COST/PRICE ANALYSIS AND PRICE REASONABLENESS DETERMINATION

Contract Number: _SSRSTS-2022__ Item Description City of Stoughton Shared Ride Services 2022-2023__

I hereby determine that the prices offered by Running, Inc. for the purchase of these products or services to be fair and reasonable based on the following analysis:

Check one or more which apply:

_____ Comparison of and based on current offers received for the same or similar services (complete matrix below).

_X___ Comparison of proposed pricing with pricing from recent purchases for the same or similar services, adjusted by the pertinent Consumer or Producer Price Index or Inflation Rate over the corresponding time period, if appropriate. This includes the same or similar services found on existing State or municipal contracts (identify contract pricing sources and attach supporting documentation).

____ Comparison of price components against current industry standards, such as labor rates, dollars per pound, dollars per square foot, etc., to justify the price reasonableness of the whole (attach the analysis which supports the conclusions drawn).

____ Comparison with published catalog prices or price lists, commercially advertised sales prices, or prices obtained through other market research (e.g., Internet-based, trade journals, etc.) for the same or similar item commercially available from competing suppliers (complete the matrix below and attach supporting quotes, catalog pages, price lists, advertisements, etc.).

__X__ Comparison of proposed pricing with an in-house independent cost estimate for the same or similar item (complete the matrix below, attach the signed in-house estimate, and explain factors influencing any differences found).

_____ The quoted price is from a regulated utility (identify the utility in the "Comments" section below).

_____ Other (e.g., verifiable sales information for the same or similar items sold to the supplier's other customers (discuss in the "Comments" section below and attach supplier's sales information).

SUMMARY MATRIX

Item	Proposed Pricing	Average Market Price	Offeror A	Offeror B	In-House Estimate	Other
Shared Ride Services	$36.59/hour Ave hours 10,246 Extended price $374,901				Current rate $32.50/hour CPI-U increase 8.3% Estimated rate = $32.50/hour Ave hours 20,246 Extended price $360,648	

Reason for the selection:

The 2023 adopted budget assumed an 8.3% CPI-U increase based upon the "all items" category for August 2022 versus 2021. However, since the vendor charges are based upon vehicle usage, fuel prices are a major component of any price increase. In looking at the CPI-U values for only the "motor fuel" category for October 2022 versus October 2021 is 18.1%. This equates to a 133% increase in "motor fuel" over "all prices." Given that the vendor proposed increase is about 50% more than the budgeted amount, the vendor proposed price increase is reasonable given the fuel price increases.

Supporting documents are attached. This analysis and determination will be filed in the Procurement History File.

David P. Ehlinger, CPA
Director of Finance/Comptroller
December 6, 2022

12/05/2022

BUDGET REPORT FOR STOUGHTON CITY
Calculations as of 09/30/2022

GL NUMBER	DESCRIPTION	2022 AMENDED BUDGET	2022 ACTIVITY THRU 09/30/22	2022 PROJECTED ACTIVITY	2023 DEPT REQ BUDGET	2023 Mayor Proposed	2023 Council Approved
ESTIMATED REVENUES							
290-53520-41110	PROPERTY TAX - OPERATIONS	$ 16,951.00	$ 16,951.00	$ 16,951.00	$ 10,658.00	$ 7,886.00	$ 7,886.00
290-53520-43537	TAXI GRANT	$ 212,057.00	$ 229,008.00	$ 229,008.00	$ 243,990.00	$ 246,762.00	$ 246,762.00
290-53520-46900	OTHER PUBLIC CHARGES FOR SERVICES	$ 104,000.00	$ 69,316.00	$ 104,000.00	$ 106,000.00	$ 106,000.00	$ 106,000.00
TOTAL ESTIMATED REVENUES		$ 333,008.00	$ 315,275.00	$ 349,959.00	$ 360,648.00	$ 360,648.00	$ 360,648.00
APPROPRIATIONS							
290-53520-50219	TAXI PROVIDER CHARGES	$ 333,008.00	$ 196,072.00	$ 333,008.00	$ 360,648.00	$ 360,648.00	$ 360,648.00
TOTAL APPROPRIATIONS		$ 333,008.00	$ 196,072.00	$ 333,008.00	$ 360,648.00	$ 360,648.00	$ 360,648.00
NET OF REVENUES/APPROPRIATIONS - FUND 290			$ 119,203.00	$ 16,951.00			
BEGINNING FUND BALANCE					$ 16,951.00	$ 16,951.00	$ 16,951.00
ENDING FUND BALANCE			$ 119,203.00	$ 16,951.00	$ 16,951.00	$ 16,951.00	$ 16,951.00

Commentary:

The 2023 budget assumed an 8.3% CPI increase based upon "all items" for August 2022 versus August 2021. However, since the vendor charges are per mile driven, fuel prices are a major component of any price increase. In looking at CPI values for only the "motor fuel" category for October 2022 versus October 2021 is 18.1%. This equates to 133% increase in motor fuel prices over all prices. Given that the vendor proposed increase is about 50% more than the budgeted amount, the vendor proposed price increase is reasonable given the fuel price increases. It is anticipated that the annual deficit for 2023 can be absorbed by the projected fund balance at 12-31-2022. DPE 12-05-2022

