

City and County of San Francisco
 Office of Contract Administration
 Purchasing Department
 City Hall, Room 430
 1 Dr. Carlton B. Goodlett Place
 San Francisco, CA 94102-4685

FILE COPY



Maudie 7/3/11

Contract Modification 5

Liquid Aluminum Sulfate

Heritage Systems, Inc.
 Attn: Michael Long
 2471 Solano Avenue, Suite 141
 Napa, CA 94558
mlong@heritagesystemsinc.com

Date: July 21, 2011
 Buyer Name: Carolyn Sladnick
 Term Contract: 66014
 City Blanket No. BPSF00003316
 Type: Indefinite quantity
 Not-to-exceed amount: \$5,000,000.00

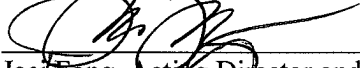
The history of this contract and its modifications is as follows:

Modification	Start date	End date	Amount	Other changes
Original contract	09/15/06	08/14/09	\$1,500,000.00	
1	12/01/08	08/14/09		Price Increase
2	08/15/09	08/14/10		12 months extension
3	01/27/10	08/14/10	\$1,000,000.00	
4	08/15/10	08/14/11	\$1,500,000.00	12 months extension Added Attachment A: "Food Service Waste Reduction Requirements"
5	08/15/11	08/14/12	\$5,000,000.00	Price Decrease 12 months extension Update contract terms and conditions


This modification 5 changes the contract as follows:

It extends the contract from 08/15/11 to 08/14/12, decreases the price 8.9%, increases the contract amount by \$1,000,000 for a Not-to-exceed total of \$5,000, 000, updates Bid and Contract Conditions No.24, Nondiscrimination; Penalties, No.25, LBE Utilization; Liquidated Damages, and adds Electronic Payment. It updates General Conditions No.59, First Source Hiring Program, No.60, Limitations on Contributions and No.64, Nondisclosure of Private Information, and references Special Condition No.79, Price Escalation (Attachment A).

All other prices, terms and conditions remain the same.

Approved by the City: 

 Jac Fong, Acting Director and Purchaser

Approved by Contractor: 

 Signature

7/26/2011

 Date

8/1/2011

 Date

Name and title _____

Sign and return one original. The duplicate original is for your files.

P-280 (11/20/09)

Bid and Contract Conditions

Bid and Contract Condition No.24 Nondiscrimination; Penalties is hereby deleted in its entirety and replaced with:

24. Nondiscrimination; Penalties

a. Contractor Shall Not Discriminate. In the performance of this Agreement, Contractor agrees not to discriminate against any employee, City and County employee working with such contractor or subcontractor, applicant for employment with such contractor or subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

b. Subcontracts. Contractor shall incorporate by reference in all subcontracts the provisions of §§12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code (copies of which are available from Purchasing) and shall require all subcontractors to comply with such provisions. Contractor's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

c. Nondiscrimination in Benefits. Contractor does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in §12B.2(b) of the San Francisco Administrative Code.

d. Condition to Contract. As a condition to this Agreement, Contractor shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

e. Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply

fully with and be bound by all of the provisions that apply to this Agreement under such Chapters, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Contractor understands that pursuant to §§12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Contractor and/or deducted from any payments due Contractor.

25. Local Business Enterprise Utilization; Liquidated Damages

Bid and Contract Condition No.25 Local Business Enterprise Utilization; Liquidated Damages is hereby deleted in its entirety and replaced with:

a. The LBE Ordinance. Contractor, shall comply with all the requirements of the Local Business Enterprise and Non-Discrimination in Contracting Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively the "LBE Ordinance"), provided such amendments do not materially increase Contractor's obligations or liabilities, or materially diminish Contractor's rights, under this Agreement. Such provisions of the LBE Ordinance are incorporated by reference and made a part of this Agreement as though fully set forth in this section. Contractor's willful failure to comply with any applicable provisions of the LBE Ordinance is a material breach of Contractor's obligations under this Agreement and shall entitle City, subject to any applicable notice and cure provisions set forth in this Agreement, to exercise any of the remedies provided for under this Agreement, under the LBE Ordinance or otherwise available at law or in equity, which remedies shall be cumulative unless this Agreement expressly provides that any remedy is exclusive. In addition, Contractor shall comply fully with all other applicable local, state and federal laws prohibiting discrimination and requiring equal opportunity in contracting, including subcontracting.

