

Item # 9-3A

**City of Carson City
Agenda Report**

Date Submitted: October 25, 2010

Agenda Date Requested: November 4, 2010

Time Requested: Consent

To: Mayor and Supervisors

From: Purchasing and Contracts

Subject Title: Action to determine that Contract No. 0708-045 is a sole source purchase; a purchase for equipment which, by reason of training of personnel or of an inventory of replacement parts maintained by the local government is compatible with existing equipment; therefore not suitable for public bidding pursuant to NRS 332.115 and to approve the additional purchases made after the expiration of to Contract No. 0708-045, which is hereby reaffirmed notwithstanding its prior expiration, to include the following, a price agreement with Badger Meter, Inc., for the purchase of domestic water meters through the period of September 16, 2009 through November 4, 2010 for a not to exceed amount of \$154,502.32 to be funded from the Water Utility Water Meter and Services Fund as provided in FY 2010/2011. (*Sandy Scott-Fisher*)

Staff Summary: The City renewed their contract with Badger Meter September 6, 2007 with an end date of September 7, 2009, the contract inadvertently was not renewed. Staff is recommending approval of this Amendment No. 1 to cover the period of purchases from September 16, 2009 through November 4, 2010. Following this amendment a New Sole Source purchase contract will be presented to the BOS for approval.

Type of Action Requested: (check one)

☐ Resolution

☐ Ordinance

☒ Formal Action/Motion

☐ Other (Specify)

Does This Action Require A Business Impact Statement: ☐ Yes ☒ No

Recommended Board Action: I move to determine that Contract No. 0708-045 is a sole source purchase; a purchase for equipment which, by reason of training of personnel or of an inventory of replacement parts maintained by the local government is compatible with existing equipment; therefore not suitable for public bidding pursuant to NRS 332.115 and to approve the additional purchases made after the expiration of to Contract No. 0708-045, which is hereby reaffirmed notwithstanding its prior expiration, to include the following, a price agreement with Badger Meter, Inc., for the purchase of domestic water meters through the period of September 16, 2009 through November 4, 2010 for a not to exceed amount of \$154,502.32 to be funded from the Water Utility Water Meter and Services Fund as provided in FY 2010/2011. (*Sandy Scott-Fisher*)

Explanation for Recommended Board Action: Pursuant to NRS 332.115 subsection 1 (a),

staff is requesting the Board of Supervisors declare that the contract is not adapted to award by competitive bidding.

NRS 332.115 Contracts not adapted to award by competitive bidding; purchase of equipment by local law enforcement agency, response agency or other local governmental agency; purchase of goods commonly used by hospital.

1. Contracts which by their nature are not adapted to award by competitive bidding, including contracts for:

(a) Items which may only be contracted from a sole source;

☐ are not subject to the requirements of this chapter for competitive bidding, as determined by the governing body or its authorized representative.

Applicable Statute, Code, Policy, Rule or Regulation: NRS 332.115 subsection 1 (a)

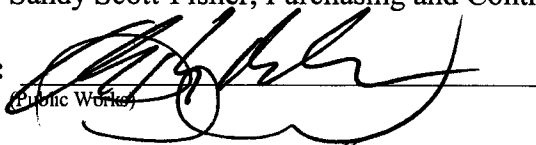
Fiscal Impact: \$154,502.32

Funding Source: 520-3502-435-0449 Water Utility Water Meter and Services as provided in FY 2010/2011.

