



September 25, 2023

DeKalb County Schools
Student Nutrition

Dear Ms. Stone/Ms. Watkins

As you are aware our current agreement with your schools ends in November. On April 20th, we advised that we would be unable to renew at the end of our agreement. There were a couple of reasons why.

As all of us realize, our economy has taken a sharp decline since the pandemic. Supply chain issues across the board have greatly caused significant increases with the all types of products that we source. Because raw ingredients necessary to produce our cleaning chemicals have gone up, our manufacturers pass these costs along to us. Everything that we purchase has gone up dramatically. From paper, fuel, freight charges, plastic... the list goes on and on.

Additionally, DeKalb County Schools tops Sanitech's entire customer base in product usage coming in at over 70% of what we have been invoicing your district annually. Not one of our other districts are even remotely close to that figure. The second highest is around 43%.

So, as I see it there are 3 options:

1. DeKalb needs to rebid as mentioned in our notice last April.
2. We would be willing to renew for another year but at \$22,377.00 per month (a normal 10-month extension) continuing until November 2024.
3. We offer the same deal as above without paper towels at a rate of \$19,749.00.

We would love to keep DeKalb County Schools as valued Sanitech customer, but we have to be profitable. Thanks for your understanding of this matter. Please don't hesitate to contact me should you need any further information.

Best regards,

Greg Guice
President
Sanitech Systems