b. Compliance and Enforcement. Enforcement. If Contractor willfully fails to comply with any of the provisions of the LBE Ordinance, the rules and regulations implementing the LBE Ordinance, or the provisions of this Agreement pertaining to LBE participation, Contractor shall be liable for liquidated damages in an amount equal to Contractor's net profit on this Agreement, or 10% of the total amount of this Agreement, or \$1,000, whichever is greatest. The Director of the City's Human Rights Commission or any other public official authorized to enforce the LBE Ordinance (separately and collectively, the "Director of HRC") may also impose other sanctions against Contractor authorized in the LBE Ordinance, including declaring the Contractor to be irresponsible and ineligible to contract with the City for a period of up to five years or revocation of the Contractor's LBE certification. The Director of HRC will determine the sanctions to be imposed, including the amount of liquidated damages, after investigation pursuant to Administrative Code §14B.17. By entering into this Agreement, Contractor acknowledges and agrees that any liquidated damages assessed by the Director of the HRC shall be payable to City upon demand. Contractor further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to Contractor on any contract with City. Contractor agrees to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three years following termination or expiration of this Agreement, and shall make such records available for audit and inspection by the Director of HRC or the Controller upon request.

Attachment A
Contract No. 66014
Contract Modification No.5
Aluminum Sulfate, Liquid
Heritage Systems
July 21, 2011

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The following is hereby added to Bid and Contract Conditions:

Electronic payment. The City and County of San Francisco (City) uses Bank of America's PayMode-X system to pay invoices **electronically** and **not by check** whenever possible. The City makes PayMode-X payments every business day, **but prints and mails paper checks only one day a week**. So the City encourages you – and it is greatly to your benefit – to enroll in PayMode-X now.

There is no cost to you to enroll in PayMode-X, and you get the same information electronically from PayMode-X that you would get on the City's check stub.

For more information, please visit the Controller's website at:

<http://sfcontroller.org/index.aspx?page=85>

If you have questions, please call:

Steve W. Lee, Controller's Office (415) 554-7591

General Conditions

59. First Source Hiring Program

General Condition No.59 First Source Hiring Program is hereby deleted in its entirety and replaced with:

First Source Hiring Program

a. Incorporation of Administrative Code Provisions by Reference. The provisions of Chapter 83 of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with, and be bound by, all of the provisions that apply to this Agreement under such Chapter, including but not limited to the remedies provided therein. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 83.

b. First Source Hiring Agreement. As an essential term of, and consideration for, any contract or property contract with the City, not exempted by the FSHA, the Contractor shall enter into a first source hiring agreement ("agreement") with the City, on or before the effective date of the contract or property contract. Contractors shall also enter into an agreement with the City for any other work that it performs in the City. Such agreement shall:

(1) Set appropriate hiring and retention goals for entry level positions. The employer shall agree to achieve these hiring and retention goals, or, if unable to achieve these goals, to establish good faith efforts as to its attempts to do so, as set forth in the agreement. The agreement shall take into consideration the employer's participation in existing job training, referral and/or brokerage programs. Within the discretion of the FSHA, subject to appropriate modifications, participation in such programs may be certified as meeting the requirements of this Chapter. Failure either to achieve the specified goal, or to establish good faith efforts will constitute noncompliance and will subject the employer to the provisions of Section 83.10 of this Chapter.

(2) Set first source interviewing, recruitment and hiring requirements, which will provide the San Francisco Workforce Development System with the first opportunity to provide qualified economically disadvantaged individuals for consideration for employment for entry level positions. Employers shall consider all applications of qualified economically disadvantaged individuals referred by the System for employment; provided however, if the employer utilizes nondiscriminatory screening criteria, the employer shall have the sole discretion to interview and/or hire individuals referred or certified by the San Francisco Workforce Development System as being qualified economically disadvantaged individuals. The duration of the first source interviewing requirement shall be determined by the FSHA and shall be set forth in each agreement, but shall not exceed 10 days. During that period, the employer may publicize the entry level positions in accordance with the agreement. A need for urgent or temporary hires must be evaluated, and appropriate provisions for such a situation must be made in the agreement.

