

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

TO: Honorable Board of Supervisors

FROM: Brett Wood, Purchasing Manager *BW*

DATE: December 13, 2011

SUBJECT: Approve the Renewal of a Competitively Awarded Blanket Purchase Order with Hill Brothers Chemical Company for Magnesium Hydroxide for Wastewater Treatment in the Maximum Amount of \$175,000.00

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**ACTION REQUESTED**

Approve the renewal of a competitively awarded blanket purchase order (BPO) with Hill Brothers Chemical Co. of Brea, CA for magnesium hydroxide for wastewater treatment in the maximum amount of \$175,000.00 and authorize the Purchasing Manager to sign the resulting BPO.

**BACKGROUND**

On October 2, 2007 your Board approved the award of Bid No. 9726 to Hill Brothers Chemical Co for Thioguard Magnesium Hydroxide. It was subsequently renewed for three additional years. The most recent award resulted in the issuance of BPO No. 18302 which expires on December 31, 2011.

Facility Services has submitted a request to renew the BPO with Hill Brothers for another year. Hill Brothers has requested a 15% price increase. Procurement has researched the availability of cooperative contracts for the same product with other agencies. There does not appear to be any cooperative contracts with local agencies with Hill Brothers. Hill Brothers attributes the price increase to rising transportation and chemical manufacturing costs passed on from their supplier. Based on data obtained from the Bureau of Labor Statistics, the price increase appears to be reasonable.

Section 17 of the Bid's General Terms and Conditions allows the County to renew this agreement on a year-to-year basis. Purchasing Policy Manual Section 1.3(o) also allows the County to renew a contract based on satisfactory service, to avoid the interruption of County business, and if it makes good business sense.

**FISCAL IMPACT**

The Department has requested a BPO in the maximum amount of \$175,000.00 for the period January 1, 2012 through December 31, 2012. Facility Services' Fiscal Impact Statement is attached.

cc: Valerie Bayne, Administrative Services Manager

Attachment: Fiscal Impact Statement

## FISCAL IMPACT STATEMENT

TO: Honorable Board of Supervisors  
FROM: Valerie Bayne, Administrative Services Manager  
DATE: December 13, 2011  
SUBJECT: **Fiscal Impact Statement**  
Magnesium Hydroxide

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The Department of Facility Services requires an annual blanket purchase order for the purchase of Magnesium Hydroxide. The Environmental Utilities Division utilizes this BPO for wastewater treatment and it is a necessary chemical to maintain a stable PH.

The Department of Facility Services has budgeted appropriately for this product in the Sewer Maintenance Districts 1, 2, 3, and Sewer CSA's for FY11/12.