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Resources Responsibility Respect

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To: Mr. Peter Slote
From: R3 Consulting Group, Ric Hutchinson, Richard Tagore-Erwin
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Subject: Contractor Cost Factors

We have compiled cost data obtained from a number of California jurisdictions. This data was originally obtained by the jurisdictions for use in their rate adjustment process. The cost data was originally presented in the following categories.

Labor: All salary accounts.
All payroll tax accounts, health and welfare, payroll insurance and pension accounts directly related to the above salary accounts.

Fuel: All fuel accounts.

Vehicle Replacement:
All collection and collection related vehicle depreciation accounts.
All vehicle lease or rental accounts related to collection or collection related vehicles.

Vehicle Maintenance:
All collection or collection related vehicle parts accounts.

All Other: List all other expense accounts related to the services provided under this Agreement. This category includes, insurance including general liability, fire, truck damage, and extended coverage; rent on property, truck licenses and permits; real and personal property taxes; telephone and other utilities; employee uniforms; safety equipment; general yard repairs and maintenance;; office supplies; postage; trade association dues and subscription; advertising; disposal, processing and miscellaneous other expenses.

We have converted the cost data into percentages, showing each category as a percentage of the total and presented that data in the following table.

Summary Contractor Cost Data Used in Calculating Rate Adjustments in Local Jurisdictions						
Jurisdictions	Labor Costs	Fuel Costs	Vehicle Replacement Costs	Vehicle Maintenance Costs	Other Costs	Total Costs
1	39.50%	15.40%	15.80%	2.60%	26.70%	100.00%
2	58.06%	4.09%	6.49%	10.85%	20.53%	100.02%
3	46.57%	10.17%	7.54%	13.58%	22.14%	100.00%
4	43.40%	13.00%	9.00%	6.10%	28.50%	100.00%
5	46.55%	7.70%	10.10%	4.80%	30.85%	100.00%
6	38.69%	8.77%	3.81%	8.98%	39.75%	100.00%
7	66.67%	6.23%	10.15%	6.57%	10.38%	100.00%
8	27.80%	16.10%	4.80%	9.00%	42.30%	100.00%
9	50.93%	14.04%	6.58%	5.24%	23.21%	100.00%
10	57.87%	3.22%	5.71%	10.18%	23.03%	100.01%
11	46.69%	13.02%	14.00%	3.93%	22.36%	100.00%
12	42.52%	11.42%	14.19%	2.47%	29.40%	100.00%
13	33.87%	9.82%	13.84%	5.47%	37.00%	100.00%
14	64.90%	9.24%	3.66%	9.72%	12.48%	100.00%
15	56.88%	12.18%	6.87%	7.33%	16.75%	100.00%
16	37.31%	4.58%	2.84%	20.39%	34.88%	100.00%
Average	47.39%	9.94%	8.46%	7.95%	26.27%	
Median	46.56%	10.00%	7.21%	6.95%	24.96%	
Maximum	66.67%	16.10%	15.80%	20.39%	42.30%	
Minimum	27.80%	3.22%	2.84%	2.47%	10.38%	