(3) Set appropriate requirements for providing notification of available entry level positions to the San Francisco Workforce Development System so that the System may train and refer an adequate pool of qualified economically disadvantaged individuals to participating employers. Notification should include such information as employment needs by occupational title, skills, and/or experience required, the hours required, wage scale and duration of employment, identification of entry level and training positions, identification of English language proficiency requirements, or absence thereof, and the projected schedule and procedures for hiring for each occupation. Employers should provide both long-term job need projections and notice before initiating the interviewing and hiring process. These notification requirements will take into consideration any need to protect the employer's proprietary information.

(4) Set appropriate record keeping and monitoring requirements. The First Source Hiring Administration shall develop easy-to-use forms and record keeping requirements for documenting compliance with the agreement. To the greatest extent possible, these requirements shall utilize the employer's existing record keeping systems, be nonduplicative, and facilitate a coordinated flow of information and referrals.

(5) Establish guidelines for employer good faith efforts to comply with the first source hiring requirements of this Chapter. The FSHA will work with City departments to develop employer good faith effort requirements appropriate to the types of contracts and property contracts handled by each department. Employers shall appoint a liaison for dealing with the development and implementation of

the employer's agreement. In the event that the FSHA finds that the employer under a City contract or property contract has taken actions primarily for the purpose of circumventing the requirements of this Chapter, that employer shall be subject to the sanctions set forth in Section 83.10 of this Chapter.

- (6) Set the term of the requirements.
- (7) Set appropriate enforcement and sanctioning standards consistent with this Chapter.
- (8) Set forth the City's obligations to develop training programs, job applicant referrals, technical assistance, and information systems that assist the employer in complying with this Chapter.
- (9) Require the developer to include notice of the requirements of this Chapter in leases, subleases, and other occupancy contracts.

c. Hiring Decisions. Contractor shall make the final determination of whether an Economically Disadvantaged Individual referred by the System is "qualified" for the position.

d. Exceptions. Upon application by Employer, the First Source Hiring Administration may grant an exception to any or all of the requirements of Chapter 83 in any situation where it concludes that compliance with this Chapter would cause economic hardship.

e. Liquidated Damages. Contractor agrees:

- (1) To be liable to the City for liquidated damages as provided in this section;
- (2) To be subject to the procedures governing enforcement of breaches of contracts based on violations of contract provisions required by this Chapter as set forth in this section;
- (3) That the contractor's commitment to comply with this Chapter is a material element of the City's consideration for this contract; that the failure of the contractor to comply with the contract provisions required by this Chapter will cause harm to the City and the public which is significant and substantial but extremely difficult to quantify; that the harm to the City includes not only the financial cost of funding public assistance programs but also the insidious but impossible to quantify harm that this community and its families suffer as a result of unemployment; and that the assessment of liquidated damages of up to \$5,000 for every notice of a new hire for an entry level position improperly withheld by the contractor from the first source hiring process, as determined by the FSHA during its first investigation of a contractor, does not exceed a fair estimate of the financial and other damages that the City suffers as a result of the contractor's failure to comply with its first source referral contractual obligations.
- (4) That the continued failure by a contractor to comply with its first source referral contractual obligations will cause further significant and substantial harm to the City and the public, and that a second assessment of liquidated damages of up to \$10,000 for each entry level position improperly

withheld from the FSHA, from the time of the conclusion of the first investigation forward, does not exceed the financial and other damages that the City suffers as a result of the contractor's continued failure to comply with its first source referral contractual obligations;

(5) That in addition to the cost of investigating alleged violations under this Section, the computation of liquidated damages for purposes of this section is based on the following data:

- (a) The average length of stay on public assistance in San Francisco's County Adult Assistance Program is approximately 41 months at an average monthly grant of \$348 per month, totaling approximately \$14,379; and
- (b) In 2004, the retention rate of adults placed in employment programs funded under the Workforce Investment Act for at least the first six months of employment was 84.4%. Since
- (c) qualified individuals under the First Source program face far fewer barriers to employment than their counterparts in programs funded by the Workforce Investment Act, it is reasonable to conclude that the average length of employment for an individual whom the First Source Program refers to an employer and who is hired in an entry level position is at least one year;

therefore, liquidated damages that total \$5,000 for first violations and \$10,000 for subsequent violations as determined by FSHA constitute a fair, reasonable, and conservative attempt to quantify the harm caused to the City by the failure of a contractor to comply with its first source referral contractual obligations.