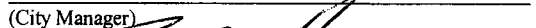
Supporting Material: Spreadsheet with purchases, Badger Meter Price Agreement and Prior BOS Approval

Prepared By: Sandy Scott-Fisher, Purchasing and Contracts Coordinator

Reviewed By:


(Public Works)

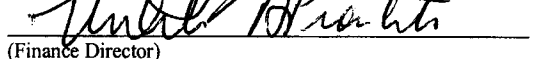
Date: 10/26/10


(City Manager)

Date: 10/26/10


(District Attorney)

Date: 10/26/10


(Finance Director)

Date: 10/26/10

Board Action Taken:

Motion: _____

1) _____
2) _____

Aye/Nay

(Vote Recorded By)

Quotation #29653

DATE: 4/13/2010 - Revised

TO: MR RON JOHNS
CARSON CITY UTILITIES
3505 BUTTI WAY
CARSON CITY NV 89701

Phone: +1 (775) 887-2355
Fax: +1 (775) 887-2164
Email: R.Johns@ci.carson-city.nv.us

SUBJECT: Three Year Meter Quotation - YEAR 1

Territory: Helphand, M. Brian

EFFECTIVE: 9/16/2009 - 9/15/2010

Customer Number 270129

Quantity	Description	Unit Price in US Dollars	Total Price in US Dollars
	5/8" x 3/4" Recordall M25 7 1/2" lay length, Bare, Bronze Housing, Plastic Housing Bottom, Less Connections	39.84	
	1" Recordall M70, Bare, Bronze Housing, Cast Iron Housing Bottom, Less Connections	99.58	
	1 1/2" Recordall M120 ELL/Test Plug, Bare, Bronze Housing, Less Connections	232.48	
	2" Recordall M170 ELL/Test Plug, Bare, Bronze Housing, Less Connections	338.14	
	3" Recordall Compound Series Meter, Bare, Bronze Housing, Less Connections	1274.26	
	4" Recordall Compound Series Meter, Bare, Bronze Housing, Less Connections	2206.64	
	6" Recordall Compound Series Meter, Bare, Bronze Housing, Less Connections	3294.42	
	1 1/2" Turbo Series 160 Integral Strainer with test plug, Bare, Bronze Housing, Less Connections	561.80	
	2" Turbo Series 200 ELL Integral Strainer /test plug, Bare, Less Connections	600.20	
	3" Turbo Series 450 Integral Strainer /test plug, Bare, Bronze Housing, Less Connections	788.32	
	4" Turbo Series 1000, Bare, Bronze Housing, Less Connections	859.98	

All quotations are made subject to the conditions printed on the reverse side hereof. Prices are firm for acceptance within 30 days, and an order placed within that time period will indicate acceptance. Prices are subject to change without notice unless specifically stated in this quotation.

Page: 1 of 2

Quotation #29653

DATE: 4/13/2010 - Revised

TO: MR RON JOHNS
CARSON CITY UTILITIES
3505 BUTTI WAY
CARSON CITY NV 89701

Phone: +1 (775) 887-2355
Fax: +1 (775) 887-2164
Email: RJohns@ci.carson-city.nv.us

SUBJECT: Three Year Meter Quotation - YEAR 1

Territory: Helphand, M. Brian

EFFECTIVE: 9/16/2009 - 9/15/2010

Customer Number 270129

Quantity	Description	Unit Price in US Dollars	Total Price in US Dollars
	6" Turbo Series 2000, Bare, Bronze Housing, Less Connections	2162.76	
	8" Turbo Series 3500, Bare, Less Connections	2450.70	
	3" Bronze Plate Strainer, Round (with Studs, Nuts & Gasket)	296.67	
	4" Bronze Plate Strainer, Round (with Studs, Nuts & Gasket)	396.72	
	6" Bronze Plate Strainer, Round (with Studs, Nuts & Gasket)	552.62	
	8" Steel Plate Strainer, Round (with Studs, Nuts & Gasket)	953.41	
	RTR and ORION Pit Module, 5/8" - 2" Badger disc meters	105.00	
	RTR and ORION Pit Module, Badger 1 1/2-10" Turbo Series meters	134.00	
	RTR and ORION Pit Module, Badger 2-6" Compound Series meters <i>includes (2) RTRs, Summator & Orion Pit Module</i>	294.00	
		399.00	
	<i>Dual RTR Register, Summator & ORION Pit Module for RC DL Compound Meters</i>		

Notes/Options: *Prices quoted may be increased in proportion to the increase in the Producer Price Index for Materials for durable manufacturing as reported by the U.S. Department of Labor. The base index shall be the July 2009 index of 163.7. Changes in prices will be no more frequent than every 12 months if necessary.*

4/13/10: Expiration date corrected to 9/15/10 to complete first year.

