

ARLINGTON COUNTY, VIRGINIA

**AGREEMENT NO. 19-294-ITB
AMENDMENT NUMBER 2**

This Amendment Number 2 is made on the date of execution by the County and amends Agreement Number 19-294-ITB (“Main Agreement”) dated October 24, 2021 between Polydyne Inc. (“Contractor”) and the County Board of Arlington County, Virginia (“County”).

The County and the Contractor agree to amend the Main Agreement as follows:

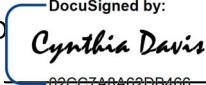
- 1. PURSUANT TO CLAUSE 4. CONTRACT TERM, THIS AGREEMENT IS HEREBY RENEWED FROM OCTOBER 25, 2022 TO OCTOBER 24, 2023.**
- 2. PURSUANT TO CLAUSE 5. CONTRACT PRICING WITH OPTIONAL ADJUSTMENT, EXHIBIT PRICING HAS BEEN UPDATED PER ATTACHMENT 1 (ATTACHED)**

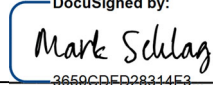
All other terms and conditions of the Main Agreement remain in effect.

WITNESS these signatures:

THE COUNTY BOARD OF ARLINGTON
COUNTY, VIRGINIA

POLYDYNE INC.

AUTHORIZED SIGNATURE:  _____
02CC7A0A02DD400...
 NAME: Cynthia Davis
 TITLE: Assistant Purchasing Agent
 DATE: 11/1/2022

AUTHORIZED SIGNATURE:  _____
3659CDFD28314F3...
 NAME: Mark Schlag
 TITLE: Vice-President
 DATE: 10/31/2022



Revised: October 17, 2022

Alin Brasov
Arlington County
3111 S. Fern Street
Arlington, VA 22202

RE: Contract 19-294-ITB Renewal

Dear Mr. Brasov,

Polydyne Inc. greatly values the partnership we have maintained with the County over the past several years. It is our intent to extend the above-referenced Agreement for another year. However, the market conditions of the past year prevent our doing so without a reasonable price adjustment. This price adjustment request comes in response to continued increases for raw materials, production costs, and transportation services as supported by the Bureau of Labor Statistics and the U.S. EIA.

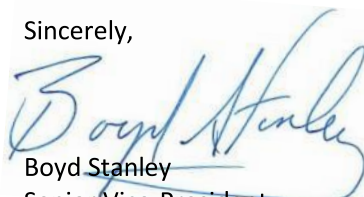
Regarding raw materials, an all-time record demand for finished polymers coupled with a tight global supply of raw materials has driven the cost of these raw materials rapidly higher. Please find attached recent price increase notices from SNF Holding Company, Polydyne Inc.'s parent company. From these, you will see the significant increases that Polydyne Inc. has absorbed over the last year. Additionally, please find attached the BLS PPI for plastics material and resin mfg., which shows an increase of 5% when comparing the 90-day period preceding the renewal to the 12-months previous. Comparing the actual increases passed on from our parent company to the BLS PPI, you can see a significant disparity. Moreover, production costs have increased in response to wage increases. Please see attached BLS PPI for the manufacturing industry which shows an increase of 5.1%.

Regarding transportation costs, the current demand for trucking services exceeds available supply. As a result, we are experiencing substantial base-rate increases. These rising trucking rates impact both the cost for raw materials delivered to our manufacturing facilities and the cost to ship finished polymers to our valued customers. Please find attached the BLS PPI for Long-Distance Trucking, which reflects an increase of 28% when comparing the 90-day period preceding the renewal to the 12-months previous. While this does not fully encompass the totality of increases we have experienced, it is illustrative of the market conditions for trucking services. Furthermore, in addition to base-rate increases, on-highway diesel prices are up 75% over this same period. The impact of rising fuel rates is compounding on already increasing base-rates. Please see attached U.S. EIA fuel price graph for your reference.

Effective October 25, 2022 through October 24, 2023, we propose to supply CLARIFLOC SE-1045 at \$1.42/Lb. delivered.

We thank you for your business and consideration of this proposal. If this offer is acceptable to the County, please send notification by email to bids@polydyneinc.com. If you have any questions, please feel to contact Aaron Lane, Technical Sales Representative, at (540) 604-1439.

Sincerely,



Boyd Stanley
Senior Vice-President



John Pittman
President

May 31, 2022

RE: Price Increase and/or Energy Surcharge

Dear Valued Customer:

North America has seen sudden and dramatic increases in energy costs. These increased costs impact all SNF products but at different rates. In addition, transportation costs have continued to grow with the rising oil/diesel prices. Lastly, effective July 1, the Biden administration will reinstate and expand the Superfund Excise Tax, impacting many raw materials we purchase.

As a result,

SNF will, therefore, implement price increases and/or energy surcharges to cover these increased costs, effective upon your SNF representative's subsequent notification of actual amounts.

Increases and surcharges apply to all customers where contracts allow. Your SNF sales representative will be responsible for communicating the additions and/or surcharges.

