

Arnold Oil Company
1617 E. 6th Street
Austin Tx. 78702
(512) 476-2401
Fax (512) 476-7711

Kirsten Hancock
Williamson County
710 Main Street
Georgetown, Texas 78626

Re: Request to increase pricing on Lubricants Contract

04.01.2010

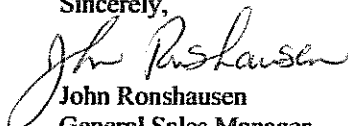
Ms. Atkinson,

The rising cost of crude oil and base stocks has caused all of our Lubricants manufacturers to raise their prices to us.

Our suppliers took increases in March and I have included their letters. We would like to only go up the amount of the increase..

Because of all of these factors we are asking for an increase in our selling prices to you. I have enclosed a spreadsheet showing our new proposed prices. Please review this and get back to me as soon as you can.

Sincerely,



John Ronshausen
General Sales Manager

E-Mail Ronshausen@arnoldoil.com

Price Increase Request for April 22010
Williamson County Future Price Worksheet

Part Number	Product	Current Price	Future Increase	Future Price
CHVURSA1540CJD	Chevron Ursa 15w40 CJ Drum	\$372.77	\$19.80	\$392.57
CHVURSA1540CJp	Chevron Ursa 15w40 CJ Pails	\$37.52	\$1.80	\$39.32
CHV1030D	Chevron 10w30 Motor Oil Drum	\$394.24	\$19.80	\$414.04
ADVFC55P	Antifreeze Final Charge 55 GAL Pre Mix	\$402.14	\$55.00	\$457.14
ADVAFFCP	Antifreeze FINAL Charge 6/1 GAL. Pre Mix	\$45.17	\$6.00	\$51.17
CHVAW68D	Chevron AW68 Hydraulic Oil Drum	\$340.97	\$19.80	\$360.77
CHVAW68P	Chevron AW68 Hydraulic Oil Pail	\$36.98	\$1.80	\$38.78
CHV303P	Chevron Tractor hydraulic Pail	\$33.35	\$1.80	\$35.15
CHV303D	Chevron Tractor hydraulic Drum	\$328.54	\$19.80	\$348.34
CHVTO430D	Chevron TO4 Cat Fluid 30w Drum	\$328.54	\$19.80	\$348.34
CHVTO430P	Chevron TO4 Cat Fluid 30w Pail	\$47.45	\$1.80	\$49.25
CHDTO430D	Castrol TO4 30w Drum.	\$479.44	\$19.80	\$499.24
CHDTO450P	Castrol TO4 50w Pail	\$51.94	\$1.80	\$53.74
CHDTO450D	Castrol TO4 50w Drum	\$528.78	\$19.80	\$548.58
KENS50D	Conoco/Phillips Synthetic 50w Drum	\$1,202.76	\$24.75	\$1,227.51
KENS50P	Conoco/Phillips Synthetic 50w Pail	\$126.34	\$2.25	\$128.59
CHV7070	Chevron Moly Grease in Tubes	\$26.90	\$0.44	\$27.34
CHDISOEP220P	Castrol Isolube Synthetic Ep220 Gear Oil Pail	\$122.34	\$1.80	\$124.14
CHDISOEP220D	Castrol Isolube Synthetic Ep220 Gear Oil Drum	\$1,220.88	\$19.80	\$1,240.68
CHDS9516	Castrol Syntran Synthetic Allison Trans Fluid Drum	\$1,496.35	\$19.80	\$1,516.15
CHDS9514	Castrol Syntran Synthetic Allison Trans Fluid Pail	\$145.35	\$1.80	\$147.15
CHV1030Q	Chevron Supreme 10w30 Motor Oil Quarts	\$27.67	\$1.80	\$29.47
CHV8090D	Chevron 80w90 Gear Oil Drum	\$474.42	\$19.80	\$494.22
CHV8090P	chevron 80w90 Gear Oil Pail	\$45.83	\$1.80	\$47.63
FMOXO5W20DSP	Motorcraft Synthetic Blend 5w20 Drum	\$473.02	\$0.00	\$473.02
FMOXO5W20QSP	Motorcraft 5w20 12/1 quarts	\$33.56	\$0.00	\$33.56
FMOXT5DM	Motorcraft Mercon 5 55 gal. Drums	\$665.64	\$0.00	\$665.64
FMOXT5QMC	Motorcraft Mercon 5 12/1 quarts	\$38.30	\$0.00	\$38.30
FMOXO5W30QSP	Motorcraft 5w30 Drums	\$488.40	\$14.65	\$503.05
FMOXO5W30DSP	Motorcraft 5w30 Quarts	\$32.82	\$0.98	\$33.80
FMOXT10QLVC	Motorcraft XT10 Transmission Fluid Quart	\$3.07	\$0.00	\$3.07
PREAF3000	Prestone Prime global Antifreeze 6/1 Gal.	\$30.97	\$6.00	\$36.97

