

# TRAILCO OF I-49, LLC

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March 3, 2022

Lincoln Parish Police Jury  
P.O. Box 979  
Ruston, LA 71273

To whom it my concern:

I would like to withdraw my original bid for furnishing two (2) new transfer refuse trailers, per the reasons stated on the Travis Body & Trailer letter dated February 24, 2022.

Trailco of I-49



February 24, 2022

ATTN: Travis Body & Trailer Dealers & Customers

Since the fall of 2020 we have been experiencing many challenges related to production of trailers and we have done our best to try to keep you all updated on these challenges. From labor shortages to supply chain and pricing inconsistencies, it has been a very difficult path to navigate. We do feel fortunate to currently be in a better place with labor, but with supply chain delays and cost continuing to rise, we are still trying to maintain any level of profitability we possibly can.

We have seen significant price increases in all areas with many of them being 25% and more from our major supplies, down to our incidental suppliers. However, nothing has increased the way aluminum has and is continuing to rise. Recently, the Russia and Ukraine conflict has caused uncertainty in the aluminum market (Russia produces 15-20% of the world's aluminum) and has caused the pricing to continuously rise over the last 30+ days. After the invasion this week, we have now seen a dramatic spike to **\$1.97/pound**. Below is pricing from other moments in time for comparison:

- May 2020 - \$0.75/pound up 162% vs. Today
- February 2021 - \$1.10/pound up 79% vs. Today
- January 2022 - \$1.69/pound up 17% vs. Today
- February 1st 2022 - \$1.75/pound up 13% vs. Today
  - o **That is correct, 13% increase just this month.**

Over the last year and a half, we have only increased our price by 5% and added surcharges up to 10% (12.5% on bottom dumps), but as you can see, we are not even covering our increase in aluminum cost let alone everything else. In an attempt to try to make up some of these cost increases we must add an additional surcharge. Therefore, all currently scheduled starts occurring on or after March 22, 2022 will incur an additional 10% surcharge. Additionally, starting Monday February 28, this newest surcharge will also be included on all new orders, bringing the total surcharge to pricing to 20% (22.5% on bottom dumps).

We understand that production has been delayed causing pricing impacts to trailers that were already scheduled to be delivered, unfortunately there is not anything we can do to address those issues. We are experiencing the same challenges - our materials, especially aluminum, have been delivered late and our vendors are not honoring the original pricing given to us. We are unable to absorb these increases.

As much as we need to implement this surcharge immediately, we have delayed until March 22, 2022 starts to give you all a little time to communicate this with your customers to determine how they would like to proceed. Any potential cancellations need to be communicated to your Travis Representative as quickly as possible. Given the short timeframe of this notice, we will forgo the normal notification of cancellation 'minimum of 2 weeks before start' until after March 22, 2022. We will be sending out updated schedules to inform every one of which trailers will be impacted and the new price associated.

Activity from you all has been fantastic the last 1 1/2 years and we are very fortunate to have the dealer base we have, which makes these decisions even more difficult. As individuals, we are all seeing the pain at the pump, grocery stores, restaurants, and every other aspect of everyday life. Unfortunately we are not immune to this in the manufacturing industry either.

Thank you all for everything you do and let's hope that the challenges subside and we can return to some sense of normalcy.

David Brown  
General Manager  
Travis Body & Trailer

Jeff Schopmeyer  
Director – Sales & Marketing  
Travis Body & Trailer

DATE	S/N	DEALER	QUOTE #	CHANGE ORDER	CUSTOMER	MODEL	TYPE	LENGTH	ESTIMATED COMPLETION WEEK OF
Apr-11-Mon	15732	Trailco			LINCOLN PARISH P.J./TR11556	WF	WALKING FLOOR / TRANSFER TRAILER	48	May-11-Wed
Apr-25-Mon	15733	Trailco			LINCOLN PARISH P.J./TR11556	WF	WALKING FLOOR / TRANSFER TRAILER	48	May-25-Wed

2022 HWY Purchases

Authorize Actions For Equipment Acquisition

1. Two (2) John Deere Utility Tractors - State Contract (\$118,356.80)
2. Attachments for Tractors - Two (2) Side Mount Rotary Mowers - State Contract - (\$81,619)
3. One (1) Commercial Ztrak Diesel Lawn Mower - State Contract (\$14,535.21)
4. Broom Tractor
5. Soil Stabilizer/Recycler
6. 8 Yard Dump Truck
7. Warren EAC-2420 Sand Spreader - Purchase Order (\$11,100)

2022 Landfill Purchases

Authorize Actions For Equipment Acquisition

1. Front End Loader
2. Boom Truck
3. 8yd Refuse Containers - Purchase Order
4. Two (2) New Transfer Refuse Trailers - \$175,650 estimate

Sand Truck Information:

Dump truck specified with Warren 6/8 yard dump and set up to operate the Warren EAC-2420 spreader. Budget figure of **\$102,000.00**.  
The budget figure for the EAC-2420 spreader only is **\$11,100.00**.