



A JOINT VENTURE

November 18, 2021

AW220098-1565

Fulton County, Department of Public Works
1030 Marietta Hwy
Roswell, GA 30075

ATTENTION: Walter Rekuc

REFERENCE: Big Creek WRF Expansion Phase 2B

SUBJECT: NOTICE (AWBC PCI 072) - Ductile Iron Pipe & Accessories - Tariffs

Mr. Walter Rekuc,

The Archer Western - Brown & Caldwell, Joint Venture (JV) is hereby providing Fulton County with Notice related to the recent economic conditions impacting the Ductile Iron Pipe & Accessory industry in the form of Tariffs. Due to the ongoing political climate between the United States and China, Tariffs have been levied by both countries during the project's construction phase. As a result, our supplier, C&B Piping, has been exposed to a significant cost increases of imported materials.

Therefore, in accordance with General Contract 0700-96 CONTRACTOR AND OWNER CONTINGENCY, C UTILIZATION OF THE OWNER CONTINGENCY, the JV is requesting use of the Owner Contingency Item #1, "Impact of Tariffs on cost or schedule after agreement on the GMP (Lump Sum)". The amount of this request is the sum of a 13% increase due to VAT impacts on applicable ductile iron fittings, bolts/nuts, and mechanical wedge restraints as described within the following documentation provided by C&B. This total additional cost resulting from this notice is \$201,544.66 (Two Hundred One Thousand, Five Hundred Forty-Four Dollars and 66/100) in excess of the current contract value.

Thank you for assistance in this matter; please reach out with any questions you may have. I look forward to your concurrence in the near future.

Sincerely,

Jason Ray

Sr. Project Manager

cc: File
Pavel Mayfield

Attached:
C&B Backup Information



C&B Piping, Inc.
PO Box 942
Leeds, AL 35094

INVOICE

Invoice No.	Date
098080	12/13/2021
Refer to Invoice Number When Remitting	

SOLD TO: ARCHER WESTERN(BIG CREEK 100%)
2839 PACES FERRY RD SE
SUITE 1200
ATLANTA, GA 30339

SHIP TO: ARCHER WESTERN(BIG CREEK 100%)
1030 MARIETTA HWY 200
AUSTIN SMITH 404-493-3482
ROSWELL, GA 30075

Attn:

Attn:

Sales Order	Cust No	Customer PO #	Order Date	Mark Shipment	Terms
0076250-0000	ARC021	220098P03	12/13/2021		2%10 Net30
Sales Rep	Ship Date	Shipped Via	F.O.B. Point	Tracking Number	
STEPHEN GABLES	12/13/2021	BEST WAY	FFA		

Item	Quantity			Part Number/Revision	Description	Unit Price	Amount
	Order	Ship	B/O			\$	\$
001	1	1		*	DIP SCOPE ESCALATION IMPACT FROM 13% VAT REVERSE TARIFF ON CHINESE IMPORTED IRON/STEEL PRODUCTS MK# VAT ESC	162,474.4600	162,474.46
					Fulton .03750		6,092.79
					Georgia .04000		6,498.98
					Tax Subtotal		12,591.77
TOTAL: \$							175,066.23

C B Piping, Inc. is not responsible for shortages unless marked on the Bill of Lading



C&B PIPING, INC.

P.O. Box 942
Leeds, AL 35094
(205) 699-0455
www.cbpping.com



September 7th, 2021

Archer Western Contractors
Attn: David Walker
2839 Paces Ferry Road – Suite 1200
Atlanta, GA 30339

Reference: Big Creek WRF Ph2B
Ductile Iron Cost Import Product Increases – Import China Reverse Tariff

David,

C&B Piping is experiencing dramatic increases in costs of imported products due to a series of very public issues. Supply constraints in imported manufacturing, ocean freight and logistical shortages, and a reverse tariff decision by the country of China are all major contributing factors. These cost increases started in Feb, 2021 and have continued to rise dramatically. The importers are saying that they expect continued issues and further cost increases in the 4th Quarter and into next year.

These increases primarily affect our product line in the groups of DI Fitting Castings, DI threaded Flanges, Mechanical Joint Wedge Restraints and all bolts/nuts/gaskets for buried and exposed joints.

On May 1st, China announced the removal of the 13% VAT rebate on steel exports which is a reverse tariff on the import of iron products mentioned above. We have attached an article of explanation as well as the letters from suppliers.

These products mentioned have increased a total of 65% in cost from the start of the project. This 13% reverse tariff is only a small part of the terrible impact we are experiencing.

We request immediate approval of sales price of 13% to the remaining unshipped DI fittings, Bolt/Nuts, and mechanical Wedge Restraints. The impact on flanged pipe is 6% to the sales price due to the higher cost of the flanges. There is no effect on grooved pipe or buried pipe due to this reverse tariff.

