

Leible, Robert

From: Smoot Chris R <CRSmoot@MLC.com>
Sent: Friday, August 24, 2018 9:30 AM
To: Leible, Robert
Subject: City of Aurora, IL Proposal from Mississippi Lime Company

Bob,

In follow, up to our discussion this week regarding lime supply for 2019: Mississippi Lime has approved offering Aurora a base price hold for 2019. We would like approach Moorman trucking requesting to fix the freight at our current rate with the variable Fuel Surcharge. We would like to directly pass this freight element only through to Aurora. Mississippi Lime would then assume the risk of fuel, similar to our current arrangement, with a fixed total delivered cost to Aurora.

Moorman took a significantly larger price increase this year than we had anticipated. We shopped your rate to our qualified haulers and Moorman was still the most competitive responsible carrier. As you know the trucking industry is in bad shape. The most successful method of managing the current driver shortages is to increase driver pay. We believe this increase was necessary to keep drivers on your lane and has allowed us to reliably secure your supply.

The current delivered rate is \$189.23/ton for 2018. The proposed rate would be \$198.20/ton effective January 1st – December 31st, 2019. The chart below outlines your rate. The 2019 freight rates are currently in effect. Note that the fuel surcharge is a variable monthly rate based on prior months mid-west average diesel, @ 29% for August. I know you wanted to discuss with Jolene Coulter, and are considering a public bid. We appreciate your business and hope that this offer is acceptable and we can avoid the bidding process. Should you be required to conduct a public bid Mississippi Lime would like to be considered. Please let me know your thoughts?

| Aurora, IL | 2018 | 2019 |
|------------------------|-----------------|-----------------|
| Product | \$143.50 | \$143.50 |
| Truck | \$38.11 | \$42.40 |
| FSC % | 20% | 29% |
| FSC | \$7.62 | \$12.30 |
| Delivered Price | \$189.23 | \$198.20 |

Thank You

Chris Smoot
Mississippi Lime Company
Regional Sales Manager
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