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May 3, 2022

Broward County Transit Division  
City of Hallandale Beach  
400 S. Federal Hwy  
Hallandale Beach, FL 33009

Re: **CORRECTED UPDATED - Pricing Breakdown for Purchase of K7M – 30Ft Electric buses from the Georgia Statewide Contract 99999-001-SPD0000138-0008 – BYD Motors LLC**

BYD Motors LLC is currently under contract with the State of Georgia to facilitate the purchase of electric buses as per **Georgia Statewide Contract 99999-001-SPD0000138-0008**. On March of 2022, due to the increase in vendor pricing and the PPI increase (from 1/1/21 to 12/31/21) of 7.48% and the increase of 15.33% from 1/1/22 to 3/1/22, as well as the special increase request to the K7M model in particular due to the bus base price being lower than the market price for this model.

The following was the justification provided to the State of Georgia, which resulted in the State approving the increase on all our models but in particulate our 30ft K7M model.

1. Modification to increase the price posted on the State of Georgia contract for the K7M.
  - a. K7M 197 kWh is discontinued, upgraded to K7M 215 kWh.
  - b. Price increase from \$504,474 to \$630,000. Reasons for the price adjustment include but not limited the following:
    - i. Battery capacity upgrade.
    - ii. Vendor cost increase. BYD has been notified of price increase starting 2022 (increase range 5% - 15%). Vendor letters can be provided upon request.

1. For reference and as an example:

Vendor Name	Material Description	Percentage Increase
USSC	Driver Seating	15.00%
USSC	Fogmaker Fire Supperssion	12.00%
Vapor	All componenets	7.70%

- iii. Tariff 301 – Increased to 25%

[Section 301 Tariffs: A Comprehensive Guide \(www.usacustomsclearance.com\)](http://www.usacustomsclearance.com)

- iv. Logistic Cost Increase - since pandemic started in early 2020

1. Domestic logistics experienced a 40% increase  
[Producer Price Index by Industry: General Freight Trucking, Long-Distance Truckload \(PCU484121484121\) | FRED | St. Louis Fed \(www.stlouisfed.org\)](#)
2. Ocean shipment experienced a 590% increase:  
[Freight Rate Index / Freightos Baltic Container Index](#)



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Because of the details provided above, and since we initially quoted Hallandale Beach at the end of November 2021, more than 90 days from the initial quote we are respectfully requesting and in good faith, Hallandale beach approve the proposed pricing increase as shown in the table below.

As already understood by the City and BYD, the purchase of nine K7M – 215kWh – 30FT model with DC chargers using the Georgia Statewide Contract 99999-001-SPD0000138-008 resulting from the eRFP number 99999-SPD-SPD0000138: Event Name: Public Mass Transit & Transportation Vehicles and Related Equipment and Accessories, as the procurement vehicle used to procure through a statewide cooperative contract.

The following pricing is for the City of Hallandale Beach based on the aforementioned contract and includes the base bus price plus the optional items as requested to be included on the proposed bus model. In addition, we would like to mention that the base bus price on the state contract for this model is \$630K, however; BYD is in good faith offering the city a lower unit price for the base bus of \$595K. The pricing provided below is valid for 90 days and can be subject to change unless we have a fully executed NTP, SPO and Contract.

HALLANDALE BEACH PRICING 05/03/2023 (PRICING VALID FOR 90 Days)				
BASE VEHICLE INFORMATION				
VEHICLE DESCRIPTION	MAKE & MODEL	QTY	UNIT PRICE	TOTAL
3-9: 30 ft: 30 ft to 34 ft, 11 in Heavy Duty Low Floor Transit Bus	BYD K7M - 215kWh bus as per GA spec (Battery Capacity Upgrade)  AC Charger not included	9	\$595,000.00	\$5,355,000.00
Option - 12	Bike Rack: Sportworks Apex 3 Stainless Steel	9	\$2,000.02	\$18,000.18
Option - 2	Video Surveillance System: Apollo RoadRunner DVR 2TB 8 Camera System w/Audio	9	\$10,050.59	\$90,455.31
Option - 66	Communication Radio: Motorola CM200 and CM300, 45W, 439 - 470- MHZ	9	\$849.68	\$7,647.12
	Delivery Cost	9	\$14,268.80	\$128,419.20
	Subtotal			\$5,599,521.81



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The following table provides the cost of the Heliox DC Fast Charger (Heliox Flex 180W Cabinet with 1 x Charger Column) that will be installed at the City of Hallandale Beach depot. Note that installation of the chargers is not included, only the equipment and the other line items detailed below are included in the quoted pricing for the depot charging equipment.

DEPOT CHARGING INFORMATION				
VEHICLE DESCRIPTION	MAKE & MODEL	QTY	UNIT PRICE	TOTAL
Heliox DC Fast Charger	Heliox Flex 180kW Cabinet with 1x Charge Column	3	\$91,774.80	\$275,324.40
Option - 4	Column to charger ration (1:3): Dynamic Charging + Depot Charge Column	3	\$28,238.40	\$84,715.20
Option - 5	Product comply with USDOT FTA Buy America Rule 49 CFR Part 661.5 General Manufactured Products	3	-	-
Option - 6	Onsite Commissioning: (US Site: 1 deployment 2 days at site total)	3	\$1,411.92	\$4,235.76
Option - 7	Standard Warranty (first 2 years of operation)	3	-	-
Option - 8	Freight is not included in Pricing	3	\$3,000.00	\$9,000.00
			<b>Subtotal</b>	<b>\$373,275.36</b>

<b>TOTAL</b>	<b>\$5,972,797.17</b>
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BYD appreciates the City's understanding of the increase in PPI as well as the increase on other item as listed above all surely related to the supply chain demand / decrease as a result of the pandemic that the world is currently experiencing not only in this industry but has become evident that other industries are also undergoing. In addition, we are confident that we can provide a 14 month build schedule if we continue to proceed with getting the contract executed by the end of June and the SPO finalized and executed by Mid-July. In addition, the legal team will provide red-lines to the contract provided by the end of this week for your review.

We continue to look forward to partnering with the City of Hallandale / Broward County Transit Division working through the State of Georgia Cooperative/Purchasing Agreement. Should you have any questions, please feel free to contact me, John Hatch, Southeast Regional Sales Manager, john.hatch@byd.com; (407) 729-0406 or Maria Mendoza, Director of Bids and Grants, maria.mendoza1@byd.com, (213) 359-3660.

Warm regards,

Patrick Duan

Senior Vice President of Operations

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