



BATES TRUCKING & TRASH REMOVAL INC.

4305 48th Street ■ Bladensburg, Maryland 20710

Phone 301.773.2069 Fax 301.277.2050

www.batestrucking.com

February 14, 2022

Wade Yost, Town Manager
Town of Poolesville
19721 Beall St - P.O. Box 158
Poolesville, MD 20837

Dear Wade:

Bates Trucking appreciates the opportunity to partner with the Town of Poolesville to provide solid waste solutions for your residents. We believe our relationship has been beneficial and we look forward to continuing to serve the needs of the Town of Poolesville.

Please accept this letter as notification that Bates Trucking is requesting a CPI-U price adjustment of 5.8%. While our agreement with the Town does not outline CPI-U adjustments, due to the extreme price increases in Truck parts & Service, fuel, employment pay, insurance, etc... unfortunately, Bates must request this adjustment.

The increase is based on the Consumer Price Index (CPI-U) for the Mid-Atlantic Region for twelve months ending in November, 2021. (https://www.bls.gov/regions/mid-atlantic/dc_washington_md.htm)

The new pricing will be effective April 1, 2022. If you have any questions, please give me a call at 301-773-2069.

Sincerely,

Carolyn Mills-Matthews

Carolyn Mills-Matthews
Chief Administrative Officer
cmillsmatt@batestrucking.com

Memorandum

February 17, 2022

To: Commissioners of Poolesville

From: Wade Yost, Town Manager

RE: Bates CPI Adjustment

Attached is a 5.8% CPI-U adjustment request for the Bates refuse collection contract. I have gathered the following information to help guide the decision. The initial contract with Bates in 2017 was for \$19:00/household/month.

On February 1, 2021, the Commissioners voted to extend the contract until June 2023 and pay for 80% of the recycling disposal costs. With the 5.8% increase (\$27,450) the total expense increases to \$21:16/household or \$500,730/year

For comparative purposes, I have listed the 2017 bids without the actual bidder names.

- \$24.15/household or \$571,486/year
- \$25:00/household or \$591,600/year
- \$26.85/household or \$635,378/year
- \$28:47/household or \$673,714/year
- \$32.50/household or \$769,080/year

To further investigate, I surveyed the three 2017 lowest bidders. One went out of business; one did not respond and one responded below:

"You are correct to assume these prices in today's market are considerably off base. Unfortunately, our costs like almost every industry have increased significantly in the last 18 months or so. I would estimate that the price listed for 2017 would be in excess of \$36.00 per household per month. Keep in mind also that many companies such as ours would find it difficult to hire qualified people and obtain equipment required to provide service. I would be happy to discuss with you in more detail."