Looking forward to your review and prompt approval. Let me know if you have additional questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Stephen Gables'.

Stephen Gables
Vice President
C&B Piping, Inc.

China removes VAT rebate on steel exports, cuts tax on raw material imports to zero

Author [Keith Tan](#) ✉ [Analyst Jing Zhang](#) ✉ [Analyst Yuelin Dai](#) ✉ [Analyst Chelsea Ye](#) ✉
[Analyst Joy Zhuo](#) ✉
Editor [Jonathan Fox](#) ✉
Commodity [Metals](#)

HIGHLIGHTS

Removes rebate on export of 146 steel products from May 1

Cuts import duty on pig iron, crude steel, recycled steel to zero

Ups export duty on high silicon steel, ferrochrome, foundry pig iron

Singapore — China has announced the removal of VAT rebates on exports of 146 steel products from May 1, a move the market had been widely anticipating since February.

The rebate of 13% of the VAT charged on exports of hot rolled coil, wire rod and rebar will no longer apply from May, according to a statement on the finance ministry's website.

Cold rolled steel sheet, hot-dip galvanized sheet and narrow strip were also on the list of products that have had the rebate removed.

In a separate announcement, the ministry also cut the import duty on pig iron, crude steel and recycled steel -- its term for what overseas markets call ferrous scrap -- to zero from May.

The move to discourage steel exports and loosen imports of steelmaking raw materials comes at a time when China's crude steel output in April reached the second-highest level in history, despite production cuts mandated in the steel hubs of Tangshan and Handan in Hebei province, and as prices of seaborne iron ore reached a record high.

"The measures will reduce the cost of importing, expand the import of iron and steel resources and lend downward pressure to domestic crude steel output, guiding the steel industry towards the reduction of overall energy consumption, promoting the transformation and high-quality development of the steel industry," the ministry said.

China's crude steel output over April 11-20 totaled 3.045 million mt/day, an increase of about 4% from early April and 17% higher year on year, according to estimates by China Iron & Steel Association. Spot prices of seaborne 62% Fe iron ore fines reached \$193.85/dmt CFR China on April 27, according to the benchmark IODEX published by S&P Global Platts.

China exported 53.67 million mt of steel products in 2020, of which HRC and wire rod accounted for some of the largest steel types. The rebate for cold rolled coil and hot-dip galvanized coil was not removed, likely because they were deemed higher value-added products, although market participants said they could be reduced in a subsequent announcement.

At the same time, China raised the export duty on high silicon steel, ferrochrome and foundry pig iron to 25%, 20% and 15% respectively, from 20%, 15% and 10%, effective May 1.



Quality – Service – Commitment – Delivered.

700 Goldman Drive
Cream Ridge, NJ 08514

P: (256) 496-3388
gf1@sigmaco.com

May 17, 2021

To: US and Canadian customers:

Re: Repricing Notification

As you are aware, SIGMA advised of price increases by our letter of May 7, 2021, on its range of import AWWA Fittings, MJ Accessories, Pipe Restraint Products and Fabrication Products.

The price increases are driven by a confluence of factors that have significantly increased our cost of purchases and squeezed our supply chain. These factors have been previously shared; however, to reiterate, raw materials have experienced a steep rise in costs. Ocean freight has dramatically increased in cost per container over 2020 rates further complicated by the worldwide shortage of containers. Port congestion and trucker shortages have attenuated a container imbalance that originated with the onset of the COVID-19 pandemic. Most recently, the Chinese government unexpectedly eliminated a VAT refund in place with iron and steel exporters. **This decision places an additional tariff on Chinese exported iron goods.** Further, surges in case counts of COVID-19 in India have created labor shortages and transportation challenges that have adversely impacted both costs and availability from production facilities in that country.

In combination, the cost of SIGMA's goods has increased dramatically in a few short months. The aforementioned shortage of containers over the past year has restricted SIGMA's ability to manage these increases with lower-costed inventory in the States. Therefore, please consider this letter as notification that outstanding quotations offered prior to May 7th are to be considered null and void. Further, as communicated in our letter of May 7th, existing purchase orders (either open or back ordered) as of June 1st will be replaced at the then-current List Prices and Multipliers. In early June, SIGMA's customer service team will confirm with you the material on open order and ask that you reconfirm the updated pricing.

Finally, as guidance into what the future may hold, China, as well as India, has experienced additional, sharp increases in the price of iron ore in recent weeks. Further, even with renewed contracts at heightened rates, container shortages remain acute having worsened in the early days of May. While this update is unwelcome, we wish to remain as transparent as possible as together we manage these difficult times.

As always, we thank you for your business and support and we are determined to service your needs through this challenging environment.

Sincerely,

A handwritten signature in black ink, appearing to read "Greg Fox", written over a light blue horizontal line.

Greg Fox | Vice President of Sales
SIGMA Corporation
256.496.3388
GF1@sigmaco.com





SIP Industries
Quality Manufacturer Since 1960

April 30, 2021

To: **Our Valued Customers**

Dear Friends,

We trust this message finds you doing well and healthy. We were all hoping by now we would have turned a corner with COVID, and our industry would adjust to the "new norm" (whatever that looks like). With this said, we would like to provide an update concerning our supply chain challenges and continued cost challenges from India and China.

INDIA

COVID is rapidly multiplying in India: 250,000 to 300,000 citizens are being infected every day and crematoriums are overwhelmed. State elections have just taken place in India; it is expected that some level of COVID lockdown / shelter in place will be implemented. This type of lockdown will affect product availability for castings (for example, valve boxes, meter boxes, manhole rings & covers and frames & grates, etc.). The lockdown will also impact fitting production. Moreover, container shortages continue to negatively impact lead-times and costs (strong continued upward pressures on raw material and ocean freight).

CHINA

Yesterday, the Chinese Government without any notice or grace period, eliminated the Tax Credit for most iron and steel products exported from the Country (or in effect instilled "Export Tariffs"). Ductile Iron fittings and restraints fall within the category. This action has immediately impacted costs/pricing; over and above the SIP April 22, 2021, price increase notice. Moreover, container shortages continue to negatively impact lead-times and costs (strong continued upward pressures on raw material and ocean freight).

Therefore, SIP is immediately implanting the following action. Orders received with abnormally high quantities of product(s) will be reviewed and subject to availability/allocation as determined by SIP. The goal is to "triage" all orders and effectively balance the daily needs of all our customers.

Please contact your local SIP Territory Manager before quoting any Municipal Annual Bids All Municipal Annual Bids must be discussed and approved by SIP prior to quotation for said bid.

You are a Valued Customer - We appreciate the opportunities and the confidence you have shown in SIP and we will continue to **EARN** your confidence every day.

Yours, very sincerely and respectfully,

Bharat Agarwal
VP Business Development



SIP CORPORATE 8876 Gulf Freeway, Suite 500, Houston, TX 77017

SIP CENTRAL 2900 Patio Drive, Houston, TX 77017

SIP EAST 600 Rayloc Drive, Atlanta, GA 30336

SIP WEST 8333 Almeria Avenue, Fontana, CA 92335

Phone: 877-921-6111 or 713-923-6111 | Fax: 713-923-6114 | www.sipindustries.com | sales@sipindustries.com



May 11, 2021

To: Our Valued U.S. Customers

RE: **Force Majeure**

Further to our Revised List Price & Multipliers letter of May 3, 2021, Tyler Union would like to clarify that the unforeseen and extraordinary global supply chain issues we've been experiencing continue to significantly and negatively impact the cost, availability, and delivery times and to substantially impair our ability to sell Import Fittings (including FBE, P401 and Zinc), Accessories, Restraints, Valve Boxes and Fabricator Products priced off LP2019 or earlier List Pricing. The reemergence of Covid-19 in India, significant increases in raw material costs, global shipping container shortages, and the recent unexpected reversal by the Chinese government of its long-standing policy with respect to VAT refunds on exports have caused significant harm to our ability to perform.

If we have committed, signed contracts with you for supply of our products, then please consider this letter a declaration of Force Majeure under those contracts resulting in our adjusted pricing. If we do not have committed, signed contracts with you, then your pricing will be as indicated in the May 3, 2021 letter.

We thank you for your continued support during these challenging times and we remain committed to earning your business.

Sincerely,

National Sales Manager



May 7, 2021

To: Our Valued Customers

RE: Force Majeure Event

The unforeseen and historically unique global supply chain issues continue to significantly impact our costing and our available inventory. The reemergence of Covid-19 Pandemic in India, the global container shortage, significant increases in raw material and the recent **Chinese Government VAT reversal** have caused significant harm to our ability to perform.

The above-mentioned catastrophes caused our announcement of significant increases in our selling prices on all imported products, and the inability to provide previously committed inventory. This directly impacts Annual Agreements, Municipal Contracts, Tenders, and Projects.

Therefore, pursuant to our Terms and Conditions, this letter is to advise our customers that we are formally declaring a Force Majeure event. We will not be liable for any causes of action for breach or damages that arise from our inability to meet our delivery or pricing obligations. We encourage you to notify your customers of our situation. At this time, we are unable to determine how long this will continue.

We regret the inconveniences this is causing all of us. Thank you for working with us through this event.

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