Thank you for your understanding, patience, and continued business.

A handwritten signature in blue ink, appearing to read "John Pittman", written over a light blue circular scribble.

John Pittman
President



John Pittman
President

March 1, 2022

RE: Price Increase

Dear Valued Customer:

SNF continues to experience cost increases and tight supplies of many of our key raw materials. At the same time, we are faced with increased labor, energy, and transportation costs.

As a result,

SNF will increase prices 10 to 20 percent for orders with an April 1, 2022 shipping date or later.

Price increases apply to all customers where contracts allow. Please contact your SNF sales representative if you have any questions.

Thanks for your understanding, patience, and continued business.

A handwritten signature in blue ink that reads "John Pittman". The signature is stylized and cursive.

John Pittman
President



John Pittman
President

August 30, 2021

Re: Price Increase

Dear Valued Customer:

SNF continues to experience cost increases and tight supplies of many of our key raw materials. At the same time, we are faced with increased production, transportation, and other costs. Global demand and rising feedstocks will continue to impact our costs for the foreseeable future.

As a result,

SNF will increase prices 10%-25% for orders with a shipping date of October 1, 2021 or later.

Price increases apply to all customers where contracts allow. Please contact your SNF sales representative if you have any questions.

Thanks for your understanding, patience, and continued business.



John Pittman
President



U.S. BUREAU OF LABOR STATISTICS

Databases, Tables & Calculators by Subject

Change Output Options:

From: To:



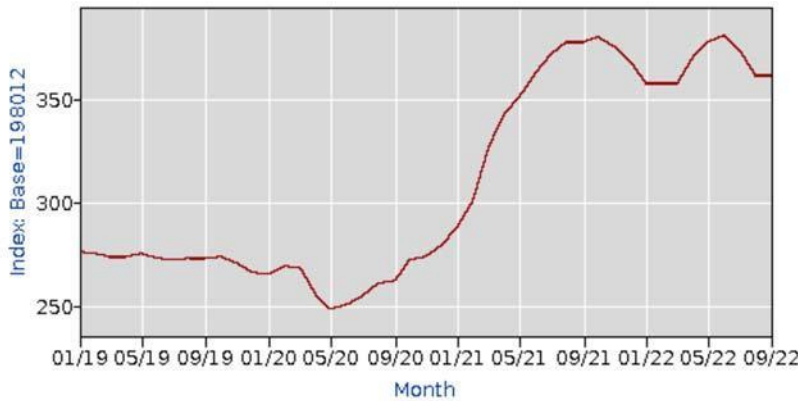
include graphs averages include annual

[More Formatting Options](#)

Data extracted on: October 17, 2022 (1:56:21 PM)

PPI Industry Data

Series Id: PCU325211325211
Series Title: PPI industry data for Plastics material and resins mfg, not seasonally adjusted
Industry: Plastics material and resins mfg
Product: Plastics material and resins mfg
Base Date: 198012



Download:



Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	276.5	275.8	273.9	273.9	275.7	273.2	272.7	273.1	273.3	273.8	271.2	266.1
2020	265.7	269.6	268.6	255.8	249.0	251.1	254.5	261.2	262.3	272.2	273.6	279.1
2021	287.5	300.4	326.7	342.8	350.3	362.9	371.402	376.960	377.061	379.449	375.398	367.883
2022	357.296	357.647	357.628	370.660	377.211	380.764(P)	373.572(P)	361.146(P)	361.219(P)			

P : Preliminary. All indexes are subject to monthly revisions up to four months after original publication.

+5%



U.S. BUREAU OF LABOR STATISTICS

Databases, Tables & Calculators by Subject

Change Output Options:

From: 2021 ▼ To: 2022 ▼



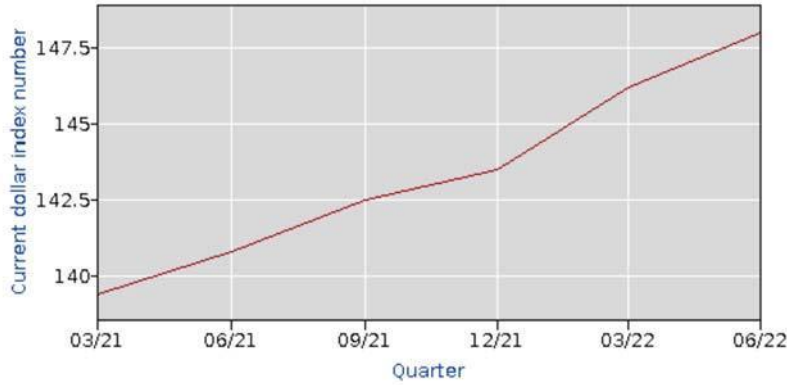
include graphs

[More Formatting Options](#)

Data extracted on: August 10, 2022 (5:38:05 PM)

Employment Cost Index (NAICS)

Series Id: CIU10130000000001
 Not seasonally adjusted
Series Title: Total compensation for All Civilian workers in Manufacturing, Index
Ownership: Civilian workers
Component: Total compensation
Occupation: All occupations
Industry: Manufacturing
Subcategory: All workers
Area: United States (National)
Periodicity: Current dollar index number



Download:



Year	Period	Estimate Value	Standard Error
2021	Qtr1	139.4	-(A)
2021	Qtr2	140.8	-(A)
2021	Qtr3	142.5	-(A)
2021	Qtr4	143.5	-(A)
2022	Qtr1	146.2	-(A)
2022	Qtr2	148.0	-(A)

A : Dashes indicate data not available.

