



**B&G CHEMICALS & EQUIPMENT CO., INC.**

***Delivering Value***

1225 N. Post Oak Rd.  
Houston, TX 77055  
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August 24, 2010

Debbie Kaminski  
Fort Bend County  
Purchasing Department  
4520 Reading Road, Suite A  
Rosenberg, TX 77471

Ms. Kaminski,

Regarding bid number **10-020, Term Contract for Weed, Brush and Insect Control Material**, B&G has incurred a direct price increase from the manufacturer on one item, and would like to request a corresponding increase on the contract price via the escalation clause (1.35).

Although Fort Bend County has not purchased this product in years, we do have one or two customers that purchase this product via the interlocal agreement, and therefore it is important that we address this increase.

The product is item #12, Envirotech Mineral Oil, for which we are under contract to supply BVA-13 at a cost of \$5.63 per gallon. B&G received a price increase of 27% from the manufacturer, so we are hereby requesting the maximum increase of 25%, bringing the new contract price to \$7.04 per gallon. I have included documentation from the manufacturer stating the amount of increase.

If you have any questions or need anything else, you can reach me through B&G's Houston office, or on my mobile phone at (713)249-2075. Thanks for your help with this matter.

Sincerely,

*Mike Nichols*

Mike Nichols  
Sales and Technical Director



P.O. Box 930301  
Wixom, MI 48393-0301  
www.bvaoils.com

July 26, 2010

Target Specialty / B&G Chemical  
1225 N. Post Oak Road  
Houston, TX 77055

RE: Mosquito Control Chemical and Spray Oils Price Increases

To: Rick Ramos, Mike Nichols, Ron Sheffield

The escalating raw materials, fuel and logistics costs in the USA during the past, have resulted in price increases to our spray oils and mosquito control product lines. These increases have been passed on to our customers as of 06/01/10. For our BVA 13 Spray Oil in drums, the price increase is 27% to cover past increases of drum costs, etc. not taken into account for over a year.

Unfortunately, we expect to see interest rates and inflation increase over the next couple of years. Also, we have seen significant increases in the fuel surcharge, which plays a significant role in the receiving of raw materials and the shipping of finished goods. Increases of employee benefits, production overhead, such as electric and gas, have caused an increase of over 10%. These require price reviews constantly.

Thank you for your continued cooperation. If we can be of further assistance to you and Target Specialty / B&G Chemical, please do not hesitate to contact our office.

Sincerely,

David J. Vincent