



July 2, 2013

Office of the Purchasing Agent  
2300 Bloomdale Road  
Suite 3160  
McKinney, Texas 75071

Dear Jennifer Turner:

NMS Labs has received your recent request for a price extension on contract number #. 07246-11. After further review of section 4.5 of the contract regarding price redetermination, we recognize several areas that direct costs to NMS have increase. These costs are a year over year impact to our business and continue to go up. In 2012, NMS felt an increase in our operational cost above 2011 in a range of 4.5% to 13.3% in the categories listed below. At this time there was no pricing redetermination with Collin County. In 2013 the range of operational cost varied from 3.1% to 8.8% over 2012. These areas of increase include Health Insurance, Workers Compensation, Taxes, Lab supplies, shipping and client supplies, and other direct costs. The exact increases are reflected in the table below.

Health Insurance, Workers compensation, Taxes	8.8%
Lab supplies	3.1%
Shipping and client supplies	6.5%
<u>Other direct costs</u>	<u>5.1%</u>
<b>Average Increase</b>	<b>5.9%</b>

Despite having incurred increased costs of delivering services in 2013 that range from 3.1% - 8.8%, NMS Labs is offering Collin County a minimal increase in their prices of 3%, as a courtesy due to your long term relationship and testing volumes. We look forward to our continued business relationship.

Please see attachment A for the exact price increase values that we are proposing from your contracted discounts. Should there be any questions or concerns about this price redetermination, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Skyler Colman". The signature is stylized and cursive.

Skyler Colman

Business Development Manager, Forensic Midwest  
1 800 522-6671 X1271

cc: NMS Labs GoldMine Database

**Table 29. Historical Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W): U.S. city average, by commodity and service group and detailed expenditure categories-Continued**

Item and group	Percent change from previous December								
	December								May 2013
	2005	2006	2007	2008	2009	2010	2011	2012	
<b>Expenditure category</b>									
State motor vehicle registration and license fees <sup>1</sup> .....	1.7	2.4	1.2	2.4	13.4	1.3	1.2	-0.6	0.3
Parking and other fees .....	4.5	1.7	3.9	6.0	5.6	1.3	3.0	6.4	1.1
Public transportation .....	6.1	.4	6.4	1.7	3.5	4.5	4.0	2.8	4.9
Airline fare .....	6.7	-1.0	10.5	1.0	4.2	5.6	4.6	2.4	6.9
Other intercity transportation .....	4.8	2.2	1.3	-1.7	-3.5	2.0	-.3	2.3	-2.3
Intracity transportation .....	5.6	1.9	1.9	5.3	5.2	3.1	4.3	3.8	3.6
Medical care .....	4.4	3.6	5.2	2.7	3.5	3.5	3.6	3.4	1.0
Medical care commodities .....	3.6	1.9	2.4	1.5	3.3	3.0	3.4	1.6	.1
Medicinal drugs <sup>3</sup> .....	-	-	-	-	-	3.1	3.5	1.5	.1
Prescription drugs .....	4.4	1.9	3.1	1.2	4.4	4.2	4.4	1.8	.1
Nonprescription drugs <sup>3</sup> .....	-	-	-	-	-	-1.0	.0	.6	-.1
Medical equipment and supplies <sup>3</sup> .....	-	-	-	-	-	.0	.0	2.2	.1
Medical care services .....	4.6	4.1	6.0	3.1	3.6	3.7	3.7	4.0	1.3
Professional services .....	3.7	2.5	4.3	3.0	2.6	2.9	2.3	1.9	1.2
Physicians' services <sup>1</sup> .....	3.1	1.6	4.1	2.9	2.6	3.5	2.7	2.0	.9
Dental services <sup>1</sup> .....	5.5	4.9	6.2	3.5	3.3	2.9	2.3	2.8	1.9
Eyeglasses and eye care .....	2.9	2.1	1.1	.2	1.5	.3	.6	.3	1.1
Services by other medical professionals <sup>1</sup> .....	2.6	2.9	3.3	4.0	1.9	1.8	1.3	.8	1.2
Hospital and related services .....	5.2	6.0	8.0	5.7	7.5	7.4	5.4	4.9	1.5
Hospital services <sup>1</sup> .....	5.2	6.1	8.0	5.9	7.8	7.8	5.6	5.0	1.5
Inpatient hospital services <sup>1 2</sup> .....	5.3	6.5	7.4	5.7	7.8	9.4	6.2	4.2	1.7
Outpatient hospital services <sup>1 2</sup> .....	5.1	4.9	9.6	5.7	8.5	5.2	4.6	5.6	1.2
Nursing homes and adult day services <sup>1</sup> .....	4.4	4.5	5.6	3.2	3.7	2.8	3.1	3.4	2.0
Care of invalids and elderly at home <sup>4</sup> .....	-	3.0	3.5	1.1	.8	1.9	2.4	.7	.3
Health insurance <sup>4</sup> .....	-	6.8	9.3	-3.4	-2.9	-4.0	5.6	10.6	1.1
Recreation .....	.9	.9	.6	1.6	-.6	-1.2	1.3	.7	1.1
Video and audio .....	.0	-.8	.1	-.7	-1.4	-2.6	1.3	.5	1.7
Televisions .....	-13.6	-22.7	-17.3	-19.5	-27.3	-19.1	-17.3	-17.6	-4.9
Cable and satellite television and radio service .....	3.3	2.6	2.5	1.7	2.2	.2	3.6	3.6	2.8
Other video equipment .....	-10.8	-14.1	-12.9	-15.4	-9.5	-12.9	-11.5	-12.2	1.9
Video discs and other media, including rental of video and audio .....	-.6	1.2	.7	1.9	-3.7	-3.7	6.9	-3.2	-1.0
Audio equipment .....	-10.1	-5.1	-5.2	-4.0	-4.6	-3.9	-5.4	-5.7	-2.4
Audio discs, tapes and other media .....	.1	-2.6	-.2	-1.2	-9.3	-2.6	-2.5	-.9	-.1
Pets, pet products and services .....	2.8	3.6	5.4	10.2	1.5	.4	4.4	1.4	1.5
Pets and pet products .....	1.5	3.3	5.1	12.3	.7	-.9	3.2	1.1	1.3
Pet services including veterinary .....	5.0	4.1	6.1	6.2	3.2	3.3	7.0	2.1	1.7
Sporting goods .....	1.2	1.2	-2.7	2.5	-1.6	-.3	1.2	1.9	.4
Sports vehicles including bicycles .....	3.5	3.1	-3.0	-.1	-2.0	2.3	4.6	2.7	.5
Sports equipment .....	-1.8	-.7	-2.3	5.6	-1.4	-4.3	-4.4	.5	.2
Photography .....	-2.9	-4.5	-3.1	-1.7	1.0	-2.9	1.8	-3.1	1.3
Photographic equipment and supplies .....	-4.8	-10.6	-6.6	-5.9	-2.0	-10.0	-1.6	-7.6	3.2
Photographers and film processing .....	-1.5	1.8	-.1	1.8	3.2	1.0	3.4	-.2	.1
Other recreational goods .....	-4.0	-3.4	-4.9	-5.2	-3.5	-4.6	-2.7	-5.0	1.1
Toys .....	-4.5	-4.7	-5.4	-7.1	-5.6	-5.6	-3.8	-6.2	1.1
Sewing machines, fabric and supplies .....	-2.2	1.1	-6.0	.2	4.8	.6	4.4	1.7	-.4
Music instruments and accessories .....	-2.9	1.7	.3	2.0	.0	-3.0	-1.3	.1	2.1
Other recreation services .....	3.1	4.2	2.1	2.4	.1	1.0	.3	2.7	.0
Club dues and fees for participant sports and group exercises .....	2.7	2.5	1.0	1.3	-2.3	.1	2.3	.4	1.3
Admissions .....	3.3	5.2	2.2	2.8	.6	1.5	-.5	4.1	-.5
Fees for lessons or instructions .....	2.6	3.2	3.9	3.4	2.2	1.2	.2	3.4	-1.1
Recreational reading materials .....	.6	.9	1.2	3.7	3.0	-.3	.8	2.3	2.4
Newspapers and magazines .....	1.8	1.2	1.2	4.9	5.0	.3	3.0	6.1	3.2
Recreational books .....	-1.5	.4	1.1	2.1	.3	-1.0	-2.1	-2.2	1.4
Education and communication .....	1.9	2.0	2.6	3.4	1.9	.8	1.1	1.2	.2
Education .....	5.9	6.4	5.3	5.8	4.6	4.0	4.5	3.8	.6
Educational books and supplies .....	5.0	7.1	8.8	6.8	6.9	3.3	6.1	7.0	2.0
Tuition, other school fees, and childcare .....	5.9	6.3	5.0	5.7	4.3	4.1	4.3	3.5	.5
College tuition and fees .....	6.7	7.3	5.9	6.2	6.0	4.2	6.1	4.1	.4

