

August 10, 2020

Dear Mr. Leonard,

I would like to thank you and your team for all of your cooperation, teamwork and resulting success. I feel we have made several operational improvements as set forth in our prior meetings and discussions thus justifying the approval of the two-year renewal to our original contract. It is our intention to continue providing a high level of service to the City of Fort Lauderdale as we continue to strengthen our partnership going forward. Enclosed is our 2021 and 2022 contract year cost adjustment request. Contract number (555-11442).

Pursuant to the terms of the current contract, section 13.6 "Cost Adjustment for Agreement Renewal," we are requesting a contract cost adjustment for the 2021 and 2022 budget year beginning October 1, 2020 based on the 12-month average of the Motor Vehicle Maintenance and Repair Index, which is 3.4% (see CPI index below). This equates to a \$202,392.00 increase.

Additionally, section 13.7 of the contract "Changes In Size Of the Fleet," allows for an increase/decrease to the contract cost based on a 10% change by category/class of unit type. The contract budget was last adjusted for fleet size changes in 2018. The matrix below illustrates the fleet size changes over the past 2 years.

Fleet Change YoY	2018	2019	2020
Fleet Count	1,554	1,684	1,710
Increase/Decrease		130	26
Labor Adjustment			
Hours +/-		2,625.00	-97.00
Rate		\$45.94	\$45.94
Increase/Decrease		\$120,592.50	(\$4,456.18)
Parts Adjustment			
		\$160,395	(\$1,951)
Total Adjustment		\$280,987.50	(\$6,407.18)

FVS will "**not**" be requesting an additional budget increase attributed to the increase/decrease of the fleet size pursuant to the contract language in the above-mentioned section. This is our commitment to the City to control our costs and work more efficiently.

Therefore, factoring in only the requested 3.4% CPI increase the proposed new Total Contract Amount for the 2021/22 budget year would be \$6,155,094.45. I have included the below information for your review and approval.

	Year Five	CPI Increase	Year Six & Seven
	2019/2020	Average 2019/20	20/21 21/22
Labor Costs	\$2,889,890.96	3.4%	\$2,988,147.25
Parts and Supplies	\$1,815,527.54	3.4%	\$1,877,255.48
Overhead Expenses	\$221,588.05	3.4%	\$229,122.04
Outside Services	\$457,212.28	3.4%	\$472,757.50
Admin Expenses	\$568,483.73	3.4%	\$587,812.18
Annual Costs	\$5,952,702.56	3.4%	\$6,155,094.45
Annual Change in Fleet Size Cost Adjustment			\$0.00
Annual Contract Amount			\$6,155,094.45

CPI Index

Motor Vehicle Maintenance and Repair

Consumer Price Index - All Urban Consumers

12-Month Percent Change

Series Id: CUUR0000SETD,CUUS0000SETD
Not Seasonally Adjusted
Area: U.S. city average
Item: Motor vehicle maintenance and repair
Base Period: 1982-84=100
Years: 2010 to 2020

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2010	1.9	1.8	1.9	1.9	2	2	1.9	2	1.9	1.8	1.8	1.9
2011	2.1	2	1.7	1.7	2	2	2.1	2	2.4	2.4	2.3	2.2
2012	2.3	2.4	2.3	2	2	2	1.8	1.7	1.1	1.1	1.3	1.3
2013	1.3	1.3	1.4	1.5	1.4	1.4	1.9	1.9	1.9	1.7	1.5	1.6
2014	1.5	1.6	1.5	1.6	1.5	1.6	1.5	1.4	1.6	1.9	2.1	2.1
2015	2	1.7	1.8	2.1	2.2	2	1.8	1.8	1.4	1.4	1.4	1.6
2016	1.6	1.5	1.9	1.8	1.7	1.7	1.8	1.9	1.6	1.4	1.9	1.8
2017	2.4	2.5	2.1	1.9	1.8	1.4	1.3	1.7	2.5	2.8	1.9	1.8
2018	1.4	1.5	1.5	1.5	1.6	2.3	2.3	2.3	2.2	2	2.7	2.3
2019	2.6	2.8	3.7	3.8	3.4	3.5	3.3	3.8	3.5	3.4	3.2	3.4
2020	3.2	3.5	3.4	3.1	3.7	3.4						

Proposed Non-Contract Budgets:

Additionally, the proposed Non-Contract budget for Year (5) five, (6) six and (7) seven is below:

Year (6) four Non-Contract Budget: \$866,257

Year (7) five Non-Contract Budget: \$866,257

We hope you will agree that this request more than fairly addresses the needs of the City as well as the needs of FVS to enable us to continue to provide the safe, reliable and cost-effective service that you, your staff and the City of Fort Lauderdale expects and deserves. We appreciate your business and look forward to working in partnership with you and the City of Fort Lauderdale for many years to come. Please feel free to call me directly with any questions that you may have.

Best regards,

A handwritten signature in black ink, appearing to read "George Cavelle". The signature is fluid and cursive, with the first name "George" and last name "Cavelle" clearly distinguishable.

George Cavelle
Regional Vice President
First Vehicle Services