the attached Subscription Agreement. Where a sufficiently large group of terminals are involved, this charge may be reduced or waived.

All charges detailed in this proposal are to be paid in US dollars net of any taxes. The subscription fee will be invoiced on receipt of the completed subscription agreement. Payment is due within thirty (30) days of the invoice date to avoid additional interest charges.

In the experience of DCS, both performance analyses and terminal studies can have a very good payout for clients and we believe the same applies to TPA 2000. We would certainly be pleased to have you join, so we request you give our proposal consideration. If you decide to join, please complete the attached Subscription Agreement form and fax or mail it to the address given below. If you have any questions, do not hesitate to contact us.

Sincerely,

Dr. William S. Hodgson
Director

DISTRIBUTION CONSULTING SERVICES, INC. (DCS)

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**- SUBSCRIPTION AGREEMENT -
TERMINAL PERFORMANCE ANALYSIS**

- Participating Terminals

We have reviewed the Subscription Proposal, and agree to participate in the most recently available version of the Distribution Consulting Services, Inc. Terminal Performance Analysis (TPA) program. Our participating group of facilities for this analysis are listed below. (Please attach another page for more than nine locations).

_____	_____	_____
_____	_____	_____
_____	_____	_____

- Optional Study Coordinators' Seminars

Please indicate your choice of one of the following:

- We request DCS hold a coordinators' Data Input Seminar at our office and accept associated costs for travel and consultants' time.
- Our coordinators will travel to Dallas for the seminar and accept consultants' time charge of \$5,000.
- We elect to dispense with the Data Input Seminar.

- Subscription Cost

As a subscriber, we will be assessed a Corporate Entry Fee of US \$5,000.00 * plus a charge of US \$10,000.00 for each participating terminal. Based upon the participating terminals above, exclusive of any costs for a Data Input Seminar, the charge for my company will be \$_____.

- Contacts

The designated contact personnel for our company are listed below:

<u>Send Invoices To:</u>	<u>Coordinate Data With:</u>
Name: _____	Name: _____
Title: _____	Title: _____
Company: _____	Company: _____
Address: _____	Address: _____
Street Address ** _____	Street Address: _____
_____	_____
Phone: ____/____	Phone: ____/____
E-mail: _____	Fax: ____/____
Accepted by: _____	E-mail: _____
Title: _____	Date: _____

* For companies located outside North America, the Corporate Entry Fee will be \$15,000.00 to cover additional time and travel expenses for the corporate presentations. The fee will be waived for all companies with more than 10 participating terminals.

** Street address is required in order to allow use of express delivery/courier service.