Shipping: FOB Destination BY M. Brian Helphand

TITLE: Account Mgr. West

Payment: N/30

Delivery: Provided After Receipt of Order

All quotations are made subject to the conditions printed on the reverse side hereof. Prices are firm for acceptance within 30 days, and an order placed within that time period will indicate acceptance. Prices are subject to change without notice unless specifically stated in this quotation.

Page: 2 of 2

CGUST	CNME	CAD1	CAD3	CSTE	CZIP	SHINV	SHDTE	SHTOT	SHCPO
270129	CARSON CITY UTILITIES	3505 BUTTI WAY	CARSON CITY	NV	89701	83740101	20090922	\$2,244.00	09/09/09
270129	CARSON CITY UTILITIES	3505 BUTTI WAY	CARSON CITY	NV	89701	83739101	20090923	\$4,752.00	09/09/09
270129	CARSON CITY UTILITIES	3505 BUTTI WAY	CARSON CITY	NV	89701	83739001	20090924	\$9,900.00	09/09/09
270129	CARSON CITY UTILITIES	3505 BUTTI WAY	CARSON CITY	NV	89701	83765301	20090924	\$2,472.00	09/09/09
270129	CARSON CITY UTILITIES	3505 BUTTI WAY	CARSON CITY	NV	89701	83740401	20090925	\$1,171.80	09/09/09
270129	CARSON CITY UTILITIES	3505 BUTTI WAY	CARSON CITY	NV	89701	83740501	20090925	\$781.04	09/09/09
270129	CARSON CITY UTILITIES	3505 BUTTI WAY	CARSON CITY	NV	89701	83740601	20090925	\$683.76	09/09/09
270129	CARSON CITY UTILITIES	3505 BUTTI WAY	CARSON CITY	NV	89701	83363301	20090929	\$0.00	08/13/09 RON
270129	CARSON CITY UTILITIES	3505 BUTTI WAY	CARSON CITY	NV	89701	85105301	20091217	\$0.00	RMI 342383
270129	CARSON CITY UTILITIES	3505 BUTTI WAY	CARSON CITY	NV	89701	85292101	20100113	\$398.32	12/30/09
270129	CARSON CITY UTILITIES	3505 BUTTI WAY	CARSON CITY	NV	89701	85292901	20100114	\$2,520.00	12/30/09
270129	CARSON CITY UTILITIES	3505 BUTTI WAY	CARSON CITY	NV	89701	85293201	20100114	\$2,520.00	12/30/09
270129	CARSON CITY UTILITIES	3505 BUTTI WAY	CARSON CITY	NV	89701	85292701	20100118	\$21,000.00	12/30/09
270129	CARSON CITY UTILITIES	3505 BUTTI WAY	CARSON CITY	NV	89701	85292201	20100119	\$232.48	12/30/09
270129	CARSON CITY UTILITIES	3505 BUTTI WAY	CARSON CITY	NV	89701	85292401	20100119	\$1,014.42	12/30/09
270129	CARSON CITY UTILITIES	3505 BUTTI WAY	CARSON CITY	NV	89701	85293801	20100120	\$295.80	12/30/09