(6) That the failure of contractors to comply with this Chapter, except property contractors, may be subject to the debarment and monetary penalties set forth in Sections 6.80 et seq. of the San Francisco Administrative Code, as well as any other remedies available under the contract or at law; and

Violation of the requirements of Chapter 83 is subject to an assessment of liquidated damages in the amount of \$5,000 for every new hire for an Entry Level Position improperly withheld from the first source hiring process. The assessment of liquidated damages and the evaluation of any defenses or mitigating factors shall be made by the FSHA.

f. Subcontracts. Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of Chapter 83 and shall contain contractual obligations substantially the same as those set forth in this Section.

60. Limitations on Contributions

General Condition No.60 Limitations on Contributions is hereby deleted in its entirety and replaced with:

Limitations on Contributions. Through execution of this Agreement, Contractor acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Contractor acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Contractor further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Contractor's board of directors; Contractor's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Additionally, Contractor acknowledges that Contractor must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126.

64. Nondisclosure of Private Information

General Condition No.64 Nondisclosure of Private Information is hereby deleted in its entirety and replaced with:

Protection of Private Information. Contractor has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12M.2, "Nondisclosure of Private Information," and 12M.3, "Enforcement" of Administrative Code Chapter 12M, "Protection of Private Information," which are incorporated herein as if fully set forth. Contractor agrees that any failure of Contractor to comply with the requirements of Section 12M.2 of this Chapter shall be a material breach of the Contract. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate the Contract, bring a false claim action against the Contractor pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar the Contractor.

Attachment A
Contract No. 66014
Contract Modification No.5
Aluminum Sulfate, Liquid
Heritage Systems
July 21, 2011

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Special Conditions

79. Price Escalation

In accordance with Special Condition No.79 Price Escalation, the price is hereby decreased as follows:

PRICE DECREASE (firm for duration of contract extension):

Aluminum Sulfate, Liquid:	Current price	\$0.2421/lb
	New price	\$0.2212/lb

City and County of San Francisco
Office of Contract Administration
Purchasing Department
City Hall, Room 430
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4685



Contract Modification 4

Liquid Aluminum Sulfate

Heritage Systems, Inc.
Attn: Michael Long
2471 Solano Avenue, Suite 141
Napa, CA 94558
m.long@heritagesystemsinc.com

Date: July 07, 2010
Buyer Name: Carolyn Sladnick
Term Contract: 66014
City Blanket No. BPSF00003316
Type: Indefinite quantity
Not-to-exceed amount: \$4,000,000.00

The history of this contract and its modifications is as follows:

Modification	Start date	End date	Amount	Other changes
Original contract	09/15/06	08/14/09	\$1,500,000.00	
1	12/01/08	08/14/09		Price Increase
2	08/15/09	08/14/10		12 months extension
3	01/27/10	08/14/10	\$1,000,000.00	
4	08/15/10	08/14/11	\$1,500,000.00	12 months extension Added Attachment A: "Food Service Waste Reduction Requirements"

This modification 4 changes the contract as follows:

It extends the contract from 08/15/10 to 08/14/11, increases the contract amount by \$1,500,000 to a Not-to-exceed total of \$4,000,000, and adds Bid and Contract Condition, "Food Service Waste Reduction Requirements" to the contract (Attachment A).

All other prices, terms and conditions remain the same.

Approved by the City:

Naomi Kelly, Director of OCA and Purchaser

7/13/2010
Date

Approved by Contractor:

Signature

7/14/2010
Date

Name and title

Michael Long, President

City and County of San Francisco
Office of Contract Administration
Purchasing Division
City Hall, Room 430
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4685

ATTACHMENT A
Term Contract: 66014
City Blanket #: BPSF00003316

Date: July 7, 2010

Contract Modification 4

Liquid Aluminum Sulfate

BID AND CONTRACT CONDITIONS

Food Service Waste Reduction Requirements. Effective June 1, 2007, Contractor agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Contractor agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Contractor's failure to comply with this provision.

City and County of San Francisco
Office of Contract Administration
Purchasing Department
City Hall, Room 430
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4685



Contract Modification No. 3

Liquid Aluminum Sulfate

Heritage Systems, Inc.
Attn: Michael Long
2471 Solano Avenue, Suite 141
Napa, CA 94558

Date: January 27, 2010
Buyer's Name: Carolyn Sladnick
Term Contract: 66014
Type: Indefinite quantity
Not to exceed amount: \$2,500,000

The history of this contract and its modifications is as follows:

Modification	Date	Start date	End date	Amount	Notes
Original contract	9/29/06	9/15/06	8/14/09	\$1,500,000.00	
1	11/14/08	12/1/08	8/14/09		Price increase
2	7/29/09	8/15/09	8/14/10		12 Months Extension
3	01/27/10	01/27/10	8/14/10	\$1,000,000.00	

This modification 3 changes the contract as follows:

It increases the contract amount by \$1,000,000 to a total of \$2,500,000.