Kerstin Hancock

Subject: FW: question regarding item # 15 on bid contract 09WCA012

From: John Ronshausen [mailto:jronshausen@arnoldoil.com]
Sent: Tuesday, April 13, 2010 10:12 PM
To: Kerstin Hancock
Subject: RE: question regarding item # 15 on bid contract 09WCA012

Item 15

AW46 Hydraulic Oil 55 gallon	\$381.81
5 gallon	\$38.98

Item #16

Transynd 5 gallon	\$152.35
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Mr. Ronshausen,

As I was reviewing the increases I could not find a change for item# 15 "Anti-wear Hydraulic Fluid ISO 46". The old price is \$359.81 (per 55 Gallon Drum) and \$36.98 (per 5 Gallon pail). Does the price of this item stay as is?

Also, on item# 16 "TransSynd Transmission Fluid" the price per 5 gallon pail currently reads \$150.35 according to the bid sheet you submitted. On the list with the increases you sent me, however, the current pricing reads \$145.35 for the 5 gallon pail and the new price \$147.15. Does this mean there was a decrease on this item?

As soon as I receive your response I will contact our Fleet department regarding the approval of these increases so I can place it on the Commissioner's Court agenda for final approval.

Thank you.

Kerstin Hancock
Purchasing Specialist

Williamson County Purchasing Department
301 SE Inner Loop, Ste. 106
Georgetown, TX 78626
Phone 512-943-1546
Fax 512-943-1575



Global Lubricants



Wayne Ederer
Manager, Lubrication
Marketers

North America Lubricants
Chevron Products Company
55 S. Main St., Ste 390
Naperville, IL 60540
Tel 630-388-4004
WayneEderer@chevron.com

January 19, 2010

Dear Valued Chevron Lubrication Marketer:

Chevron is announcing a general price increase to be effective March 1, 2010. Chevron will increase the prices of all lubricating oils, gear lubes and greases by an average of 6 - 10%. In certain instances, specific products may increase in amounts that are outside of this general increase.

This increase is being driven by the recent rise in raw materials costs, which impact the manufacturing and transportation of our lubricants and greases.

Please note:

- The new prices will be effective on March 1, 2010
- From January 20 - February 26, we reserve the right to adjust the requested ship date and bill you at the new prices to be effective March 1 on any order that exceeds 110% of your average monthly volume from January - December of 2009
- Additional loading slots at plants will not be scheduled beyond normal business hours, therefore we ask that you please place your orders consistent with historical order patterns so that we can better meet all customer needs
- Details regarding your average monthly purchases are available to you through your LBC Customer Service Associate

The Chevron Global Lubricants sales staff is committed to meeting your needs. Your Finished Lubricants Sales Representative will contact you with more details and supporting information to further substantiate this price move.

Thank you for your business.

Best Regards,

Wayne Ederer
Manager, Lubrication Marketers

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From: ConocoPhillips Lubricants [conocophillipslubricants@netfinity.net]
Sent: Wednesday, January 27, 2010 11:15 AM
To: John Ronshausen
Subject: ConocoPhillips Lubricants Price Adjustment :: Effective March 1, 2010



Gary Balzhiser
Manager, Commercial Lubricants
ConocoPhillips Company
600 North Dairy Ashford
Houston, TX 77079-1175

January 27, 2010

Dear ConocoPhillips Lubricants Marketer,

Effective Monday, March 1, 2010, ConocoPhillips Lubricants will raise prices for finished lubricant products 6 - 9% depending on product-specific factors. This increase is being driven by recent increases in base oil, additives and packaging costs that have occurred despite our best efforts to limit their impact on our product manufacturing.

