

DEPARTMENTAL REQUEST FOR BUDGET ACTION

[illegible]

3) Reevaluate the VEU cost. This cost was lower than expected because the VEU values were high:

Answer- Aside from reduction to a part-time clerk/admin, we are also able to remove parts from transit vehicles no longer being in scope.

Vector Fleet Management lowered the annual cost by the following:

- Year 1- Reduced by (\$61,005.91)
- Year 2- Reduced by (\$62,531.05)
- Year 3-Reduced by (\$64,094.32)
- 3-Year Total Reduction- (\$187,631.28)
- Parts Cost Reduced by (\$34,424)
- Reduced Parts Markup (1.5%)
- Total VEU Count Reduced by (466.8)

Reduction of our Non-Target parts mark-up from our proposed amount of 10% to 8.5%.

DIX D COST PROPOSAL FORMS		TARGET COST PROPOSAL				
Vendor: Vector Fleet Management		Year One	Year Two	Year Three	3 Yr Total	
Wages and Salari	<i>First Year</i> $662,340.00 \div 12 =$ <i>Monthly</i> $55,195.000 \times$ $55,195.000 \times$	\$ 70,351	\$ 72,109	\$ 73,912	\$ 216,372	
	Administrative	\$ 130,651	\$ 133,917	\$ 137,265	\$ 401,833	
		\$ -	\$ -	\$ -	\$ -	
		\$ -	\$ -	\$ -	\$ -	
		\$ 201,002	\$ 206,027	\$ 211,177	\$ 618,205	
Fringe Benefits	$3.0 =$ <i>Apr-June</i> $165,585.000 \times$ $165,585.000 +$ <i>start up</i> $17,250.000 +$	\$ 30,150	\$ 30,904	\$ 31,677	\$ 92,731	
	Administrative	\$ 55,993	\$ 57,393	\$ 58,828	\$ 172,214	
		\$ -	\$ -	\$ -	\$ -	
		\$ -	\$ -	\$ -	\$ -	
		\$ 86,144	\$ 88,297	\$ 90,505	\$ 264,945	
Parts & Supplies	002	\$ 207,576	\$ 212,765	\$ 218,085	\$ 638,426	
Subcontractor Sen	182,835.000 *	\$ 40,000	\$ 41,000	\$ 42,025	\$ 123,025	
Overhead	182,835.000 +	\$ 77,943	\$ 79,892	\$ 81,889	\$ 239,724	
Corp. & Admin. Fee	<i>Unknown</i> $17,165.000 +$ 002	\$ 49,676	\$ 50,918	\$ 52,191	\$ 152,785	
	200,000.000 *	\$ 662,340.01	\$ 678,898.51	\$ 695,870.98	\$ 2,037,109.51	

Notes:

1. Provide age, as required.
2. Explain changes from year-to-year on a separate page, as required.
3. Provide number or personnel in each staffing category for wages, salaries and fringe benefits

Management and Administrative	1.5
Mechanics	2.5
Parts Personnel	
Other Personnel	

Question 3 Cont'd:

Answer- Vector Fleet Management was able to lower several cost components once the Transit vehicles were removed.

- Annual associated cost reduced by (\$27,453)
- Regular Time Labor rate reduced by (\$6.27/hour)

NON TARGET COST PROPOSAL			
Total Target Cost for Year 1	\$676,142		
Number of mechanics (does not have to be a whole number)	2.5		
Expected annual direct labor hours per mechanic (for example, 1500)	1750		
Total labor hours	4375	calculation	
% of business activity expected to be associated with shop labor (i.e. not parts, fuel, or subcontractors)	45%		
Annual associated cost (% x target budget)	\$304,264	calculation	
Regular time labor rate	\$69.55	calculation	← See Proposal narrative
% of business activity expected to be associated with parts management	10%		
Annual associated cost (% x target budget)	\$67,614	calculation	
Estimated annual parts cost (based on target budget, VEUs and contractor experience)	\$207,576		
Estimated markup on parts	8.5%	calculation	
% of business activity expected to be associated with management of subcontracted services	12%		
Annual associated cost (% x target budget)	\$81,137	calculation	
Estimated annual cost of subcontractor services (based on target budget, VEUs and contractor experience)	\$68,000		
Estimated markup on subcontracted services	5%	calculation	
% of business activity expected to be associated with fuel management services	3%		
Annual associated cost (% x target budget)	\$16,904	calculation	
Estimated annual fuel cost (based on County's 2022 budget)	\$1,727,197		
Estimated markup on fuel services	1.0%	calculation	← See Proposal narrative
% of business activity expected to be associated with fleet management services	30%		
Annual associated cost (% x target budget)	\$202,843	calculation	
Total VEUs (from Fleet List tab)	687.20		
Estimated annual fleet management fee per VEU	\$295.17	calculation	← See Proposal narrative
	100%	calculation (check of %s)	
TRANSITION COST PROPOSAL			
Item Description			
Staff training/payroll prior to contract start	\$10,500.00		
Safety materials	\$2,000.00		
Corporate travel for shop set-up/training	\$4,750.00		
Total	\$17,250.00		