270129	CARSON CITY UTILITIES	3505 BUTTI WAY	CARSON CITY	NV	89701	85293501	20100121	\$1,596.00	12/30/09
270129	CARSON CITY UTILITIES	3505 BUTTI WAY	CARSON CITY	NV	89701	85293401	20100125	\$2,394.00	12/30/09
270129	CARSON CITY UTILITIES	3505 BUTTI WAY	CARSON CITY	NV	89701	86119801	20100309	\$42,000.00	BRIAN H. 2/24
270129	CARSON CITY UTILITIES	3505 BUTTI WAY	CARSON CITY	NV	89701	88163001	20100701	\$989.00	SERVICE RENEWAL
270129	CARSON CITY UTILITIES	3505 BUTTI WAY	CARSON CITY	NV	89701	88607201	20100730	\$3,317.04	SERVICE RENEWAL
270129	CARSON CITY UTILITIES	3505 BUTTI WAY	CARSON CITY	NV	89701	88535501	20100810	\$5,040.00	TOM GORDON
270129	CARSON CITY UTILITIES	3505 BUTTI WAY	CARSON CITY	NV	89701	88535201	20100811	\$42,000.00	TOM GORDON
270129	CARSON CITY UTILITIES	3505 BUTTI WAY	CARSON CITY	NV	89701	88535701	20100826	\$536.00	TOM GORDON
270129	CARSON CITY UTILITIES	3505 BUTTI WAY	CARSON CITY	NV	89701	88535801	20100826	\$1,764.00	TOM GORDON
270129	CARSON CITY UTILITIES	3505 BUTTI WAY	CARSON CITY	NV	89701	88535901	20100826	\$0.00	TOM GORDON
270129	CARSON CITY UTILITIES	3505 BUTTI WAY	CARSON CITY	NV	89701	88534701	20100831	\$497.90	TOM GORDON
270129	CARSON CITY UTILITIES	3505 BUTTI WAY	CARSON CITY	NV	89701	88539101	20100831	\$2,028.84	TOM GORDON
270129	CARSON CITY UTILITIES	3505 BUTTI WAY	CARSON CITY	NV	89701	88766401	20100831	\$900.00	SERVICE RENEWAL
270129	CARSON CITY UTILITIES	3505 BUTTI WAY	CARSON CITY	NV	89701	88536001	20100903	\$1,596.00	TOM GORDON
270129	CARSON CITY UTILITIES	3505 BUTTI WAY	CARSON CITY	NV	89701	88536101	20100903	\$0.00	TOM GORDON
270129	CARSON CITY UTILITIES	3505 BUTTI WAY	CARSON CITY	NV	89701	89252100	20100910	-\$142.08	SERVICE RENEWAL

\$154,502.32

**City of Carson City
Agenda Report**

Date Submitted: August 28, 2007

Agenda Date Requested: September 6, 2007

Time Requested: Consent

To: Mayor and Supervisors

From: Purchasing & Contracts

Subject Title: Action to determine that Contract No. 0708-045 is a sole source contract and a contract for equipment which, by reason of the training of the personnel or of an inventory of replacement parts maintained by the local government is compatible with existing equipment, and therefore not suitable for public bidding pursuant to NRS 332.115 and to approve Contract No. 0708-045 a price agreement with Badger Meter, Inc. for the purchase of domestic water meters through September 15, 2009 for a not to exceed amount of \$130,000 per fiscal year from the Water Fund

Staff Summary: Contract No. 0304-020 Domestic Water Meters expires on September 15, 2007.

Type of Action Requested: (check one)
☐ Resolution ☐ Ordinance
☒ Formal Action/Motion ☐ Other (Specify)

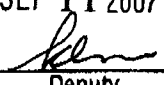
Does This Action Require A Business Impact Statement: ☐ Yes ☒ No

Recommended Board Action: I move to determine that Contract No. 0708-045 is a sole source contract and a contract for equipment which, by reason of the training of the personnel or of an inventory of replacement parts maintained by the local government is compatible with existing equipment, and therefore not suitable for public bidding pursuant to NRS 332.115 and to approve Contract No. 0708-045 a price agreement with Badger Meter, Inc. for the purchase of domestic water meters through September 15, 2009 for a not to exceed amount of \$130,000 per fiscal year from the Water Fund

Explanation for Recommended Board Action: On October 15, 1998 the Board of Supervisors awarded Contract No. 9899-059 Carson City Domestic Water Meters to Badger Meter, Inc. effective through October 14, 2000 with the right to renew for 3-one year periods for a total of five years. On August 3, 2000 the Board approved the first renewal period, on July 19, 2001 the Board approved the second renewal period, and on September 5, 2002 the Board approved the final renewal period of October 15, 2002 through October 14, 2003.

