



PROGRESSIVE SOLUTIONS LLC

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May 1, 2013

FWC Invasive Plant Management
Attn: Linda King
3900 Commonwealth Blvd, MS 705
Tallahassee, FL 32399-3000

FWC 09/10-74 RENEWAL TERM 1 APPROVED
RENEWAL TERM 1 VALID: 8/31/2013-8/30/2014
RENEWAL TERM 1 PRICES: 5% INCREASE ON
INITIAL AWARDED RATES IN ALL LABOR &
EQUIP.

RE: FWC RFP 9/10-74

Progressive Solutions would like to request the attached rate increase for renewal of FWC 9/10-74 Approved Applicator List. Additionally, we would like to remove certain items from or "additional equipment" rate sheet. The amended rate sheet is also attached for both specialized equipment and the standard contract rate sheet are attached.

As is evident from our synopsis below we anticipate a significant increase in our labor cost, well above the 6.9% cumulative CPI over the past three years. We are projecting an increase ranging from 14.2% to 38.6% in labor and management cost. Due primarily to the increased cost of fuel and oil, our equipment cost are also have risen significantly, although not as much as our labor. Therefore, we would like to ask for a **5% increase in all labor and equipment rates.**

Labor Increase Request.

The two most notable factors that will be affecting our future labor cost are 1) the Patient Protection and Affordable Care Act and 2) Regulations set forth by the Department of Labor in regards to H2B workers, which many in our industry depend upon.

We anticipate the Patient Protection and Affordable Care Act, will increase our cost approximately \$7,500 per American worker on an annual basis. With a 9-10 month spray season we estimate our increase to be approximately \$6.00 per billable labor hour. Our cost estimates are based in part on studies done by the City of Wilmington Delaware, whose estimate is between \$7,500 and \$17,000 per worker. As you can see we have utilized the lower number.

The second largest factor in the labor increase affects our H-2B workers. We are obligated to pay the prevailing wage to our workers as determined by the Department of Labor. The effective wage rate last year including overtime has risen close to \$14.00 per hour. That is compounded by our insurance and tax burden which has also increased.

In addition to the mandated costs, the larger increase has been due to changes in the H-2B program and a significant rise in fees and administrative costs. As part of the program, we now pay transportation to and from the worker's foreign residence as well as subsistence pay and housing costs in Mexico (the



visa process has become multi-day at the consulate). Additionally, due to program changes and our intent to be fully compliant, we spend several hundred thousand dollars annually just on legal expenses. The total cost of administering the program last year was \$1,045,174.00.

I know that sounds like a staggering amount, but it is what it takes to secure a reliable labor force and maintain the production necessary to be competitive in the market place. I can provide you additional information if necessary, but some of the specific numbers are considered confidential and proprietary.

Equipment Rate Increase

In July 2010 diesel fuel was \$2.90 per gallon and gasoline was \$2.77 per gallon, a marginal difference of +-5%. In April of 2013 diesel fuel is \$3.94 per gallon and gasoline is \$3.54 per gallon, a marginal difference of +-11%, and a cost increase of 36% and 27%, respectively. Additionally, oil was at \$70.00 per barrel and has risen to \$94.00 per barrel and analysts are predicting an increase to \$109 per barrel.

The above increases have increased the fixed operating cost of our equipment and our trucks. Our equipment takes the same amount of fuel to operate as it did when the contract was originally written. Furthermore the cost of purchasing the equipment has risen also. For example, in 2010 a GMC 2500 listed for \$30,550 this same truck in 2013 is \$39,280, a marginal increase of +-28%.

Lastly, many of the products we use are made using petroleum, for example plastics used in the manufacture of back pack sprayers, ARC GIS equipment, trailers, etc.... The increase in the cost of oil affects the cost to us, the end user. Also, the transportation cost of these and all items has increased. When equipment has to be transported via tractor trailer to a job site those cost have increased.

Thank you for your time and consideration. If you have any questions please feel free to contact me at 706-741-4073 or via email at wmoye@progressivedolutions.net.

Respectfully submitted by

William H. Moye

William H. Moye
Progressive Solutions



FWC 09/10-74

ATTACHMENT A

RATE SHEETS

CONTRACTOR NAME

REGION All

A. CHEMICAL CONTROL

- | | |
|--------------------------------------|----------------------|
| 1. Ground Supervisor's Hourly Rate | \$ <u>44.36</u> /HR. |
| 2. a. Crew Member Hourly Rate | \$ <u>21.79</u> /HR. |
| b. Estimated Crew Size of 6 X 2.a. = | \$ <u>130.74</u> |

B. MECHANICAL CONTROL

- | | |
|--|----------------------|
| 1. Equipment Operator's Hourly Rate (EOHR) | \$ <u>40.43</u> /HR. |
| 2. Equipment | |
| a. The prices given for the following equipment shall not include the cost of an equipment operator. When any of these pieces of equipment is used, the selected contractor may charge the EOHR (see B.1. above) for the equipment operator in addition to the equipment cost. | |

<u>UNIT</u>	<u>PRICE</u>
Tracked 5' Mowing Deck	\$ <u>138.86</u> HR.
Roller Chopper (6' wide; 5' diameter)	\$ <u>132.83</u> HR.
D-6 Bull Dozer (root rake, blade)	\$ <u>96.60</u> HR.
Gyrotrac GT25	\$ <u>271.69</u> HR.
D-5 Front end loader (root rake, 2 1/2 yd. bucket)	\$ <u>54.38</u> HR.
Feller/Buncher (200 hp min. with disk saw for 20-22' trees)	\$ <u>217.35</u> HR.
John Deere 648 Skidder or equivalent	\$ <u>271.69</u> HR.
24" Diameter 400 hp Whole Tree Chipper	\$ <u>513.19</u> HR.
Tub Grinder (400 hp)	\$ <u>483.00</u> HR.
"Hydro-Ax" Mower or equivalent	\$ <u>332.06</u> HR.
"Brontosaurus" Mower or equivalent	\$ <u>350.18</u> HR.
20-40 HP Tractor	\$ <u>27.83</u> HR.

