

CONTRACTUALLY CALCULATED RATE ADJUSTMENT

Base Fee adjustment formula as shown in Appendix E.3

ABF = Adjusted Base Fee

E = ECI for Total Compensation for Civilian Workers, Not Seasonally Adjusted (Employment Cost Index) reported as a percentage for the first quarter of the year for which an ABF is being calculated as published by U.S. Department of Labor, Bureau of Labor Statistics in the Detailed Report Series Id: CIU101000000000A.

C_o = Consumer Price Index for all urban consumers as published by U.S. Department of Labor, Bureau of Labor Statistics in the CPI Detailed Report Series Id: CUUR0000SA0 for the month that is eighteen (18) months prior to the beginning of the period for which an ABF is being calculated, which is the month of March.

C = Consumer Price Index for all urban consumers as published by U.S. Department of Labor, Bureau of Labor Statistics in the CPI Detailed Report Series Id: CUUR0000SA0 for the month that is six (6) months prior to the beginning of the period for which an Adjusted Base Fee is being calculated, which is the month of March.

ABF = Adjusted Base Fee

ABF = BF x AF

BF = Base Fee

AF = Adjustment Factor as determined by the formula:

$$AF = [(E)0.50 + ((C-C_o)/C_o)0.50] + 1.02$$

$$E = 4.50\%, \quad C = 287.504, \quad C_o = 264.877$$

$$AF = [(4.5\%)0.50 + ((287.504-264.877)/264.877)0.50] + 1.02$$

$$AF = [(.045*.5) + (.0854*.5)] + 1.02$$

$$AF = 1.0852 \text{ shown as an } \underline{8.52\%} \text{ increase}$$

DEFAULT INCREASE OF 8.52%

Contractual Default Fee Calculation

FY21-22 Base Fee = \$669,872.00

Amount of Base Fee Increase = \$669,872.00 x 0.0852 = \$57,073.09

ABF = \$669,872.00 x 1.0852 = \$726,945.09

✓ ABF = \$669,872.00 + \$57,073.09 = \$726,945.09

Operational Fee (OF) Calculation

OF = ABF + Sludge Hauling + Chemicals + FOG

✓ OF = \$726,945.09 + \$87,000 + \$79,400 + \$9,318 = **\$902,663.09**

NEGOTIATED AND PROPOSED INCREASE OF 3.50%

Negotiated Fee Calculation

FY21-22 Base Fee = \$669,872.00

Amount of Base Fee Increase = \$669,872.00 x 0.0350 = \$23,445.52

ABF = \$669,872.00 x 1.035 = \$693,317.52

✓ ABF = \$669,872.00 + \$23,445.52 = \$693,317.52

Operational Fee (OF) Calculation

OF = ABF + Sludge Hauling + Chemicals + FOG

✓ OF = \$693,317.52 + \$98,000 + \$134,000 + \$9,318 = **\$934,635.52**

OF Cost Savings: 8.52%OF – 3.50%OF = \$934,635.52 - \$902,663.09 = \$31,972.43

Supporting Documentation for (E) Employment Cost Index and (CPI) Consumer Price Index:

<http://data.bls.gov/timeseries/CIU1010000000000A>

Data extracted on: January 11, 2023 (3:24:24 PM)

Employment Cost Index

Series Id: CIU1010000000000A (B,C)

Not seasonally adjusted

Series Title: Total compensation for All Civilian workers in All industries and occupations, 12-month percent change

Ownership: Civilian workers

Component: Total compensation

Occupation: All workers

Industry: All workers

Subcategory: All workers

Area: United States (National)

Periodicity: 12-month percent change

Year	Qtr1	Qtr2	Qtr3	Qtr4
2012	1.9	1.7	1.9	1.9
2013	1.9	1.9	1.9	2.0
2014	1.8	2.0	2.2	2.2
2015	2.6	2.0	2.0	2.0
2016	1.9	2.3	2.3	2.2
2017	2.4	2.4	2.5	2.6
2018	2.7	2.8	2.8	2.9
2019	2.8	2.7	2.8	2.7
2020	2.8	2.7	2.4	2.5
2021	2.6	2.9	3.7	4.0
2022	4.5	5.1	5.0	

B : Includes wages, salaries, and employer costs for employee benefits.

C : See Footnote C on www.bls.gov/ect/cimapnote.htm.

http://data.bls.gov/timeseries/cuur0000sa0?series_id=cwur0000sa0

Data extracted on: January 11, 2023 (3:24:39 PM)

Consumer Price Index - All Urban Consumers

Series Id: CUUR0000SA0

Not Seasonally Adjusted

Area: U.S. city average

Item: All items

Base Period: 1982-84=100

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2012	226.665	227.663	229.392	230.085	229.815	229.478	229.104	230.379	231.407	231.317	230.221	229.601
2013	230.280	232.166	232.773	232.531	232.945	233.504	233.596	233.877	234.149	233.546	233.069	233.049
2014	233.916	234.781	236.293	237.072	237.900	238.343	238.250	237.852	238.031	237.433	236.151	234.812
2015	233.707	234.722	236.119	236.599	237.805	238.638	238.654	238.316	237.945	237.838	237.336	236.525
2016	236.916	237.111	238.132	239.261	240.229	241.018	240.628	240.849	241.428	241.729	241.353	241.432
2017	242.839	243.603	243.801	244.524	244.733	244.955	244.786	245.519	246.819	246.663	246.669	246.524
2018	247.867	248.991	249.554	250.546	251.588	251.989	252.006	252.146	252.439	252.885	252.038	251.233
2019	251.712	252.776	254.202	255.548	256.092	256.143	256.571	256.558	256.759	257.346	257.208	256.974
2020	257.971	258.678	258.115	256.389	256.394	257.797	259.101	259.918	260.280	260.388	260.229	260.474
2021	261.582	263.014	264.877	267.054	269.195	271.696	273.003	273.567	274.310	276.589	277.948	278.802
2022	281.148	283.716	287.504	289.109	292.296	296.311	296.276	296.171	296.808	298.012	297.711	

Below is a table summarizing the proposed base fee from Jacobs/CH2MHILL/OMI:

2021-2022 Base Fee		669,872.00
Sludge Hauling		87,000.00
Chemicals		79,400.00
FOG Program		9,318.00
2020-2021 Total Fee		845,590.00
Adj Rate (not applied to rebateables/FOG)	3.50%	23,445.52
2022-2023 Base Fee		693,317.52
Sludge Hauling		98,000.00
Chemicals		134,000.00
FOG Program		9,318.00
2022-2023 Base Fee		934,635.52
2022-2023 Total Fee (Rounded)		934,636.00