★ CLERK ★
FILED
Time 11:35am

SEP 11 2007

By 
Deputy
Carson City, Nevada

On July 6, 2000 the Board approved Contract No. 0001-013 for the purchase of the Badger Meter TRACE® Mini Mobile Interrogator (MMI), Connect™ Software, and training for a not to exceed cost of 33,895.00. MMI was a computer based data collection system designed for Radio Frequency (RF) Automated Meter Reading data collection from TRACE Remote and Pit Transponders. The suitcase-sized MMI offered flexibility to fit into any car, truck, or van and was completely portable from vehicle to vehicle.

By March 2001, Water Utility had converted or retro-fitted 13,500 plus existing waters meters to the Badger automated meter reading technology called TRACE.

On September 16, 2003 the Board of Supervisors awarded Contract No. 0304-020 to Badger Meter, Inc. to purchase domestic water meters through September 15, 2005 with the option to renew for two (2) additional years subject to negotiation. On August 5, 2005 the Board of Supervisors approved the first renewal period and on June 15, 2006 the Board approved the final renewal period of September 16, 2006 through September 15, 2007 with the same prices, terms, and conditions as originally awarded and with the removal of the eight (8) register/transponders which were no longer available.

On June 15, 2006 the Board of Supervisors approved Contract No. 0607-012 a price agreement with Badger Meter, Inc. through September 14, 2009 for the purchase of Badger ORION® products.

Curtis Horton, Deputy Public Works Operation Manager, has provided a memo stating their justification for this request.

Pursuant to NRS 332.115 subsection 1 (a) and (d), staff is requesting the Board of Supervisors declare that the contract is not adapted to award by competitive bidding.

NRS 332.115 Contracts not adapted to award by competitive bidding; purchase of equipment by local law enforcement agency or other local governmental agency; purchase of goods commonly used by hospital.

1. Contracts which by their nature are not adapted to award by competitive bidding, including contracts for:
 - (a) Items which may only be contracted from a sole source;
 - (d) Equipment which, by reason of the training of the personnel or of an inventory of replacement parts maintained by the local government is compatible with existing equipment;are not subject to the requirements of this chapter for competitive bidding as determined by the governing body or its authorized representative.

Applicable Statue, Code, Policy, Rule or Regulation: NRS 332.115 subsection 1 (a) and (d)

Fiscal Impact: These items will be purchased on an as-needed basis.

Explanation of Impact: These items will be purchased on an as-needed basis.

Funding Source: \$130,000 has been budgeted in FY 07/08 in the Water Fund.

Supporting Material: Memo from Curtis Horton and Price Agreement from Badger Meter, Inc.

Prepared By: Cheryl Adams, Purchasing & Contracts Manager

Reviewed By:

(Public Works)

Date:

8/28/07

(City Manager)

Date:

8-28-07

(District Attorney)

Date:

8-28-07

(Finance Director)

Date:

8/28/7

Board Action Taken:

Motion: _____

1)

2)

Aye/Nay

(Vote Recorded By)