We realize this price increase impacts both you and your customers. The advance notice provided here is intended to allow reasonable time for you to communicate, as needed, to your customers. Segment-specific price increases will be provided the week of February 1, 2010. New customer-specific prices and list prices incorporating this increase will be available for download on [Lubestream](#) shortly thereafter.

We expect increased demand prior to the price change date. To manage a reasonable order fulfillment process, we will limit the volume Marketers can purchase at the old "lower price" to 110% of their Base Volume. Base Volume for purposes of this price increase is defined below on [page 2](#).

Please note that we will not provide additional shifts or load slots beyond our normal scheduling and business hours. Since load slots are limited, we encourage Marketers to place orders as soon as possible and keep changes to a minimum. Order changes can affect a plant's ability to meet requested ship dates and optimize blend schedules.

We realize this price change impacts both you and your customers. ConocoPhillips Lubricants remains committed to providing our customers with high quality products at competitive prices.

As always, we thank you for your continued business, support and understanding.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary Balzhiser". The signature is fluid and cursive, with the first name "Gary" being more prominent.

Gary Balzhiser
Manager, Commercial Lubricants

-- Page 2 --

Marketer Base Volume and Loading Policy Adherence**Base Volume Calculation**

We expect increased demand prior to the price change. In order to ensure broad order fulfillment, we will limit the volume Marketers can purchase at the "old," or lower price, to 110% of their Base Volume. Individual Base Volume will be calculated by comparing the average monthly volume for the 12 months (January 1, 2009 through December 31, 2009) to the average monthly volume for the three months of October 2009 – December 2009. The higher of these two monthly average calculations determines the individual Marketer Base Volume. The base volume grossed up by the 110 percent factor will be referred to as the "adjusted base volume."

Adjusted Base Volume on Lubestream

The adjusted base volume will be posted on the secure Marketer section of [Lubestream](#) on a page just prior to the Transaction Page. When placing an order on [Lubestream](#), Marketers will see their available volume for purchase (at the pre-increase price) by "Sold To" number. We will also be providing specific order numbers, volumes and requested ship dates that will be used to track against the adjusted base volume. Any orders shipping on or after January 27, 2010, and orders with a requested ship date after January 27, 2010, but before March 1, 2010, will be shown and debited against the adjusted base volume. By providing this detail on [Lubestream](#), Marketers will have the information needed to monitor orders against their adjusted base volume. Marketers are responsible for knowing how their order volumes compare to their adjusted base volume.

Base Volume & Prices

Marketers may purchase products up to their adjusted base volume and be invoiced at the old price if shipped prior to March 1, 2010. Any Marketers' orders shipped prior to March 1 that exceed their adjusted base volume will be invoiced at the new price. **Please keep in mind, new pricing will apply to all product shipped on or after March 1, 2010, regardless of when the order was placed.**

Plant Demand

Depending on the overall demand placed on a plant, orders requested for shipment prior to March 1, 2010, may not ship as requested. In anticipation of increased demand and loading times becoming full, we encourage Marketers to place orders as early as possible and keep changes to a minimum. Order changes can impact a plant's ability to meet the requested ship date.

For the benefit of all customers, standard lead times will be strictly enforced. Marketers are required to honor the terms of the order/change policy within ConocoPhillips Lubricants' Loading Policy. A copy of the [ConocoPhillips Lubricants' Loading Policy](#) is posted on [Lubestream](#) in the Logistics section.

If you have any questions about your Base Volume or this price change process, please contact your Marketer Sales Representative.

