



March 17, 2022
City of Shreveport
Attention: Renee Anderson
Office of the Purchasing Agent
Government Plaza-Suite 610
505 Travis Street
Shreveport, LA 71101-3042

Dear Ms. Anderson,

Due to the late delivery of International Chassis for the 25CY Rear Loader Packers associated with Bid IFB# -21-005, Hol-Mac Corporation (HMC) will not be able to deliver the trucks at the original bid price of \$163,000.00.

The International chassis have been delayed 7-8 months as of this date, and this has prevented HMC from producing these vehicle bodies. Had HMC received the chassis on time, we would have fulfilled the pricing and time of delivery requirements for this bid even with ongoing hyper-inflation occurring.

The costs below are reflective of the increases in material costs that HMC has incurred from the original estimated time of chassis delivery to present date, as well as the sum of the additional surcharges that have been placed on these chassis.

Original Chassis Sales Price -	\$88,274.66
Total chassis surcharges -	\$9004.00
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Updated Chassis Sales Price -	\$97,278.66

Detail provided in attached pdf from Pliier International

Additional costs to HMC since delay of chassis:	
Raw material surcharges -	\$6833.00
Hydraulic component surcharge (hoses, cylinders, valves, PTOs, pumps, etc.) -	\$1455.00
Electrical and miscellaneous surcharges -	<u>\$319.00</u>

Total HMC Surcharges -	\$8607.00
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SUMMARY OF UPDATED PRICE

Unit price at bid -	\$163,000.00
Chassis surcharge -	\$9004.00
HMC surcharge -	<u>\$8607.00</u>
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New delivered unit price -	\$180611.00

It is unfortunate to be in this position due to events that are outside of our control, but had the chassis arrived as originally estimated then HMC would have delivered these units within the 200-day delivery window stated in the bid response without an increase in cost.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jamie Holder', written in a cursive style.

Jamie Holder, CEO



To Whom it may concern,

As I'm sure you are aware, the cost of materials has increased significantly over the last 11 months. Our suppliers of engines, transmissions, tires, and other raw materials have increased their pricing to counteract rapid inflation and supply chain disruptions. We have accumulated the following price increases of which will be extended to the price of the chassis for the City of Shreveport IFB21-005.

Original chassis sale price	\$88,274.66 (18 units)	\$1,588,943.88
Material surcharge MY23	\$3,000	G-797C:
Freight increase	\$250	G-781B
Tire surcharge	\$1200	G-805
2023 MY increase	\$2,656	G-799
<u>Tire changes</u>	<u>\$1898</u>	<u>due to supply chain</u>
Total increase	\$9004	
Updated pricing	\$97,278.66 (18 units)	\$1,751,015.88

Sincerely,

Shane Smith
President