**PUBLIC WORKS
DEPARTMENT**

ADMINISTRATION

3505 Butti Way
Carson City, NV 89701-3498
Ph: 775-887-2355
Fx: 775-887-2112

CONTRACTS

3505 Butti Way
Carson City, NV 89701-3498
Ph: 775-887-2355
Fx: 775-887-2112

FLEET SERVICES

3303 Butti Way, Building 2
Carson City, NV 89701-3498
Ph: 775-887-2356
Fx: 775-887-2258

OPERATIONS

(Water, Sewer, Wastewater,
Streets, Landfill, Environmental)
3505 Butti Way
Carson City, NV 89701-3498
Ph: 775-887-2355
Fx: 775-887-2112

**TRANSPORTATION/
CAPITAL PROJECTS**

3505 Butti Way
Carson City, NV 89701-3498
Ph: 775-887-2355
Fx: 775-887-2112

**DEVELOPMENT
SERVICES**

**BUILDING and SAFETY
PERMIT CENTER**

2621 Northgate Lane, Suite 6
Carson City, NV 89706-1319
Ph: 775-887-2310
Fx: 775-887-2202

DEVELOPMENT ENGINEERING

2621 Northgate Lane, Suite 54
Carson City, NV 89706-1319
Ph: 775-887-2300
Fx: 775-887-2283

PLANNING

2621 Northgate Lane, Suite 62
Carson City, NV 89706-1319
Ph: 775-887-2180
Fx: 775-887-2278

CARSON CITY NEVADA

Consolidated Municipality and State Capital



M E M O R A N D U M

To: Cheryl Adams, Purchasing/Contracts Manager.

From: Curtis Horton, Deputy Public Works Operation Manager.

Date: July 17, 2007.

Subject: Sole sourcing of Badger Water Meters.

In November 1991, the Water Utility completed the Water Meters Pre-qualification to supply water meters to Carson City. The water meters that were acceptable for use within Carson City were: Badger Meters and Sensus Technologies. It was determined that Badger Meter Co. was the best choice due to their advanced Automatic Meter Reading (AMR) capabilities.

Due to compatibility issues with the Badger Meter Co. Orion Automatic meter reading system (AMR), utilized by the Water Utility Division of the Carson City Public Works Department, the new contract for residential and commercial water meters must be a "Sole Source" contract for Badger meters and the Orion AMR System.

c: Ken Arnold
Rit Palmer
Ron Johns

Badger Meter, Inc.

4545 W. Brown Deer Road
Milwaukee, Wisconsin 53223

P.O. Box 245036
Milwaukee, WI 53224-9536 (414) 355-0400



August 14, 2007

Cheryl Adams, Purchasing &
Contracts Manager
City of Carson City
201 North Carson Street, Suite 11
Carson City, NV 89701

Re: Meters - Price Agreement

Dear Ms Adams:

In accordance with your request, please find attached a price agreement for Badger meter products. This price agreement is effective through September 14, 2009. Prices quoted may be increased in proportion to the increase in the Producer Price Index for Materials for Durable Manufacturing as reported by the U. S. Department of Labor. The base index shall be the June 2007 index of 195.2. Changes in prices will be no more frequent than every 12 months if necessary.

We appreciate the opportunity to continue to serve you under this price agreement.

Sincerely,

BADGER METER, INC.

Theresa M. Szafranski
kg.

Theresa M. Szafranski
Assistant Secretary

cc: Brian Helphand

Quotation #20326



BadgerMeter, Inc.