ExxonMobil Lubricants & Specialties Company
3225 Callows Road
Fairfax, Virginia 22037-0001

CONFIDENTIAL

ExxonMobil
*Lubricants
& Specialties*

February 1, 2010

Dear Customer:

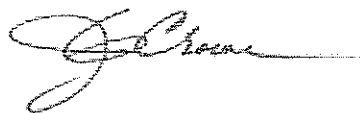
ExxonMobil Lubricants and Petroleum Specialties ("ExxonMobil") remains committed to provide you with the most outstanding products, services and technology in the marketplace.

Effective March 15, 2010, ExxonMobil branded and unbranded lubricants and greases will increase in price up to 8%. Different price treatment may apply to selected products.

Your ExxonMobil Territory Manager will provide more details on your specific account and will be in contact with you soon.

You are an important customer to ExxonMobil and we appreciate your continued business.

Sincerely,



On behalf of ExxonMobil Oil Corporation,
J.G. Crowe

Sincerely,



On behalf of ExxonMobil Oil Corporation,
P.M. Brown

September 26, 2000

Page 1 of 1

From: Rupay, Valdo [Valdo.Rupay@bp.com]
Sent: Tuesday, April 06, 2010 6:15 PM
To: John Ronshausen
Subject: March price increase letter

January 21, 2010

«OwnerPrincipal»
«Distributor_Name»
«Street_Address»
«City», «State» «Zip_Code»

Dear «first_name»:

Please be advised that BP Lubricants will increase the price on all Passenger Car, Commercial, Industrial, and ancillary products, including synthetics, in all package types, up to 8% effective Monday March 8, 2010. All orders received on or after Monday March 8, 2010 will be invoiced at the new price. All orders received by Friday March 5, 2010 will be shipped within the standard lead time.

For orders received through Friday March 5, 2010 BP will monitor customer orders and limit customers to 110% of their average monthly purchases for the past 12 months. The customer will be invoiced at the pre-increase price if:

- Orders are placed with BP customer service by the close of normal business hours on the last business day before the price increase.
- Volume for the sixty day period prior to the increase does not exceed 110% of the average monthly purchases for the past 12 months.
- Orders are placed consistent with historical order patterns.
- The requested delivery date does not exceed normal lead-time which is generally 5 business days.

As always, our commitment remains to provide superior products and to work closely with you in the continued development of the business. We very much appreciate your business and continued support.

Sincerely,

David Kirshner
General Manager, U.S. Distributor Sales

From: Jim Arnold
Sent: Friday, January 29, 2010 1:04 PM
To: John Ronshausen
Subject: FW: CITGO and Mystik Price Increase March 1, 2010

From: Smith, James E [mailto:JESMITH@citgo.com]
Sent: Friday, January 29, 2010 10:27 AM
To: Smith, James E
Subject: CITGO and Mystik Price Increase March 1, 2010

This is a correction of the previously sent email

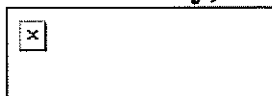
CITGO will implement a price increase of 8% - 10% on list and customer specific prices effective with shipments occurring on and after March 1, 2010. There may be some instances where specific product price changes would fall outside of the general increase. This change is applicable to CITGO, Mystik, and private label brands and will also include bulk and all package styles.

This increase is driven by escalations in base oil, additive and packaging material costs that have occurred over the past several months.

CITGO is committed to providing for all customer requirements and therefore requests that orders placed ahead of this increase be consistent with your normal demand. Orders placed outside of normal lead times and shipped on and after March 1, 2010 will be priced at the March 1, 2010 price level regardless of the order date. Order quantities in excess of 110% of prior year average monthly purchases will also be billed at the March 1, 2010 price level. Average monthly purchases may be acquired from Marketnet/Account Management or from your CITGO sales representative. All individual price changes will also be available on Marketnet/Account Management no later than February 5, 2010.

CITGO sincerely appreciates your business and remains dedicated to providing you with the high quality products and services required for success in a very competitive market place. Should you have any questions concerning this change, please contact your CITGO sales representative. Thank You.

Sincerely,



**James E. Smith
CITGO Lubricants**

Article from **LUBE REPORT** ()

February 3, 2010

Finished Lube Prices Climb

By George Gill

Several major oil companies and independents have informed U.S. customers of increases in finished lubricant price increases over the last few weeks, citing rising base oil, additive and packaging costs as key factors.

