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10/30/2024

Dekalb County School District  
1701 Mountain Industrial Blvd.  
Stone Mountain, GA 30083

RE: School Specialty, LLC Price Adjustment Request for Contract 22-80 District Wide Furniture, Fixture & Equipment

Dear Ms. Brown,

Since our last renewal in 2023, School Specialty has continued to receive product and supply chain cost increases from our vendors and service providers. Raw materials, labor, finished good production and freight costs have resulted in overall operational cost increases for manufacturing.

The 2024 Consumer Price Index (CPI) has ranged from +2.5% to +5.8%, reflecting a decrease compared to 2023, which saw rates between +3.0% and +6.4%. In 2022, the CPI peaked at +6.5% to +9.1%.

In 2024, the PPI growth has been more moderate, averaging around +2% to +5%. The effects of these changes continue to vary widely across industries. Overall average product cost increases from our vendors for 2024 compared to 2023 ranged from 5% to 15%, while for 2024, these increases are expected to stabilize around +3%-8%.

For furniture products specifically, cost increases in 2023 were between 7% and 20% (on top of 2022 increases of 16.4% and 28.3%). In 2024, these increases moderated to approximately +3%-8%. While costs are not rising as rapidly or as high as before, they are still on the upward trajectory, albeit at a slower rate.

Effective January 1st, 2025, we will revise our list prices – some up and some down. Even as supply chain volatility continues, we will monitor the market with the objective of minimizing additional consumer price increases.

Sincerely,

A handwritten signature in blue ink that reads "Greg Clemens".

Greg Clemens

Assistant Secretary