Current hourly rate		$ 32.50			$ 32.50		$ 32.50
CPI increase	8.30%				$ 2.70		$ 2.70
Budgeted rate		$ 32.50			$ 35.20		$ 35.20
Effective vendor increase	4.28%				$ -		$ 1.39
Vendor rate	12.58%	$ 32.50			$ 35.20		$ 36.59
Calculated hours		10,246.40			10,245.68	Average	10,246.00
Vendor rate for projected 10,246 hours							$ 374,901.00
Less budgeted value							$ (360,648.00)
Projected variance							$ 14,253.00

CPI for All Urban Consumers (CPI-U)
Original Data Value

Series Id: CUUR0000SETB

Not Seasonally Adjusted

Series Title: Motor fuel in U.S. city average, all urban consumers, not seasonally adjusted

Area: U.S. city average

Item: Motor fuel

Base Period: 1982-84=100

Years: 2012 to 2022

44.5%	26.2%	18.8%	18.1% Increase 2022 v 2021

Increase over "all items" CPI value 133.1%

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	HALF1	HALF2
2012	292.236	306.348	330.834	336.673	324.589	304.697	296.502	317.798	330.923	324.131	299.777	287.408	315.896	309.423
2013	288.108	316.580	320.739	309.048	311.326	313.058	311.757	310.351	306.547	291.812	282.423	284.445	309.810	297.889
2014	288.268	291.512	306.059	316.782	318.840	319.692	314.901	302.101	295.716	277.290	252.897	225.165	306.859	278.012
2015	186.763	196.272	216.691	216.595	239.141	245.147	244.584	231.305	208.121	199.996	191.680	180.452	216.768	209.356
2016	172.378	155.361	171.050	186.428	198.667	207.389	196.053	190.209	194.660	198.212	193.432	196.831	181.879	194.900
2017	207.280	202.912	205.155	213.288	210.313	206.760	202.051	209.881	232.076	219.640	225.322	217.972	207.618	217.824
2018	225.030	228.666	228.068	242.056	256.175	257.041	253.424	252.546	253.432	255.126	236.934	213.838	239.506	244.217
2019	202.818	208.242	226.616	249.550	255.584	243.163	245.042	234.746	232.658	236.346	233.851	230.189	230.996	235.472
2020	228.343	219.677	203.512	170.378	169.882	186.494	195.317	195.352	196.756	193.647	188.544	194.996	196.381	194.102
2021	208.387	222.667	248.681	253.648	264.135	269.983	276.650	278.461	279.367	289.665	297.841	291.510	244.584	285.582
2022	291.767	307.422	368.440	365.314	393.950	432.585	399.682	351.315	331.772	341.954			359.913	

CPI for All Urban Consumers (CPI-U)
Original Data Value

Series Id: CUUR0000SA0
Not Seasonally Adjusted
Series Title: All items in U.S. city average, all urban consumers, not seasonally adjusted
Area: U.S. city average
Item: All items
Base Period: 1982-84=100
Years: 2012 to 2022

8.5%	8.3%	8.2%	7.7%	Increase 2022 v 2021

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	HALF1	HALF2
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	228.850	230.338
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	232.366	233.548
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	236.384	237.088
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	236.265	237.769
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	238.778	241.237
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	244.076	246.163
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	250.089	252.125
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	254.412	256.903
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	257.557	260.065
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	266.236	275.703
2022	281.148	283.716	287.504	289.109	292.296	296.311	296.276	296.171	296.808	298.012			288.347	

Running, Inc.
318 W. Decker St.
Viroqua, WI 54665
(608) 637-2599
admin@runninginc.net

Invoice

BILL TO
City of Stoughton
207 S. Forrest St.
Stoughton, WI 53589

INVOICE # 26918
DATE 11/03/2022

DATE	ACCOUNT SUMMARY	AMOUNT
10/05/2022	Balance Forward	19,483.35
	Other payments and credits after 10/05/2022 through 11/02/2022	-19,483.35
11/03/2022	Other invoices from this date	0.00
	New charges (details below)	19,851.53
	Total Amount Due	19,851.53

HOURS	SERVICE	DESCRIPTION	RATE	AMOUNT
941.97	**Shared Ride Service**	Shared Ride Taxi Service- October 2022	32.50	30,614.03
	Fare Revenue	Less Monthly Revenue- October 2022		-10,762.50

Please remit pymt with invoice # & service city to:
Running, Inc
DBA Stoughton Transit
318 W Decker St.
Viroqua, WI 54665

TOTAL OF NEW CHARGES	19,851.53
BALANCE DUE	**$19,851.53**

(City of Stoughton Shared Ride Services)

INDEPENDENT COST ESTIMATE – Be sure to provide at least three estimates!