- b. The prices given for the following equipment shall not include the cost of an operator. When any of these pieces of equipment are used, the selected contractor shall charge the crew member hourly rate for the equipment operator in addition to the equipment cost (**EOHR may not be charged**).

<u>UNIT</u>	<u>PRICE</u>
12" Diameter Diesel Chipper	\$ <u>114.71</u> HR.
Airboat (12-18')	\$ <u>25.20</u> HR.
12-24 ' Skiff with Outboard motor	\$ <u>10.50</u> HR.
Truck Mounted Spray Tank	\$ <u>6.04</u> HR.
All Terrain Vehicle (ATV) (Includes 4 or 6 WD, Agro)	\$ <u>5.55</u> HR.
Swamp Buggy	\$ _____ HR.
Water Delivery Truck	\$ <u>26.25</u> HR.
300-350 Gallon Nurse Water Tank	\$ <u>1.31</u> HR.
Chainsaws/Polesaws	\$ <u>2.36</u> HR.
OUT OF REGION MOBILIZATION FEE FOR ONE SIX MAN CREW	\$ <u>NA</u>
OUT OF REGION MOBILIZATION FEE FOR ALL EQUIPMENT NECESSARY FOR COMPLETION OF WORK ORDER	\$ <u>NA</u>

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Specialized Equipment



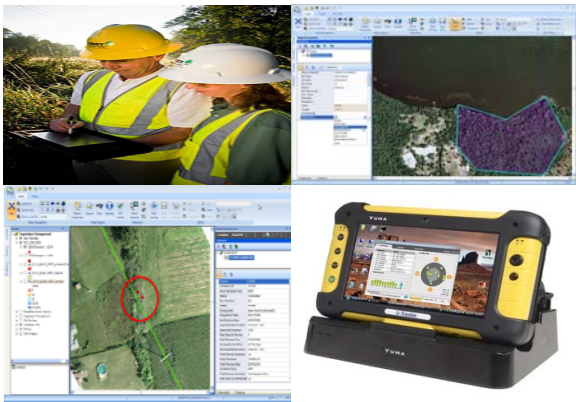
The **Marsh Master** is a tracked amphibious craft that can be used for a myriad of task. It has attachments for mowing, herbicide application, backhoes, anchor setting, and a geoprobe for soil sampling. The ground pressure of a Marsh Master is less then 2 lbs PSI, a human as a ground pressure in excess of 2.5 PSI

\$85.05 per hour Geoprobe \$145.95 per hour



The **MM-2 FF** marsh buggy is designed for fire fighting and controlled burning in wetland environments. It incorporates the use of 55 gallon water tanks built into each pontoon, a hydraulically driven water pump, and an in-cab LED water level indicator. The fire pump is rigged with a suction hose and strainer that can be dropped into any water source for quick tank replenishment. The flow rate on the pump is approximately 22 gpm.

\$115.50 per hour



Progressive Solutions has the ability to integrate your **GIS** data and application reports into our software and maps to give you a complete view of your invasive species control program in one easy to use and access data base.

\$2.10 per hour



Crew Cab four wheel drive crew trucks are used to transport crew and equipment. These trucks are cleaned weekly and most are three years or less in age. Regular preventive maintenance keeps these trucks in top shape for performance and environmental friendliness.

\$30.45 per hour



Enclosed trailers are used for safe and secure storage of customer and Progressive Solutions herbicide. This helps ensure products aren't accessible by untrained unauthorized user. Trailers doors and ball are locked when not in use.

\$4.46 per hour



Enviroquip Low volume back packs are used for low volume foliar and basal application. The agronomic design adds to comfort for the user allow the user to carry more herbicide into the field which increases productivity. These back packs include a roll over gun jet that allows the applicator to easily switch from a fan nozzle to a stream nozzle.

\$2.36 per hour

**Low Volume Spray Rig = \$9.19 per hour**

Typically a 300 gallon tank with a steel rack system. This unit has a gas powered transfer/agitation pump. This can be used for transferring herbicide from one tank to another, transferring herbicide back to the customer's tank, and agitation of herbicide while in the tank, which aids in thorough blending of herbicides. It can also be used to fill tank from a non-potable water source such as a canal or stream. This unit has a hard air gap back flow preventer built in for use when filling from potable water sources such as fire hydrants. A wash station is affixed to an expanded metal platform. This platform is also used for storage of equipment such as back packs, so herbicide can securely be transported in the bed of the truck. Traffic cones and traffic flagging secured in their own compartments, making for a neater safer work environment. Water coolers are secured in an area away from herbicide to prevent contamination of dispenser. The metal rack system also aids in protecting the tank from damage.

Manager Truck = \$14.96 per hour

Pick-up truck used when a full spray truck would not be cost effective. For example if a site survey needs to be performed by a single individual, or a small herbicide application that will only require a few gallons of product, or adjacent landowner notification. It may also be used on large projects where a project manger is warranted to oversee multiple crews. It is often used on a project in conjunction with a spray crew in the spray truck and the supervisor in a separate vehicle. This allows the supervisor to facilitate meeting with the land manager and not have to suspend work on a project as the spray truck, and appropriately licensed individual, will still be on site.