

Memo

First Vehicle Services

November 14, 2023

Ms. Takiyah A Douse
Director Central Services Director
Augusta GA 30906

Dear Ms. Douse

This is the time of year most of our customers are working on their budgets and planning for the upcoming budget year. With that understanding we would request Augusta Richmond GA consider the contract extension option in the contract outlined in Section One Article One below. Therefore, by mutual agreement FVS would like to extend the contract from January 1, 2024, through December 31, 2024.

- 1. AGREEMENT TERM AND TERMINATION:** The duration of the Agreement will be from February 1, 2019, to December 31, 2021, for a period of 35 months. Further this agreement may be renewed, expanded and extended by mutual agreement in annual increments, provided that the funds for subject Agreement are available and an operating budget is approved by the Augusta Commission and that the Contractor has established a satisfactory record of performance.

In addition, Section 13 of the contract allows for a budget increase based on the CPI. The Current 12 month CPI is 7.78%. We are proposing a 6% increase on labor, parts, overheads, and fees to help bring us back up to budget with increased labor and parts costs and assist the County's budget as well. Additionally, we would like to increase the N/C labor rate from the current \$26.00 and \$48.00 to \$30.00 and \$50.00 respectfully.

This increase would raise the current budget by \$184,061 for a total of \$3,251,745 annually.

- 13. Annual Adjustments:** The Contract base cost, approved budget, including the Contractors fee may be adjusted for any subsequent years of the Contract in accordance with the Annual Meeting. During the Annual Meeting between the Government and the Contractor, the Contractors performance will be reviewed. The Government will present a report card that includes the Government's assessment of Contractor performance in the areas of fleet maintenance, operations, cost/performance, Contract incentives, and other issues. The meeting shall also include a review of the Contractors cost of doing business. Escalation of the approved budget for the ensuing year shall not exceed the Bureau of Labor Statistics - Consumer Price Index (CPI) for urban consumers in the Transportation Category for Atlanta, Georgia for the most current year reporting period. Changes to the Contract resulting from the annual meeting shall be documented in an Agreement Amendment, subject to approval by the Augusta Commission.

Thank you for taking this proposal into consideration.

We look forward to continuing our partnership with the City/County Government.

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If you have any questions, I can be reached any time at 281-932-5481, or email me at toddjohnson@firstgroup.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'Todd Johnson', with a long horizontal flourish extending to the right.

Todd Johnson

Region Vice President
First Vehicle Services