# **Purchase**



Marshall University

Order #

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FY 2022	Buyer JH	Date 4/29/	2022	Accou	#11CCC#C	P.O. Date 7/1/2019	;	Contract MU20VEN	
Document  ☐ Requisition (Cancellation only)  ☐ Regular Purchase Order  ☐ Contract Purchase Order  ☐ Open End Contract Purchase  ☐ Agreement  Vendor Name, Address, Phone #, etc. Vendor Code Code Code Code Code Code Code Code					Document Action  ☐ Cancellation  ☐ Increase/Decrease ☐ Unused Balance ☐ Freight ☐ Renewal ☐ Extension Error  340939177	П	Error in Total Amount Change of Account Change of Vendor Name/Address Other  BOG Unit Name & Address Marshall University		
AVI FOODSYSTEMS INC 2590 ELM RD NE WARREN OH 44483							Office of Purchasing One John Marshall Drive Huntington, WV 25755-4100		
Ph# 304-766	6-8846 Quantity	Fax			# 340939177 cription of Change			Unit Price	Extended Price
		specification authorized of Page 2.  To increase Mints, Pastri Guide on Patrick Contract Effective Da	e contres containange of the prices, and ge 2.	act accined in orders, ENDING Ses of Classification Snack	July 1, 2021 - June	act and al ation belo rge), Crac ears in the	w and on ekers, Pricing	tal \$	
Reason for Change: To increase the prices of Candy, Ca Pastries, and Snacks (Large) as app Page 2.							5,		Open-End
							Decrease	\$	
							New Total	\$	Open-End
		Appro	ved:	Author	uçula W	ute M	egl L	1/29/	122 Date

N/A

Attorney General if required

Date

## AVI FOODSYSTEMS PRICING - VENDING

#### 2022

<u>Item</u>	<b>Current Price</b>	<b>Proposed Price</b>
Candy	\$1.25	\$1.50
Candy (Large)	\$1.70	\$2.00
Crackers	\$0.80	\$1.00
Mints	\$0.80	\$1.00
Pastry	\$1.50	\$1.75
Snacks (Large)	\$1.25	\$2.50

#### AN IMPORTANT UPDATE ON FOODSERVICE COSTS

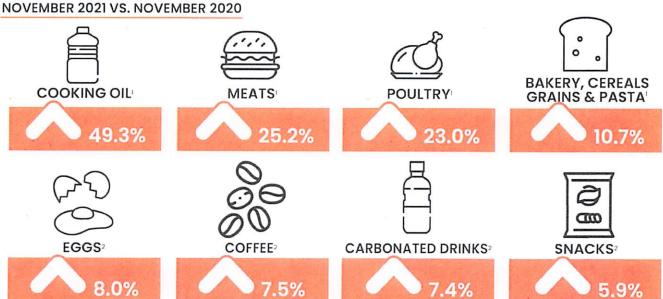
As you may have encountered at grocery, restaurant and retail establishments, prices have continued to significantly rise in 2021. Throughout 2021, AVI has experienced unprecedented, unavoidable increases that are contributed to multiple factors occurring nationwide. The foodservice industry has historically endured state of emergency events that have produced variants of change in pricing and product availability; yet, throughout past emergencies, we often experienced steady peaks with certain commodities. Unfortunately, this has not been the outcome of our current landscape:

- Limited product availability from manufacturers. Pre-pandemic, national average foodservice fill rates were approximately 98% or above; today, national fill rates are approximately 7-10 points below average.
- Transportation interruptions are causing shipping and delivery delays based upon increased demand, labor and trucker shortages.
- Pre-pandemic, average annual price increases occurred for approximately 20%-30% of products. In 2021, we have experienced multiple price increases for approximately 70%-80% of products from numerous suppliers across most industries. The influx of these increases have placed a limited impact on leveraging cost negotiations.
- With labor shortages impacting most industries, employer compensation and healthcare
  costs have overwhelmed the service industry with an 8.1% increase in wages and salaries
  and the cost of benefits increased at 2.6% in Third Quarter 2021. (Source: Employment Cost
  Index, BLS.gov)

While AVI continues to be aggressive and diligent in working to control product costs, our company recognizes the importance of providing comprehensive insight. Our current economic climate is demonstrating that it is no longer "business as usual", does not exempt any industry and, due to such a substantial impact, it is imperative to appropriately implement product price adjustments across our business units throughout the foreseeable period.

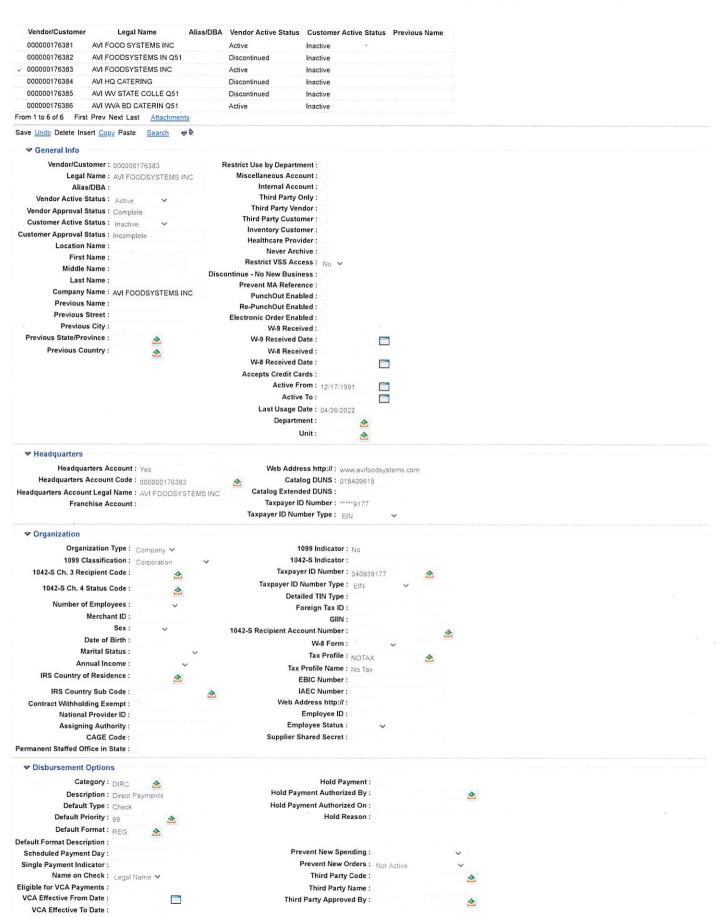


### KEY COST INCREASES





| Producer Price Index (PP) - November 2021 vs. November 2020 | Cost to Damestic Manufacturers) | Source BLS gav; PP Detailed Report, Data for November 2020 | 2 Consumer Price Index (CP) - November 2020 vs. November 2020



Miscellaneous Field 6:

