

SECOND AMENDMENT TO STREET SWEEPING AGREEMENT

This Second Amendment to Street Sweeping Agreement (“Amendment No. 2”), between the City of La Habra (“City”) and Nationwide Environmental Services (“Contractor”), a division of Joe’s Sweeping, Inc., a California corporation, takes effect on May 16, 2016.

BACKGROUND

On March 26, 2007, the City entered into an agreement (“Agreement”) with Contractor for street sweeping services. On March 23, 2010, the City and Contractor executed Amendment No. 1 to said Agreement. The parties now wish to extend the term of the contract, change the amount of compensation, and add some additional enhancements to the contract. The parties, therefore, agree as follows:

AGREEMENT

1. Section 1.3 of the Agreement shall be deleted in its entirety and replaced with the following effective *July 1, 2017, however, until July 1, 2017*, Section 1.3 of the Amendment #1 to said Agreement shall remain in full force and effect:

1.3 Term.

The term of this Agreement shall begin on July 1, 2017 and continue until June 30, 2024. This Agreement may be renewed for three (3) additional years, upon mutual agreement by both **CITY** and **CONTRACTOR**; or, until such time as it is earlier terminated pursuant to the provisions in ARTICLE V of this Agreement.

2. Section A and Section B of Exhibit B, which are referenced in Section 3.1 of the Agreement, is deleted in its entirety and replaced with the following:

A. Annual Contract. **CONTRACTOR** agrees to provide all services specified in this Agreement and its Exhibits for the costs below. Annual costs include all costs associated with providing the services herein, including, but not limited to, staffing, equipment, supplies, capital outlay, facilities, insurance and overhead. The annual cost includes 22,920 gallons of fuel per year. Additional fuel charges will be based on the amounts outlined in section “B” of this Exhibit. The annual charges (not including additional fuel charges) to the **CITY** shall follow the formula outlined below in section A1 with a detailed table included in section A2. Further examples are shown in sections A3 and A4.

1) Annual charges for a new FY shall multiply the prior FY annual charges by the annual percentage change in the prior calendar year CPI

Index (Consumer Price Index for all Urban Consumers (National CPI-U) for the Los Angeles/Orange County/Riverside MSA compiled and published by the United States Department of Labor, Bureau of Labor Statistics, or any other measure hereafter employed by the Federal Bureau of Labor Statistics in lieu of the consumer price index that measures the cost of living in U.S. cities). For the first three years starting on the new term of this new agreement, there shall be a 0% Increase each year with the first CPI Index increase occurring in FY 2020-21. In any year that the annual percentage change in the CPI Index is greater than 2.0%, then the annual street sweeping charges shall be capped and shall not increase by more than 2.0% for that FY. All annual charge calculations shall be rounded to the nearest dollar so that no cents are shown in the annual charge amount.

2)

Period / Year	Contract Cost	% Increase	Fuel Threshold
July 1, 2016 – June 30, 2017	\$319,915	2.50%	\$2.68
FY 2017-2018	\$319,915	0.00%	\$2.75
FY 2018-2019	\$319,915	0.00%	\$2.82
FY 2019-2020	\$319,915	0.00%	\$2.89
FY 2020-2021	*	**	\$2.95
FY 2021-2022	*	**	\$2.95
FY 2022-2023	*	**	\$2.95
FY 2023-2024 (expires)	*	**	\$2.95
FY 2024-2025 (extension)	*	**	\$2.95
FY 2025-2026 (extension)	*	**	\$2.95
FY 2026-2027 (extension)	*	**	\$2.95
Total:	*	**	

* Future contract cost = prior year cost x % Increase

** % Increase determined by annual CPI Index change

3) Example 1: If prior FY 2019-2020 annual charges were \$319,915.00 and the prior year CPI Index change for Calendar Year (CY) 2019 was 1.5%, then the resulting FY 2020-2021 annual charges shall be \$324,714.00.

