



Request for Contract Update

Pursuant to the terms of contract number R191801 for Affordable Interior Systems, Inc. (AIS) Contractor must notify and receive approval from Region 4 ESC when there is an update in the contract. No request will be officially approved without the prior authorization of Region 4 ESC. Region 4 ESC reserves the right to accept or reject any request.

Affordable Interior Systems, Inc. (AIS) hereby provides notice of the following update on
(Contractor)

this date 03/04/2022.

Instructions: Contractor must check all that may apply and shall provide supporting documentation. Requests received without supporting documentation will be returned. This form is not intended for use if there is a material change in operations, such as assignment, bankruptcy, change of ownership, merger, etc. Material changes must be submitted on a "Notice of Material Change to Vendor Contract" form.

Authorized Distributors/Dealers
____ Addition
____ Deletion
____ Supporting Documentation

Price Update
 X Supporting Documentation

Products/Services
____ New Addition
____ Update Only
____ Supporting Documentation

Discontinued Products/Services
____ Supporting Documentation

States/Territories
____ Supporting Documentation

Other _____
____ Supporting Documentation

Notes: Contractor may include other notes regarding the contract update here: (attach another page if necessary). Please see attached request letter supporting cost data attachments.

Submitted By: Helen Woods

Approved by Email: Date 3/7/2022 | 9:49 AM CST

Title: Contract Manager

Denied by Email: Date _____

Email Address: hwoods@ais-inc.com

DocuSigned by:
Robert Zingelmann
Region 4 ESC: _____
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March 4, 2022

Region 4 ESC
Robert Zingelmann
7145 West Tidwell Road
Houston, TX 77092

RE: Price Adjustment Request for Contract # R191801

Mr. Zingelmann:

Since our last price adjustment request that requested to increase the surcharges, AIS continues to face increasing costs from our suppliers and historically high freight costs.

Effective May 1, 2022, AIS will be eliminating the current 9% surcharge and absorbing that into our list pricing. The 9% surcharge will end effective April 29, 2022. In addition, we are taking some temporary nominal increases that range from 1%-4% depending on the product outlined below. We request these adjustments for our R191801 contract.

The cost of fuel has risen 11.5% since our last pricing adjustment request to Region 4 ESC. This effects all product lines due to transportation of parts and transportation of orders to customers. The U.S. Bureau of Labor Statistics (BLS) Producer Price Index (PPI) data for this commodity is attached.

The 20% surcharge on steel bookcases and steel cabinets will remain active until further notice due to dramatic steel price fluctuations. If at any point, our steel storage supplier alleviates the 20% surcharge to AIS, we will immediately remove the surcharge. Our steel supplier surcharge notice is attached. AIS is passing along the 20% surcharge that the supplier is charging us only on S-BCxxx and S-CABxxx model #'s only.

The nominal increases per product line are listed below.

- Matrix will have an additional 1% price increase, a total of 10%
 - According to the US BLS PPI data, the steel commodity has risen 16.4% since our last submitted request to Region 4 ESC. AIS is not requesting the full 16.4%, we are only requesting 10% for this steel frame product line.
 - U.S. BLS PPI data for steel commodity is attached.
- L-Series Steel* Pedestals, Laterals, and Wardrobe Cabinets will have an additional 4% price increase, a total of 13%.
 - According to the US BLS PPI data, the following commodities affect this product line and have risen significantly since our last price adjustment to Region 4 ESC.
 - Steel commodity has risen 16.4%.
 - Extruded Aluminum has risen 11%.
 - Prepared paint has risen 13.1%.



- U.S. BLS PPI data for these commodities are attached.
- *Note: As explained above, the 20% surcharge on steel bookcases and storage cabinets will remain in effect until this supplier eliminates this surcharge to AIS. Our steel supplier surcharge notice is attached.
- Seating will have an additional 2% price increase, a total of 11%.
 - According to the U.S. BLS PPI data, the following commodities affect this product line and have risen significantly since our last price adjustment to Region 4 ESC.
 - Plastic products has risen 10.2%.
 - Extruded Aluminum has risen 11%
 - US BLS PPI data for these commodities are attached.

If at any point our suppliers reduce pricing and/or alleviate surcharges, we will revisit our list pricing to make appropriate reductions. We have controls in place that alert a customer service rep if items on an order are priced higher than should be and we acknowledge at the reduced price. Region 4 ESC participating agencies will automatically be extended any price reductions.

Our commitment to offering Region 4 ESC participating agencies high quality products and highly competitive pricing remains the same. Thank you for your continued support.

If you have any questions or need any additional information, please contact me.

Respectfully,

A handwritten signature in blue ink that reads "Helen F. Woods".

Helen F. Woods
Contract Manager
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hwoods@ais-inc.com