



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:

I am sure you are aware of the global supply chain issues that are affecting almost everything and everyone in our country. Hol-Mac Corporation is no different and we have been working extremely hard to shield our customers from the impact the supply chain crisis is having on us.

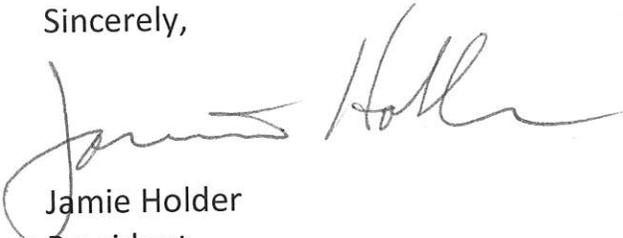
The International chassis we bid had a quoted delivery of 90-120 days when we submitted our bid. We received several notifications that the chassis were scheduled to be delivered, only to be moved out again. The latest update we received stated the chassis are now scheduled to be produced between 2\19\22 and 3\5\22. If they are completed and ready to ship in this timeframe they should be at our factory between late March to mid- April at which time we can begin producing your units.

We recently received notification that the chassis now have a surcharge of \$7,106 for each chassis. Our material cost per unit has increased \$13,380 since the bid date. Our total cost increase since the bid date is \$20,486 at this time. This surcharge is a pass through and does not include any profit.



We regret this situation and if the chassis had arrived last year as originally scheduled, we could have sold you these units at the bid price even though our material cost had increased significantly, from when our bid was submitted. The delay of the delivery of the chassis was out of Hol-Mac's and the chassis dealer's control. The global pandemic caused the shortage of components needed to complete these chassis and has prevented Hol-Mac from delivering your units. The long delay of the chassis delivery has allowed our cost to increase to extreme levels of which we have never seen. As a result, we cannot deliver these units at the prices we bid. We have never found ourselves in this awkward position. It is our desire to cover our increased cost of these trucks and deliver them to you as soon as possible.

Sincerely,



Jamie Holder
President