An official with a distributor said the price hikes likely stem from a combination of those key factors, along with tightness on the heavy grades. "Some of them also used transportation increases as a reason," this source told Lube Report. "Fuel surcharges are up, and the freight rates – rail and truck rates – are also up. Railroads use crude directly as a relationship, and the trucks use diesel fuel postings."

"I'd say base oil is probably driving 99 percent of the cost increase," an official with another distributor told Lube Report. "When we see base oils being flagged up and we see direct market pricing escalating, clearly we're primed for another price increase. I don't think the market is very surprised. So reception in the market has been reasonably OK."

Shell told customers it would raise prices on finished lubes by up to 8 percent effective Feb. 22. "This adjustment is due to increasing costs of raw materials used in the production and delivery of our products," the company said in its on Jan. 13 letter, also noting that in certain instances, prices for specific products may change by different amounts.

Citing "the recent rise in raw material costs," which impact the manufacturing and transportation of its lubricants and greases, Chevron in a Jan. 19 letter informed customers it would increase prices on all lubricating oils, gear lubes and greases by an average of 6 to 10 percent effective March 1. In some cases, the letter noted, certain prices may change more or less than the general increase.

BP Lubricants in a Jan. 21 letter told customers it will raise prices by up to 8 percent effective March 8 on all passenger car commercial, industrial and ancillary products, including synthetics, in all package types.

ConocoPhillips said it would raise prices for finished lubricant products 6 to 9 percent effective March 1, depending on product-specific factors. "This increase is driven by recent increases in base oil, additives and packaging costs that have occurred despite our best efforts to limit their impact on our product manufacturing," ConocoPhillips stated in its Jan. 27 letter.

Noting "escalations in base oil, additive and packaging material costs" over the past several months, Citgo informed customers Jan. 29 it will raise prices 8 to 10 percent on list and customer specific prices effective with shipments occurring on and after March 1. The change applies to Citgo, Mystik and private label brands, the company stated in its letter, and it will include bulk and all package styles.

ExxonMobil outlined to customers plans to raise prices up to 8 percent on ExxonMobil branded and unbranded lubricants and greases effective March 15. Different price treatment may apply to selected products, the company stated in its Feb. 1 letter.

According to an industry source, Petro-Canada last month informed customers of an 8 percent increase in finished lube prices for all package sizes effective Feb. 24.

Smitty's Supply told customers Jan. 21 it would raise prices by 40 cents per gallon on bulk lubricants effective Feb. 8, by 40 cents per gallon on packaged lubricants effective Feb. 22, by 30 cents per gallon on brake fluids effective Feb. 22 and by 5 cents per pound on greases effective Feb. 22.

Cam2 International on Jan. 22 told customers it will increase prices by 38 cents per gallon on bulk lubricants, 28 cents per gallon on synthetic lubricants, 40 cents per gallon on packaged lubricants, 30 cents on packed synthetic lubricants and 5 cents per pound on greases. The changes are effective for bulk with orders placed after Feb. 7, and for package effective with orders placed after Feb. 21, according to the letter.

Citing "continued increases in base oils and another round of additive increases," Chemlube International on Jan. 22 informed customers it would raise prices 38 cents per gallon on all its bulk lubricants effective Feb. 8.

An industry source said Advanced Lubrication Specialties last month informed customers it would increase lubricant prices by 38 cents per gallon effective Feb. 15.

"That's posted prices – non-posted prices are still all over the place, from company to company," said an official with another distributor, commenting on the overall latest round of increases.

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George Gill, Editor. *Lube Report* (ISSN 1547-3392) is published by LNG Publishing Co., Inc., 6105-G Arlington Blvd., Falls Church, Virginia 22044 USA. Phone: (703) 536-0800. Fax: (703) 536-0803. Website: <http://www.lngpublishing.com/>. Email: info@lngpublishing.com. For advertising information contact Gloria Steinberg Briskin at (800) 474-8654 or (703) 536-7676 or gloria@lngpublishing.com.

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