Dear (INSERT NAME OF AGENCY DIRECTOR)

The unprecedented, extreme increase in construction material costs is the single biggest concern facing the construction industry and should be urgently addressed by owner agencies.

[Your Company Name]
[Number of employees]
[Years in Business]
[Type of work]

We have seen the price of construction materials increase by as much as [Percentage Increase] in the last six months. This sharp increase has caused a dramatic discrepancy between the original estimated costs and bid prices submitted versus the actual costs we are incurring on projects.

The material price escalations are the result of extraordinary circumstances, including a global pandemic, war, international supply chain shortages, and record inflation. One year ago – even six months ago -- No contractor could or should have reasonably anticipated such circumstances when bidding on a project. This cost discrepancy is leading to a significant economic risk for our company.

For all the above reasons, [Your Company Name] urges [Agency Name] to take action to provide financial relief to contractors who are being severely negatively impacted by material cost escalations on projects. We implore you to consider doing this through an equitable adjustment or change order based on the commercial impracticality and the unforeseen and extraordinary causes of the price increases.

We value our partnership with [Agency Name]. With a record amount of infrastructure dollars in the pipeline, now is the time to step up and support the construction companies you work in partnership with. Now is the time for swift and immediate action.

We appreciate your attention and look forward to working with you to find meaningful solutions that will grant contractors reasonable financial relief during these extraordinary times.

Regards,