+5.1%



U.S. BUREAU OF LABOR STATISTICS

Databases, Tables & Calculators by Subject

Change Output Options:

From: To:



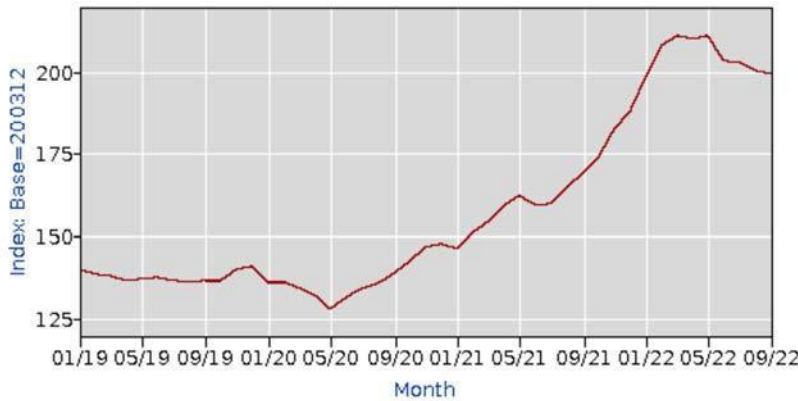
include graphs averages include annual

[More Formatting Options](#)

Data extracted on: October 17, 2022 (1:51:02 PM)

PPI Industry Data

Series Id: PCU484121484121
Series Title: PPI industry data for General freight trucking, long-distance TL, not seasonally adjusted
Industry: General freight trucking, long-distance TL
Product: General freight trucking, long-distance TL
Base Date: 200312



Download:



Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	139.9	138.6	138.2	136.7	137.3	137.7	136.8	136.1	136.6	136.6	140.1	141.0
2020	136.3	136.1	134.3	131.8	128.2	132.0	134.0	135.6	139.0	142.2	146.6	147.6
2021	146.1	151.3	154.7	159.3	162.1	159.3	159.929	164.691	169.568	173.847	182.629	187.738
2022	198.275	208.028	211.126	209.823	210.733	203.350(P)	202.755(P)	200.502(P)	199.195(P)			

P : Preliminary. All indexes are subject to monthly revisions up to four months after original publication.

+28%

[Back to Contents](#) **Data 1: U.S. No 2 Diesel Retail Prices (Dollars per Gallon)**

EMD_EP2D_PTE_NU

S_DPG

Sourcekey

U.S. No 2 Diesel

Retail Prices (Dollars per Gallon)

Date	Retail Prices (Dollars per Gallon)
Jan-2019	\$ 2.9800
Feb-2019	\$ 2.9970
Mar-2019	\$ 3.0760
Apr-2019	\$ 3.1210
May-2019	\$ 3.1610
Jun-2019	\$ 3.0890
Jul-2019	\$ 3.0450
Aug-2019	\$ 3.0050
Sep-2019	\$ 3.0160
Oct-2019	\$ 3.0530
Nov-2019	\$ 3.0690
Dec-2019	\$ 3.0550
Jan-2020	\$ 3.0480
Feb-2020	\$ 2.9100
Mar-2020	\$ 2.7290
Apr-2020	\$ 2.4930
May-2020	\$ 2.3920
Jun-2020	\$ 2.4080
Jul-2020	\$ 2.4340
Aug-2020	\$ 2.4290
Sep-2020	\$ 2.4140
Oct-2020	\$ 2.3890
Nov-2020	\$ 2.4320
Dec-2020	\$ 2.5850
Jan-2021	\$ 2.6810
Feb-2021	\$ 2.8470
Mar-2021	\$ 3.1520
Apr-2021	\$ 3.1300
May-2021	\$ 3.2170
Jun-2021	\$ 3.2870
Jul-2021	\$ 3.3390
Aug-2021	\$ 3.3500
Sep-2021	\$ 3.3840
Oct-2021	\$ 3.6120
Nov-2021	\$ 3.7270
Dec-2021	\$ 3.6410
Jan-2022	\$ 3.7240
Feb-2022	\$ 4.0320
Mar-2022	\$ 5.1050
Apr-2022	\$ 5.1200
May-2022	\$ 5.5710
Jun-2022	\$ 5.7540
Jul-2022	\$ 5.4860
Aug-2022	\$ 5.0130
Sep-2022	\$ 4.9930

75%



https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMD_EP2D_PTE_NUS_DPG&f=M