See footnotes at end of table.



July 15, 2013

Office of the Purchasing Agent  
2300 Bloomdale Road  
Suite 3160  
McKinney, Texas 75071

Dear Jennifer Turner:

Thank you for your continued support of NMS Labs for your testing needs. Below is your account information and a reflection of our proposed CPI increase to your current discounts.

Account Number: 10015  
Pricing Effective Date: 10/1/2013  
Pricing Expiration Date: 9/30/2014

ACODE	Description	List Price	Current Price	Proposed pricing with 3% increase
0460B	Arsenic, Blood	\$76	\$65	\$67
1380B	Cyanide, Blood	\$50	\$43	\$44
1919FL	Electrolytes and Glucose Panel (Vitreous), Fluid (Forensic)	\$78	\$55	\$57
8051B	Postmortem Toxicology - Basic, Blood (Forensic)	\$205	\$173	\$178
8051TI	Postmortem Toxicology - Basic, Tissue (Forensic)	\$368	\$312	\$321
8051U	Postmortem Toxicology - Basic, Urine (Forensic)	\$205	\$173	\$178
8052B	Postmortem Toxicology - Expanded, Blood (Forensic)	\$300	\$255	\$263
8092B	Postmortem Toxicology - Expert, Blood (Forensic)	\$523	\$322	\$332
8092TI	Postmortem Toxicology - Expert, Tissue (Forensic)	\$717	\$608	\$626
8092U	Postmortem Toxicology - Expert, Urine (Forensic)	\$523	\$444	\$457
2320B	Volatiles Panel, Blood	\$146	\$103	\$106

All other testing ordered during this effective period will be billed at our 2013 List Price Fees. Prepaid FedEx Air bills will be provided to protect your facility from any shipping charges. If you have any questions regarding this communication please contact me directly.

Sincerely

Skyler Colman

Business Development Manager, Forensic Midwest  
1 800 522-6671 X1271 cc: NMS Labs GoldMine Database