Purchase Request Number	Item Description/Project Name	Delivery/Completion Date
SSRTS-2022	Shared Ride Services 2022	01/01/2023
Name/Signature of Preparer	Total Estimated Price/Cost	Date of Estimate
David P. Ehlinger, CPA Director of Finance/Comptroller	$360,648 – year one $1,856,000 – five-year total	10-12-2022

Method. The above estimate has been developed as follows (check all that apply):

____ Published catalog or price list (attach pertinent catalog or price list pages).

X Recent prices for the same or similar item/service (identify contracts, purchase orders, sources, and additional helpful information (e.g. dates of award), and **attach any pertinent documents)**

____ In-house engineering or technical estimate

____ Independent Third-Party estimate. Attach estimate and who the estimate is provided by

____ Other (specify):

X If appropriate, the estimates/prices herein have been made current by adjusting for inflation using the following Producer or Consumer Price Index **(attach line item number and date)**

Cost Estimate Details. Details for the estimated price/cost identified are shown below.

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): U.S. city average, by expenditure category, August 2022

[1982-84=100, unless otherwise noted]

Expenditure category	Relative importance Jul. 2022	Unadjusted indexes			Unadjusted percent change		Seasonally adjusted percent change		
		Aug. 2021	Jul. 2022	Aug. 2022	Aug. 2021-Aug. 2022	Jul. 2022-Aug. 2022	May 2022-Jun. 2022	Jun. 2022-Jul. 2022	Jul. 2022-Aug. 2022
All items	100.000	273.567	296.276	296.171	8.3	0.0	1.3	0.0	0.1
Food	13.527	279.135	308.532	310.875	11.4	0.8	1.0	1.1	0.8

2022 Adopted budget		333,008
August 2022 CPI index	8.30%	27,640
2023 Proposed budget		360,648

APPENDIX B – INDEPENDENT COST ESTIMATE

Instructions for Use

1. Use this template for developing independent cost estimates (ICE) for formal solicitations. The ICE must be signed and dated. The ICE and any supporting documentation must be filed in its appropriate place in the Procurement History File.

2. Purchase Request Number – If applicable, insert Purchase Request identifier.

3. Item Description/Project Name – Enter a brief description of the item or service to be purchased.

4. Delivery/Completion Date – Enter the date that the item or service must be delivered or completed.

5. Preparer's Name and Signature – Print and sign if you are the developer of the ICE.

6. Total Estimated Price/Cost – Enter the procurement's total anticipated price or cost. Include option years, if applicable.

7. Date of Estimate – Enter the date that the ICE was developed.

8. Method – Check all of the listed methods which were used in developing the current ICE and attach any supporting documents such as catalog or Internet-based search pages, etc.

9. Cost Estimate Details – When you anticipate that cost analysis will be necessary in order to determine the procurement's "price reasonableness" prior to award and in developing cost estimates using cost groupings (elements) such as Materials, Overhead, SG&A (Selling, General, and Administrative expenses), refer to the cost principles set forth in Federal Acquisition Regulation (FAR) Part 31, Contract Cost Principles and Procedures).

A

Product	Unit Cost Delivered	Notes / Data Source

B

Item / Task:					
Product	Other Direct Costs	Labor Cost per Hour	Total Hours	Total	Notes

NOTE: For complex projects or tasks, attach additional supporting documentation, as appropriate

QUOTE ATTACHMENTS (Be sure to include dates and do not get quotes from vendors you want to solicit to):

BUDGET REPORT FOR STOUGHTON CITY
Fund: 290 SHARED RIDE SERVICES

Calculations as of 09/30/2022

GL NUMBER	DESCRIPTION	2021 ACTIVITY	2022 AMENDED BUDGET	2022 ACTIVITY THRU 09/30/22	2022 PROJECTED ACTIVITY	2023 DEPT REQ BUDGET	2023 MAYOR PROPOSED BUDGET
ESTIMATED REVENUES							
290-53520-41110	PROPERTY TAX - OPERATIONS		16,951	16,951	16,951	10,658	7,886
290-53520-43537	TAXI GRANT		212,057	229,008	229,008	243,990	246,762
290-53520-46900	OTHER PUBLIC CHARGES FOR SERVICES		104,000	69,316	104,000	106,000	106,000
TOTAL ESTIMATED REVENUES			333,008	315,275	349,959	360,648	360,648
APPROPRIATIONS							
290-53520-50219	TAXI PROVIDER CHARGES		333,008	196,072	333,008	360,648	360,648
TOTAL APPROPRIATIONS			333,008	196,072	333,008	360,648	360,648
NET OF REVENUES/APPROPRIATIONS - FUND 290				119,203	16,951		

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): U.S. city average, by expenditure category, August 2022

[1982-84=100, unless otherwise noted]

Expenditure category	Relative importance Jul. 2022	Unadjusted indexes			Unadjusted percent change		Seasonally adjusted percent change		
		Aug. 2021	Jul. 2022	Aug. 2022	Aug. 2021-Aug. 2022	Jul. 2022-Aug. 2022	May 2022-Jun. 2022	Jun. 2022-Jul. 2022	Jul. 2022-Aug. 2022
All items	100.000	273.567	296.276	296.171	8.3	0.0	1.3	0.0	0.1
Food	13.527	279.135	308.532	310.875	11.4	0.8	1.0	1.1	0.8

2022 Adopted budget		333,008
August 2022 CPI index	8.30%	27,640
2023 Proposed budget		360,648