4545 W. Brown Deer Road, Milwaukee, WI 53223

P.O. Box 245036, Milwaukee, WI 53224-9536

Phone: 800-616-3837

Fax: 888-371-5982

DATE: 8/14/2007 - Revised

TO: CHERYL ADAMS
CARSON CITY UTILITIES
201 N CARSON ST STE 11
CARSON CITY NV 89701

Phone: +1 (775) 887-2355

Fax: +1 (775) 887-2107

Email: cadams@ci.carson-city.nv.us

SUBJECT: ♦ Two Year Meter Quotation - YEAR 1

Territory: Helphand, M. Brian

EFFECTIVE: 9/16/2007 - 9/15/2009

Customer Number 270129

Quantity	Description	Unit Price in US Dollars	Total Price in US Dollars
	5/8" x 3/4" Recordall M25 7 1/2" lay length, Bare, Bronze Housing, Plastic Housing Bottom, Less Connections	35.26	
	1" Recordall M70, Bare, Bronze Housing, Cast Iron Housing Bottom, Less Connections	88.11	
	1 1/2" Recordall M120 ELL/Test Plug, Bare, Bronze Housing, Less Connections	205.70	
	2" Recordall M170 ELL/Test Plug, Bare, Bronze Housing, Less Connections	299.20	
	3" Recordall Compound Series Meter, Bare, Bronze Housing, Less Connections	1127.50	
	4" Recordall Compound Series Meter, Bare, Bronze Housing, Less Connections	1952.50	
	6" Recordall Compound Series Meter, Bare, Bronze Housing, Less Connections	2915.00	
	1 1/2" Turbo Series 160 Integral Strainer with test plug, Bare, Bronze Housing, Less Connections	482.90	
	2" Turbo Series 200 ELL Integral Strainer /test plug, Bare, Less Connections	515.90	
	3" Turbo Series 450 Integral Strainer /test plug, Bare, Bronze Housing, Less Connections	677.60	
	4" Turbo Series 1000, Bare, Bronze Housing, Less Connections	739.20	

All quotations are made subject to the conditions printed on the reverse side hereof. Prices are firm for acceptance within 30 days, and an order placed within that time period will indicate acceptance. Prices are subject to change without notice unless specifically stated in this quotation.

Page: 1 of 2

Quotation #20326



BadgerMeter, Inc.

4545 W. Brown Deer Road, Milwaukee, WI 53223

P.O. Box 245036, Milwaukee, WI 53224-9536

Phone: 800-616-3837

Fax: 888-371-5982

DATE: 8/14/2007 - Revised

TO: CHERYL ADAMS
CARSON CITY UTILITIES
201 N CARSON ST STE 11
CARSON CITY NV 89701

Phone: +1 (775) 887-2355

Fax: +1 (775) 887-2164

Email: cadams@ci.carson-city.nv.us

SUBJECT: Two Year Meter Quotation - YEAR 1

Territory: Helphand, M. Brian

EFFECTIVE: 9/16/2007 - 9/15/2009

Customer Number 270129

Quantity	Description	Unit Price in US Dollars	Total Price in US Dollars
	6" Turbo Series 2000, Bare, Bronze Housing, Less Connections	1859.00	
	8" Turbo Series 3500, Bare, Less Connections	2106.50	
	3" Bronze Plate Strainer, Round (with Studs, Nuts & Gasket)	255.00	
	4" Bronze Plate Strainer, Round (with Studs, Nuts & Gasket)	341.00	
	6" Bronze Plate Strainer, Round (with Studs, Nuts & Gasket)	475.00	
	8" Steel Plate Strainer, Round (with Studs, Nuts & Gasket)	819.50	

Notes/Options: Prices quoted may be increased in proportion to the increase in the Producer Price Index for Materials for Durable Manufacturing as reported by the U.S. Department of Labor. The base index shall be the June 2007 index of 195.2. Changes in prices will be no more frequent than every 12 months if necessary.

8/14/07: Quotation changed to 2 year quote instead of 3. Effective dates revised. Prices will be reviewed at end of first year as shown.

9/16/2007 - 9/15/2008 = Year 1

9/16/2008 - 9/15/2009 = Year 2

Shipping: Destination \$10,000
Minimum

BY B. Helphand M. Brian Helphand

TITLE: Account Mgr. West

Payment: N/30

Delivery: Provided After Receipt of Order

All quotations are made subject to the conditions printed on the reverse side hereof. Prices are firm for acceptance within 30 days, and an order placed within that time period will indicate acceptance. Prices are subject to change without notice unless specifically stated in this quotation.

Page: 2 of 2