

**MEMORANDUM**  
**COUNTY OF PLACER**  
**ADMINISTRATIVE SERVICES DEPARTMENT**  
**PROCUREMENT DIVISION**

TO: Honorable Board of Supervisors

FROM: David Seward, Purchasing Manager 

DATE: September 12, 2006

SUBJECT: Renew BP013249 for Magnesium Hydroxide with Hill Brothers Chemical Company in the Maximum Amount of \$175,000.00

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**ACTION REQUESTED**

Approve renewal of Blanket Purchase Order No. BP013249 with Hill Brothers Chemical Company of San Jose, CA, for technical grade magnesium hydroxide, and authorize the Purchasing Manager to sign the resulting blanket purchase order in the maximum amount of \$175,000.00.

**BACKGROUND**

In October 2004, Bid No. 9382 was completed to secure a contract for technical grade magnesium hydroxide used by the Department of Facility Services/Utilities Division for the wastewater treatment process. Bid No. 9382 resulted in two bid responses, one from Altivia Corporation of Houston, TX, at the price of \$1.92 per gallon, and one from Hill Brothers Chemical Company at \$1.30 per gallon.

In September 2005, Hill Brothers responded to our request for renewing the existing BPO, which resulted in an 11 percent increase in price to \$1.45 per gallon. At that time, the Bureau of Labor Statistics price index for industrial chemicals had risen 18.3 percent during the previous year, indicating that the increase was reasonable.

In response to our second and final request, Hill Brothers has offered to renew the current BPO at \$1.56 per gallon, which is a 7 percent increase. The Bureau of Labor Statistics price index for industrial chemicals has risen 11.6 percent during the past year, indicating that the requested increase is reasonable.

**FISCAL IMPACT**

The Department of Facility Services recommends a BPO to be effective from October 1, 2006 to September 30, 2007 in the maximum amount of \$175,000.00, and is sufficiently budgeted for these routine expenditures.

cc: Rick Smith, Department of Facility Services  
Val Bayne, Department of Facility Services

