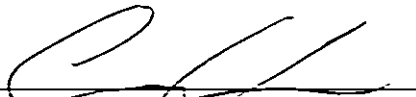


THE ATTACHED AGREEMENT HAS BEEN REVIEWED
AND APPROVED AS TO FORM BY THE CITY
ATTORNEY'S OFFICE AND WILL BE
FORMALLY SIGNED UPON APPROVAL BY
THE CITY COUNCIL



Glen R. Googins
City Attorney

Dated: 12/8/14

AMENDED CONTRACT
BETWEEN
THE CITY OF CHULA VISTA
AND
CANNON PACIFIC SERVICES, INC.



Department of Public Works

December 2, 2014

Mr. Lee Miller
President and CEO
Cannon Pacific Services
285 Pawnee Street, Suite A
San Marcos, CA 92078

RE: RFB 1/11-12 Street Sweeping Services Year Four (4).

Dear Lee,

Thank you for meeting with Tim Ripley and me to discuss Cannon Pacific Services and the City of Chula Vista year four (4) of services of the initial five year agreement. In accordance with the terms and conditions of RFB 1-11/12, and the agreement dated November 5, 2011, approved by City Council Reso 2011-218, the CPI price adjustment increase for year four (4) is 1.7% based on the All Urban Consumers/All Items Component of the San Diego Metropolitan Area Consumer Price Index as published by the Bureau of Labor Statistics for the preceding twelve month period. (CPI increase)

You requested that the City allow a price adjustment on the parking lot sweeping services. An error was made on the bid pricing submitted that resulted in the parking lots being services at a price of \$75.00 per year. Cannon Pacific honored the pricing for the initial three years of the contract but is asking for a price adjustment to the amount that was the original intent of Cannon Pacific of \$.001 per sq. ft. This will result in a cost of \$7,000-\$10,000 per year. Both Time Ripley and I agree that this is a reasonable and fair request however Chula Vista City Council approval is required to allow the increase.

Additionally you requested an increase to offset the cost of fuel. After careful consideration we determined that the cost of fuel was included in your overhead cost when submitting the bid. We cannot approve the additional increase.

The request for increases will go to Council on December _____, 2014.

We will notify you of the outcome.

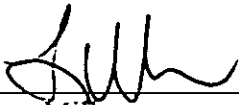
Sincerely,

Suzanne Brooks, Sr. Procurement Specialist

Please acknowledge your agreement by signing and returning a copy of this year three price adjustment notice.

Thank you,

Suzi Brooks
Sr. Procurement Specialist
City of Chula Vista Purchasing Division



Lee Miller
President & CEO
Cannon Pacific Services

Date: _____

Date: 12/3/14

Copy: Tim Ripley



CANNON PACIFIC
SWEEPING AMERICA

www.cannonpacific.com

License #854113

285 Pawnee Street
Suite A
San Marcos, CA 92078
760 471-9003
760 471-9005
888 DIRT ALERT

VIA EMAIL

April 30, 2014

City of Chula Vista
Tim Ripley
1800 Maxwell Road
Chula Vista, CA 91911

Dear Mr. Ripley;

Cannon Pacific Services, Inc. is pleased to have had the opportunity to provide street sweeping services to the City of Chula Vista for 20 years, since 1994. We trust that we have been a reliable and respectable contracting partner.

We are requesting an increase of 1.7% to our unit prices equal to the San Diego Regional CPI. This request is consistent with section 10(d) on page 30 of our current agreement. This increase helps us offset the increased cost of operating costs and overhead, but unfortunately doesn't begin to help us with fuel costs.

We are also requesting an additional increase to help offset the increased cost of fuel. As you know, fuel prices are extremely volatile. Today's fuel prices are \$.34 cents per gallon higher than last year at this same time. Because of this unexpected increase that is beyond our control, we are requesting consideration for an additional increase under section 10(d) on page 32 of 3.0% for unforeseen extraordinary circumstances.

The total amount requested is 4.7%, which is below the maximum 6% allowed on page 31. It would adjust our curb mile rates to \$17.42 and \$12.76, both still well below the San Diego regional average of \$19.96 per mile.

Lastly, we are requesting the City's consideration for a price adjustment on the parking lot sweeping. As you know, there was an error on our part that resulted in a favorable pricing scenario for the City. Since that time, we have honored our pricing and the City has been afforded full service sweeping on it's parking lots swept for less than \$75.00 per year, a service that should cost \$7,000-\$10,000 per year. We are requesting that the City consider our excellent service and allow a price adjustment up to market rate, that which was proposed originally of \$.001 per sq. ft. as that was the original intent.

Please feel free to contact me at 760-471-9003 or via email at lmiller@cannonpacific.com should the need arise or to discuss our services or this very important request.