All other prices, terms, and conditions remain the same.

Approved by the City:

Naomi Kelly, Director of OCA and Purchaser

2-2-10
Date

Approved by Contractor:

Michael Long
Signature

2-7-10
Date

Name and title

Michael Long President

Please sign and return one original. The second original is for your records.

Acknowledge receipt and acceptance of this Contract Modification. Return to Purchaser, 1 Dr. Carlton B. Goodlett Place, Room 430, San Francisco, CA, 94102-4685. DUPLICATE COPY IS FOR YOUR FILES.

P-280 (12-4-08)

City and County of San Francisco
Office of Contract Administration
Purchasing Department
City Hall, Room 430
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4685



Contract Modification No. 2

Liquid Aluminum Sulfate

Heritage Systems, Inc.
Attn: Michael Long
2471 Solano Avenue, Suite 141
Napa, CA 94558

Date August 12, 2009
Buyer's Name: Raymond Low
Term Contract 66014
Type: Indefinite quantity
Not to exceed amount: \$1,500,000.00

The history of this contract and its modifications is as follows:


Modification	Date	Start date	End date	Amount	Notes
Original contract	9/29/06	9/15/06	8/14/09	\$1,500,000.00	
1	11/14/08	12/1/08	8/14/09		Price increase
2	7/29/09	8/15/09	8/14/10		12 Months Extension

This modification 2 changes the contract as follows:

It extends the contract from August 15, 2009 through August 14, 2010.

All other prices, terms, and conditions remain the same.

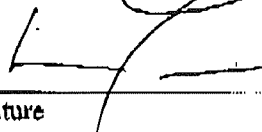
Approved by the City:



Naomi Kelly, Director of OCA and Purchaser

8-11-09
Date

Approved by Contractor:



Signature

08.17.09
Date

Name and title

Please sign and return one original. The second original is for your records.

Acknowledge receipt and acceptance of this Contract Modification. Return to Purchaser, 1 Dr. Carlton B. Goodlett Place, Room 430, San Francisco, CA, 94102-4685. DUPLICATE COPY IS FOR YOUR FILES.

City and County of San Francisco
Office of Contract Administration
Purchasing
1 Dr. Carlton B. Goodlett Place, Room 430
San Francisco, CA 94102 - 4685

PURCHASING DEPARTMENT
2008 DE - 1 AM 10:33
RECEIVED

CONTRACT MODIFICATION NO.1

Indefinite Quantity

Heritage Systems, Inc.
2471 Solano Avenue, Ste. 141
Napa, CA 94558
Attn: Mr. Michael Long

Date November 14, 2008

Contract Proposal No. 66014

Estimated Amount: Indefinite

The City and County of San Francisco does hereby accept your offer to modify the prices and furnish the Articles/Services indicated below. Such Articles/Services are to be delivered in the manner and the form and at the times and prices set forth in the above numbered Contract Bid Proposal, but only after receipt of order properly certified by the Controller of the City and County of San Francisco.

PRICE INCREASE

For furnishing and delivering **Liquid Aluminum Sulfate**.

By mutual agreement, prices have increased in accordance with Special Condition No. 79, Price Escalation. Effective December 1, 2008 a price increase will be allowed on Liquid Aluminum Sulfate as indicated below:

Liquid Aluminum Sulfate:	Previous price	\$0.1504/lb
	New price	\$0.2421/lb

All other prices, terms and conditions remain the same.

Acknowledge receipt and acceptance of this Contract Modification in the space below. Return to Purchaser, 1 Dr. Carlton B. Goodlett Place, Room 430, San Francisco, CA, 94102-4685. DUPLICATE COPY IS FOR YOUR FILES.

Paul Jones 11-20-08
As the duly appointed Purchaser of the City and County of San Francisco Date *me*

RECEIPT OF THE ABOVE IS HEREBY ACKNOWLEDGED:

Contractor Heritage Systems Inc.
By *[Signature]* PRESIDENT
Signature Title
Date 11-27-08