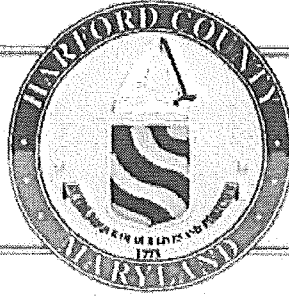


BARRY GLASSMAN
HARFORD COUNTY EXECUTIVE

BILLY BONIFACE
DIRECTOR OF ADMINISTRATION



KAREN D. ROTTMANN, CPPB
DIRECTOR OF PROCUREMENT

DEPARTMENT OF PROCUREMENT

VIA EMAIL: bids@chemsunltd.com

April 23, 2014

Allegiance Chemicals, LLC
Attn: Bruce Burdette
307 International Circle, Suite 580
Hunt Valley, Maryland 21030

RE: Bid No. 14-132 Bulk Chemicals for Water and Wastewater Treatment

Forwarded herewith is Addendum No. 1 to the contract for the above bid for the price increase for Sodium Hydroxide 25% Solution. Please sign the Addendum, have the signature witnessed and return within ten (10) business days (via email to kmdanna@harfordcountymd.gov) along with the required certificate of insurance. A fully executed contract addendum will then be sent to you.

Signature must be that of the Corporation President, Vice President or CEO. If another individual signs, a Power of Attorney or other authorization must accompany the Addendum delegating authority to that individual.

Should you have any questions, please let me know.

Very truly yours,

Daniel J. Guthrie, CPPB
Procurement Agent

DJG/kmd

Enc. – A/S

cc: Gregg Bates, DPW
Debbie Groat, BRCPC

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220 South Main Street, Bel Air, Maryland 21014

THIS DOCUMENT IS AVAILABLE IN ALTERNATIVE FORMAT UPON REQUEST

HARFORD COUNTY

BID NO. 14-132
BULK CHEMICALS FOR WATER & WASTEWATER TREATMENT

CONTRACT ADDENDUM NO.1

THIS ADDENDUM entered into this 27th day of April, 2015, by and between HARFORD COUNTY, MARYLAND, a body corporate and politic of the State of Maryland, hereinafter called the "County", and ALLEGIANCE CHEMICALS, LLC, 307 International Circle, Suite 580, Hunt Valley, Maryland 21030, hereinafter called the "Contractor" is made to this contract dated the 23rd day of May, 2014.

WHEREAS the Contractor agreed to provide specific bulk chemicals to Harford County, Maryland; and

WHEREAS, per Section VIII of the Agreement, the Contractor may submit a request for a price increase per contract year; and

WHEREAS, the Contractor has submitted a request dated April 16, 2015 for a price increase; and

NOW, THEREFORE, in consideration of the representations, covenants and promises and the recitals which are incorporated herein, the parties, intending to be legally bound, agree as follows:

The request of 5.02% increase for the price of Sodium Hydroxide 25% Solution has been granted and will become effective July 1, 2015 as follows:

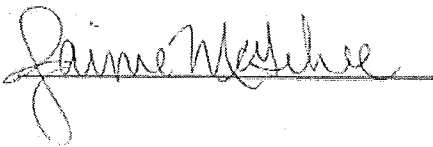
<u>ITEM/CHEMICAL</u>	<u>CURRENT PRICE</u>	<u>NEW PRICE</u>
Sodium Hydroxide 25% Solution	\$144.91	\$152.19 per wet ton


There are no other changes to the Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum the day and year first above written.

WITNESS/ATTEST:

ALLEGIANCE CHEMICALS, LLC



By: 
Signature
BRUCE BURDETTE, CFO
Print Name and Title 04/27/15

WITNESS/ATTEST:

HARFORD COUNTY, MARYLAND

By:

Karen D. Rottmann
Director of Procurement

Approved for form and legal sufficiency.

Approved for financial sufficiency.

Deborah S. Duvall
Senior Assistant County Attorney

Robert F. Sandlass, Jr.
Treasurer

Reviewed and Concur.

Timothy F. Whittie
Director, Department of Public Works

This agreement was fully executed on the _____ day of _____, _____.

Allegiance

CHEMICALS LLC

Mr. Daniel J. Guthrie, CPPB
Procurement Agent
Harford County Maryland
220 South Main St.
Bel Air, Maryland 21014

April 16, 2015

Sent Via: Fed-Ex Overnight

Re: Bid #14-132 Option Year 1 Renewal & Price Adjustment Request – Sodium Hydroxide 25% Solution

Dear Mr. Guthrie,

I am in receipt of your letter to renew our existing contract for Option Year 1 commencing July 1, 2015 through June 30, 2016 and while Allegiance Chemicals would like to renew this contract as well under the terms and conditions, I find it necessary to request your consideration of an economic price adjustment for this upcoming term.

Therefore, pursuant to the Bid #14-132: Section VIII: B. Economic Price Adjustment - Allegiance Chemicals, LLC is petitioning for an annual price adjustment based on the change in the Bureau of Labor Statistics PPI Index for Inorganic Chemicals - Sodium Products (NAICS Code #325180A) to be effective July 1, 2015 as follows:

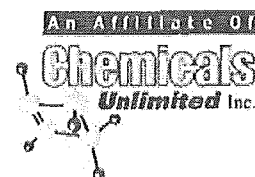
<u>Product</u>	<u>Expiring Bid Price</u>	<u>July 1, 2015 Price Requested</u>
Sodium Hydroxide 25% Solution	\$144.91 /wet ton	\$152.189 /wet ton

As prescribed by the Bid #14-132 Section referenced above, I have enclosed two letters from our supporting Producers (FPC & Olin) advising us of price increases in excess of 10% of our current costs; however, because Allegiance has multiple producer relationships to ensure competitive pricing and continuity of supply for our customers, I feel that a fairer measure of change in the current cost of material provided to you is represented by using the Producer Price Index applicable to the manufacture of Sodium Hydroxide as published by the Bureau of Labor Statistics. I am requesting your utilization of this Index for Sodium Hydroxide to determine price changes as it more closely mirrors my combined acquisition costs from all Producers.

To that end, I have determined the requested price increase by utilizing the change in the Producer Price Index for Inorganic Chemical Mfg. - Sodium Products (NAICS #325180A) as published by the Bureau of Labor Statistics. This index shows how the cost of manufacture of the inorganic chemicals - sodium compounds has changed on a monthly basis. For the purposes of determining the price increase I have used the applicable change in the PPI since the contract was bid initially: March-14 through March-15 (which is the most recent 12 month data available as of the time of this petition.)

Attachment 1: shows the calculations made to determine the price increase utilizing the base-year data provide in the Bureau of Labor Statistics PPI Index.

Attachment 2: is a copy of the actual charting from the Bureau of Labor Statistics monthly PPI Index for NAICS # 325180A Inorganic Chemicals – Sodium Compound, which is specific to the product Allegiance provides to you.



Attachment 3&4: copies of our Producer's cost increase announcements for the current contract year.

Allegiance Chemicals LLC appreciates your business and looks forward to servicing your needs now and in the future. Please confirm your agreement and acceptance of our offer.

Thank you for your business.

Best Regards,



Chief Operating Officer/Partner
Chemicals Unlimited, Inc. dba Allegiance Chemicals, LLC
A Maryland DOT Certified MBE/DBE #07-452