Kindest Regards,

Lee E. Miller
President and CEO

WEST INFORMATION OFFICE
San Francisco, Calif.

For release 10:00 a.m. (PST) Thursday, February 20th, 2014

14-290-SAN

Technical information: (415) 625-2283
Media contact: (415) 625-2270

• BLSinfoSF@bls.gov

• www.bls.gov/ro9

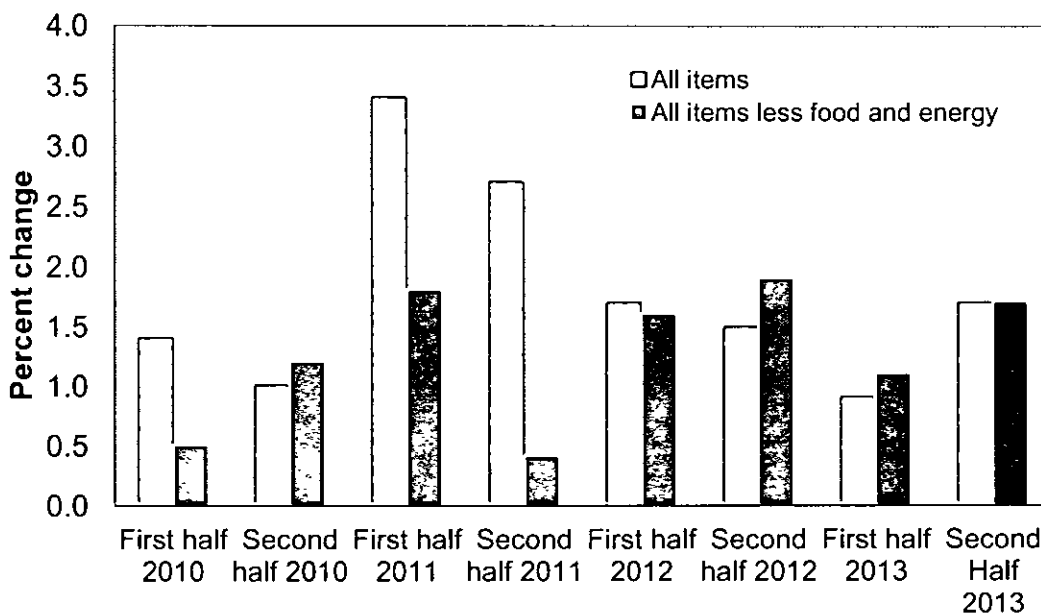
CONSUMER PRICE INDEX, SAN DIEGO – SECOND HALF 2013

AREA PRICES UP 1.1 PERCENT OVER THE PAST SIX MONTHS, UP 1.7 PERCENT FROM A YEAR AGO

Prices in the greater San Diego area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), advanced 1.1 percent in the second half of 2013, the U.S. Bureau of Labor Statistics reported today. (See table A.) Regional Commissioner Richard J. Holden noted that the six-month increase was influenced by higher prices for shelter and recreation and lower prices for gasoline. (Data in this report are not seasonally adjusted. Accordingly, six-month-to-six-month changes may reflect seasonal influences.)

Over the past 12 months, the CPI-U rose 1.7 percent. (See chart 1.) Energy prices advanced 1.5 percent, mainly due to an increase in the price of electricity. The index for all items less food and energy increased 1.7 percent over the year.

Chart 1. Over-the-year percent change in CPI-U, San Diego, First half 2010 - Second half 2013



Source: U.S. Bureau of Labor Statistics.

Food

Food prices edged up 0.1 percent in the second half of 2013. (See table 1.) Prices for food away from home were up 1.2 percent for the past six months. Prices for food at home declined 0.7 percent for the same period.

For the year ending in the second half of 2013, food prices rose 0.9 percent. Prices for food away from home advanced 2.4 percent during the past 12 months, but prices for food at home decreased 0.4 percent.

Energy

The energy index edged down 0.1 percent since the first half of 2013. This decrease was influenced by lower prices for gasoline (-4.9 percent). Partly offsetting the decline were higher prices for electricity (13.9 percent) and natural gas service (8.4 percent).

Energy prices increased 1.5 percent over the year, strongly influenced by a 14.0 percent jump in electricity prices. From a year ago, natural gas service prices increased 18.7 percent, but gasoline prices were down 3.8 percent.

All items less food and energy

The index for all items less food and energy increased 1.2 percent from the first half of 2013 to the second half of 2013. Among the index components, increases were recorded for recreation (4.6 percent), apparel (2.2 percent), other goods and services (1.2 percent), education and communication (1.0 percent), household furnishings and operations (1.0 percent), shelter (0.9 percent), and medical care (0.9 percent).