4) Example 2: If prior FY 2019-2020 annual charges were \$319,915.00 and the prior year CPI Index change for Calendar Year (CY) 2019 was 2.5%, then the resulting increase shall be capped at 2.0% and the FY 2020-2021 annual charges shall be \$326,313.00.

B. Fuel Charges. The annual contract costs include fuel costs for 22,920 gallons per year. As of the effective date of this Agreement, **CONTRACTOR** is paying \$1.55 per gallon at Clean Energy fueling facilities. **CONTRACTOR** and **CITY** agree that, should the price of fuel purchased by the **CONTRACTOR** increase to \$2.75 per gallon or more,

known as the "Fuel Threshold," **CITY** shall pay the difference between \$2.75 and the actual cost of fuel. Each year, the Fuel Threshold shall increase 2.5 percent per year over the previous year's Fuel Threshold. **CONTRACTOR** shall not charge, invoice or pass along to **CITY** any fuel costs below the Fuel Threshold. The Fuel Threshold shall be capped at \$2.95 and shall not increase above the \$2.95 amount for the remainder of the contract.

CONTRACTOR shall invoice **CITY**, and **CITY** shall pay **CONTRACTOR** for actual fuel costs above the Fuel Threshold not to exceed 1,910 gallons per month. Valid original documentation of **CONTRACTOR'S** actual purchase price of fuel and number of gallons used by sweepers in the **CITY**, fueling location(s) and the Clean Energy Index for the Orange County area shall accompany such invoice. **CONTRACTOR** shall not charge, invoice, or pass along to **CITY** any costs for fuel in excess of 1,910 gallons per month.

In the event that the **CITY'S** fueling charges equal \$12,000 or more in any given year, **CONTRACTOR** shall fuel sweepers used in the **CITY** at the **CITY'S** City Yard facility, and such fueling shall begin immediately upon notification by **CITY**. Notwithstanding the above, **CITY** may request **CONTRACTOR** to fuel sweepers at the City Yard if there are three (3) consecutive months of increases.

3. Section 4 of Exhibit A, is added to the Scope of Work within the Agreement:

4. Contract Enhancements

A. The following contract enhancements listed below are to be fulfilled by the **CONTRACTOR** starting on the first date of the new term of the contract, July 1, 2017 or if specified differently by date.

B. **CONTRACTOR** agrees to provide starting July 1, 2016 annual funding of \$5,000 to the **CITY** to be distributed at the **CITY'S** discretion for **CITY** events and non-profit organizations. **CONTRACTOR** will remit annual funding amount to **CITY** no later than June 30 of each year of the agreement.


C. NES will provide starting July 1, 2016 annual pressure washing services for sidewalk locations for the annual Corn Festival Parade route determined by **CITY** each year.

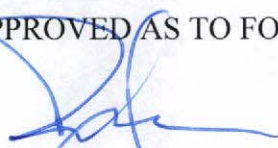
D. NES will utilize brand new 2016 TYMCO 600 street sweepers beginning July 1, 2016, in the **CITY** contract service areas.

4. All other remaining provisions of the Agreement will remain in effect.


CITY OF LA HABRA

APPROVED AS TO FORM:

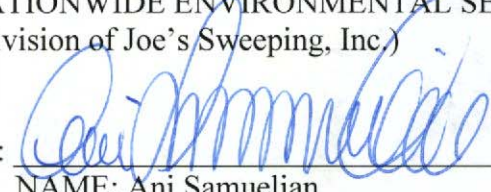
By: 
Jim Sadro, CITY MANAGER

By: 
Richard D. Jones, CITY ATTORNEY

ATTEST:

By: 
Tamara D. Mason, MMC, CITY CLERK

COUNTER SIGNED:
NATIONWIDE ENVIRONMENTAL SERVICES,
(Division of Joe's Sweeping, Inc.)

By: 
NAME: Ani Samuelian

June 6, 2016
DATE

Vice President
TITLE: