

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

TO: Honorable Board of Supervisors  
FROM: Brett Wood, Purchasing Manager  
DATE: February 3, 2015  
SUBJECT: Magnesium Hydroxide – Hill Brothers Chemical Co., Inc.

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**ACTION REQUESTED**

1. Approve Change Order No. 1 to Blanket Purchase Order No. 21063 with Hill Brothers Chemical Co., Inc. for magnesium hydroxide for Facility Services to increase the blanket purchase order amount by \$21,000 resulting in a new maximum amount of \$196,000, funded in Facility Services' FY 2014-15 budget with no net County cost;
2. Approve the annual renewal of a competitively awarded blanket purchase order with Hill Brothers Chemical Co., Inc. of Orange, CA, for magnesium hydroxide in the maximum amount of \$175,000 for the period of February 3, 2015 to December 31, 2015, funded in Facility Services' FY 2014-15 budget, and to be included in the FY 2015-16 requested budget, resulting in no net County cost; and
3. Authorize the Purchasing Manager to sign the resulting blanket purchase orders.

**BACKGROUND**

Facility Services requires an annual contract for the purchase of magnesium hydroxide for use in the County's wastewater treatment plants. On January 7, 2014, your Board approved a one-year renewal of competitive Bid No. 9726 with Hill Brothers Chemical Company. The executed blanket purchase order (BPO) expired on December 31, 2014 and then was extended to February 2, 2015. Facility Services requested to increase the BPO by \$21,000 to a new maximum amount of \$196,000 due to the extended period.

Hill Brothers has requested a price increase of approximately 6.11% over the previous year's price per gallon. This vendor is the exclusive California distributor of the Thioguard brand of magnesium hydroxide used by the department's Environmental Utilities Division to maintain a stable PH for wastewater treatment. Procurement and Facility Services staff investigated other sources of supply and found no other viable sources. The department has recommended accepting the vendor's price increase. Section 22 of the BPO's General Terms and Conditions allows the County to renew the BPO on a year-to-year basis upon satisfactory negotiation of the renewal pricing, terms, and conditions.

Your Board's approval is required to increase the current BPO, proceed with a new one-year BPO in the maximum amount of \$175,000, and to authorize the Purchasing Manager to sign the resulting BPOs.

**FISCAL IMPACT**

Upon your Board's approval, BP021063 will be increased by \$21,000 to a new maximum amount of \$196,000, and a new BPO will be awarded to Hill Brothers Chemical Company in the maximum amount of \$175,000 for the period effective February 3, 2015 through December 31, 2015. The Department has budgeted for this chemical in the Sewer Maintenance Districts and CSA 28 Zone 6 Sheridan Sewer budgets for FY 2014-15 with no net county cost and will be included in the FY 2015-16 requested budget. Funds are not encumbered until services are rendered against the BPOs.

cc: Valerie Bayne, Administrative Services Manager, Facility Services  
Bryan Kangas, Supervising Wastewater Treatment Plant Operator, Facility Services

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