



### Request for Contract Update

Pursuant to the terms of contract number R191802 for Allsteel Inc. 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.

Allsteel Inc. (Contractor) hereby provides notice of the following update on this date November 9, 2021.

**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**  
 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).  
Allsteel Inc. is requesting to update Contract R191802 pricing effective November 21, 2021.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Submitted By: Cindy Hermann

Title: Public Sector Contract Analyst

Email Address: allsteelgovcontracts@allsteeloffice.com

**Approved by Email:** Date 11/9/2021 | 4:09 PM CST

**Denied by Email:** Date \_\_\_\_\_

DocuSigned by:  
  
**Region 4 ESC:** \_\_\_\_\_  
081D33BB0130490...



November 9, 2021

ATTN: Robert Zingelmann  
Chief Financial Officer  
Region 4 – Education Service Center  
7145 West Tidwell Road  
Houston, TX 77092

RE: Allsteel Inc. request for price adjustment for Region 4 Furniture, Installation and Related Services  
Contract R191802

Dear Mr. Zingelmann:

As we continue to face global supply chain disruptions, nationwide labor shortages, and substantial inflationary pressures, Allsteel remains focused on controlling costs, maintaining core product availability, and furnishing the industry's best product lines at the most competitive prices to you.

- The Consumer Price Index has increased 1.25% to 4% over the past 10 months.
- Industrial metals are nearing record highs, increasing ~200% from early 2020.
- Since July 2020, cold roll steel has increased more than 230%.
- Aluminum has increased 49% in the last 12 months.
- Global transport capacity is 30% less than 2019 levels.
- Job openings continue to increase while the workforce as a whole continues to be impacted by COVID cases, childcare, early retirements, and increased wage demands.

Due to the immediate and significant pressures we are facing, we are required to take immediate action. Allsteel Inc. is formally requesting a price adjustment effective November 22, 2021, based on its November 2021 price lists. We will honor a 30-day grace period for orders previously quoted prior to that date. Allsteel will implement an 11% commercial list price adjustment to furniture product lines and architectural product lines, including previously approved specifically engineered products, which applies equally to all products. Allsteel will also implement a freight adjustment to \$0.54 per mile to architectural product lines.

Additionally, effective November 22, 2021, Allsteel will implement a flat 2.5% surcharge in addition to the invoice total as a direct result of the increasing fuel and ocean freight inflation.

- The World Container Index has increased 300% over prior year.
- Diesel prices have increased +50% over prior year to the highest price since November 2014.



In addition, we request to update the Gunlocke pricing to their November 2021 price lists effective November 22, 2021. The Gunlocke price adjustment is 11% and the 2.5% surcharge will also apply. Likewise, HBF will implement a 7% surcharge effective on November 22, 2021.

Overall, we remain focused on assuring our pricing practices allow us to compete successfully in the market.

Thank you for your continued business and opportunity to provide Region 4 customers quality Allsteel, Gunlocke, and HBF products.

If you have any questions, please do not hesitate to contact me at [allsteelgovcontracts@allsteeloffice.com](mailto:allsteelgovcontracts@allsteeloffice.com).

Sincerely,

A handwritten signature in black ink that reads "Cindy Hermann". The signature is written in a cursive, flowing style.

Cindy Hermann  
Public Sector Analyst