



Monday, May 22, 2023

Ron McDonald
Valley Transit
801 S. Whitman Ave
Appleton, WI 54914

Subject: Request for Contract Price Adjustment

Dear Ron:

I hope this letter finds you well. I am writing to discuss an important matter regarding our ongoing contract with Valley Transit. Since the signing of the contract, we have experienced significant inflationary pressures that have impacted our operational costs and the overall viability of our agreement. I kindly request your understanding and consideration for an adjustment in the pricing of our contract.

Over the past 3 years since our contract began, the global economy has witnessed a notable increase in inflation rates. This surge in inflation has resulted in rising costs across multiple facets of our business, including insurance, transportation, labor, and overhead expenses. As a result, we have experienced a substantial increase in our cost of operations, which directly affects our ability to deliver the agreed-upon services within the existing pricing structure.

We greatly value the relationship we have established with Valley Transit and the trust you have placed in our services. However, it has become increasingly challenging for us to maintain the level of quality and service you expect while absorbing the mounting cost pressures caused by inflation. In order to continue providing you with exceptional service and ensure the long-term sustainability of our partnership, we believe it is necessary to adjust the contract pricing accordingly.

To propose a fair and mutually beneficial solution, we have thoroughly assessed the current market conditions, evaluated the impact of inflation on our operations, and considered various factors affecting both parties. After careful analysis, we are requesting to raise pricing on year 4 and year 5 of the contract to be **\$25.00 per hour**. This adjustment will allow us to cover the increased costs associated with inflation and sustain the quality of service you have come to expect from our company.

We understand that any pricing adjustments may require internal considerations within your organization. Therefore, we are open to discussing and negotiating the terms of the contract adjustment, considering any specific circumstances or constraints you may have. We aim to find a solution that is equitable for both parties and maintains the spirit of our partnership.

Should you have any questions, comments or concerns, our team is available to answer and respond to them as well as provide any information or clarification you may require. We appreciate your prompt attention to this request and look forward to finding a mutually agreeable resolution.

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Thank you for your continued support and understanding. We value our partnership with Valley Transit, and we are confident that by working together, we can overcome the challenges presented by inflation and continue to achieve shared success.

Yours sincerely,

Zachary Taft

Zachary Taft
President

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