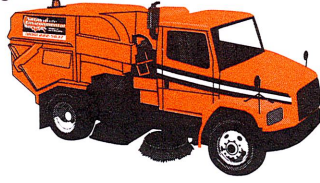


Nationwide Environmental Services®

Division of Joe's Sweeping, Inc.



August 19, 2021

Mr. Elias Saykali
Director of Public Works
City of La Habra
110 E. La Habra Blvd.
La Habra, CA 90631

RE: Nationwide Environmental Services Street Sweeping Services Agreement

Dear Mr. Saykali:

Nationwide Environmental Services (NES) has been providing street sweeping services to the City of La Habra (City) since 2000. NES is extremely proud of the service we provide and strong relationship we have shared with the City for these past 21 years. Our family-owned business has operated on a fundamental value of providing excellent, cost-effective service and being a committed partner with the communities we serve.

Throughout the 21 years of dedicated service to the City of La Habra, NES has always strived to provide the City exceptional service while maintaining the lowest costs possible. In 2010, under the First Amendment to our contract, NES demonstrated its committed partnership with the City by reducing the established contract amount by 5.5% in an effort to assist the City during the difficult economic times facing all cities. In 2016, under the Second Amendment, once again NES demonstrated its commitment to the City by waiving the annual cost of living adjustment (CPI) for three (3) years and capped future CPI increases at 2.0%.

In addition to the above cost saving measures which resulted in NES forgoing hundreds of thousands of dollars and passing those savings back to your City and its taxpayers, throughout our 21 years of service, NES has continually lived up to one of our company's other core values, which is "to give back to the communities we serve." NES has demonstrated this commitment by the following: reinvesting over \$700,000 in new street sweepers; contributing an annual \$5,000 donation to the City for community or non-profit events; pressure washing sidewalks annually during the Corn Festival; and providing 12 free sweeps per year during regular sweeping hours, 6 free sweeps per year outside regular sweeping hours and additional free sweeping services for 10 special events per year.

At this time, NES remains committed to providing quality services at competitive prices in addition to being a dedicated corporate partner, however, rising labor expenses, insurance

August 19, 2021

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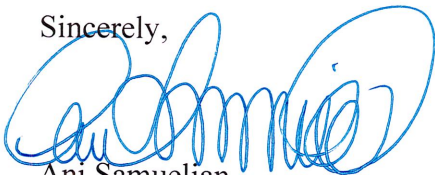
premiums, vehicle/equipment parts and other overhead costs, have resulted in increased operating expenses which we cannot control or regulate. It is important to note, our current Agreement with the City does not cover the staggering impact these increases have had on our business. Therefore, NES is kindly requesting a monthly adjustment of \$3,852.33 to cover increased labor costs for the sweeper operators (please see attached labor cost summary) and \$1,461.00 to cover parts, material, insurance and mechanics labor costs. As you will see, the request for additional labor costs does not include increases in workers compensation and payroll taxes.

In addition to the nominal contract adjustment and in order to stabilize our long-term commitment to the City, NES is requesting a seven (7) year contract extension to our current contract term with an option to extend and also to modify the CPI provision by removing the 2.0% cap on the annual adjustment in the event CPI increases beyond 2%.

NES remains committed to providing the City with the highest quality, environmentally responsible service at a reasonable price. NES respectfully requests your consideration and approval of this rate adjustment and the other amendments to the contract. On behalf of our family-owned and operated business, we appreciate having the opportunity of serving the City of La Habra and for the many years of our valued partnership with the City. NES looks forward to continuing this relationship for many years to come.

If you have any questions concerning this request, please feel free to contact me at my office. Again, thank you for your time and consideration.

Sincerely,



Ani Samuelian
President

Attachment

cc: Mr. Jim Sadro/City Manager

**CITY OF LA HABRA
LABOR COST SUMMARY**

<u>Employee/Type</u>	<u>2018 Hrly Wage</u>	<u>Increase</u>	<u>2019 Hrly Wage</u>	<u>Increase</u>	<u>2020 Hrly Wage</u>	<u>Increase</u>	<u>2021 Hrly Wage</u>	<u>Increase from 2018-2021</u>	<u>Wkly Hrs.</u>	<u>Wkly Increase</u>
Residential Sweeper Operator No. 1 - Regular Rate	\$17.50	5.70%	\$18.50	2.70%	\$19.00	28.95%	\$24.50	40.0%	40.00	\$280.00
Residential Sweeper Operator No. 1 - Overtime Rate	\$26.25		\$27.75		\$28.50		\$36.75		15.00	\$157.50
Residential Sweeper Operator No. 2 - Regular Rate	\$16.50	6.05%	\$17.50	2.85%	\$18.00	30.55%	\$23.50	42.4%	36.00	\$252.00
Residential Sweeper Operator No. 2 - Overtime Rate	\$24.75		\$26.25		\$27.00		\$35.25		7.00	\$73.50
Arterial Sweeper Operator - Regular Rate	\$16.50	6.05%	\$17.50	2.85%	\$18.00	30.55%	\$23.50	42.4%	18.00	\$126.00
Arterial Sweeper Operator - Overtime Rate	\$24.75		\$26.25		\$27.00		\$35.25		0.00	\$0.00
TOTAL WEEKLY INCREASE										\$889.00
TOTAL ANNUAL INCREASE (\$889 x 52 Weeks)										\$46,228.00
TOTAL MONTHLY LABOR COST INCREASE										\$3,852.33