Over the year, the index for all items less food and energy advanced 1.7 percent. Prices increased for apparel (3.5 percent), household furnishings and operations (2.5 percent), shelter (1.8 percent), medical care (1.7 percent), other goods and services (1.2 percent), education and communication (1.1 percent), and recreation (0.8 percent).

Table A. San Diego CPI-U semi-annual and annual percent changes (not seasonally adjusted)

Semi-annual period	2008		2009		2010		2011		2012		2013	
	Semi-annual	Annual	Semi-annual	Annual	Semi-annual	Annual	Semi-annual	Annual	Semi-annual	Annual	Semi-annual	Annual
First Half	3.3	4.6	-0.5	-0.6	0.2	1.4	2.3	3.4	1.3	1.7	0.6	0.9
Second Half	-0.1	3.2	1.1	0.6	1.0	1.2	0.4	2.7	0.3	1.5	1.1	1.7

CPI-W

In the second half of 2013, the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) was 247.236, up 0.9 percent. The CPI-W increased 1.7 percent over the year.

The first half of 2014 Consumer Price Index for San Diego is scheduled to be released on August 19th, 2014, at 10:00 a.m. (PST).

Technical Note

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPIs for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 88 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 29 percent of the total population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Each month, prices are collected in 87 urban areas across the country from about 4,000 housing units and approximately 26,000 retail establishments--department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index.

The index measures price changes from a designated reference date (1982-84) that equals 100.0. An increase of 16.5 percent, for example, is shown as 116.5. This change can also be expressed in dollars as follows: the price of a base period "market basket" of goods and services in the CPI has risen from \$10 in 1982-84 to \$11.65. For further details see the CPI home page on the Internet at www.bls.gov/cpi and the *BLS Handbook of Methods, Chapter 17. The Consumer Price Index*, available on the Internet at www.bls.gov/opub/hom/homch17_a.htm.

In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Because the sample size of a local area is smaller, the local area index is subject to substantially more sampling and other measurement error than the national index. In addition, local indexes are not adjusted for seasonal influences. As a result, local area indexes show greater volatility than the national index, although their long-term trends are quite similar. NOTE: Area indexes do not measure differences in the level of prices between cities; they only measure the average change in prices for each area since the base period.

The San Diego, CA metropolitan area covered in this release consists of San Diego County in the State of California.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: 202-691-5200; Federal Relay Service: 1-800-877-8339.

For personal assistance or further information on Consumer Price Indexes, as well as other Bureau products, contact the San Francisco Information Office at (415) 625-2270 from 9:00 a.m. to 11:30 a.m. and 1:30 p.m. to 4:00 p.m. PT.

Consumer Price Index for All Urban Consumers (CPI-U): Indexes for semiannual averages and percent changes for selected periods

San Diego, CA (1982-84=100 unless otherwise noted)

Item and Group	Semiannual average indexes			Percent change to 2nd half 2013 from—	
	2nd half 2012	1st half 2013	2nd half 2013	2nd half 2012	1st half 2013
Expenditure category					
All items	257.285	258.955	261.679	1.7	1.1
All items (1967=100)	869.959	875.607	884.815	-	-
Food and beverages	235.698	237.491	238.000	1.0	.2
Food	233.239	234.941	235.254	.9	.1
Food at home	220.105	220.761	219.128	-.4	-.7
Food away from home	248.665	251.613	254.719	2.4	1.2
Alcoholic beverages	252.970	255.685	258.299	2.1	1.0
Housing	280.417	283.539	287.897	2.7	1.5
Shelter	316.819	319.827	322.665	1.8	.9
Rent of primary residence ¹	310.472	313.186	316.492	1.9	1.1
Owners' equivalent rent of residences ^{1 2}	337.212	341.180	344.154	2.1	.9
Owners' equivalent rent of primary residence ^{1 2}	337.212	341.180	344.154	2.1	.9
Fuels and utilities	232.644	238.479	258.323	11.0	8.3
Household energy	189.183	194.879	218.131	15.3	11.9
Energy services ¹	184.657	190.465	213.319	15.5	12.0
Electricity ¹	177.449	177.621	202.287	14.0	13.9
Utility (piped) gas service ¹	148.183	162.237	175.884	18.7	8.4
Household furnishings and operations	176.334	178.894	180.765	2.5	1.0
Apparel	131.757	133.357	136.305	3.5	2.2
Transportation	225.608	227.028	224.112	-.7	-1.3
Private transportation	217.112	218.790	215.470	-.8	-1.5
Motor fuel	318.158	321.556	306.037	-3.8	-4.8
Gasoline (all types)	318.384	321.957	306.179	-3.8	-4.9
Gasoline, unleaded regular ³	331.877	335.602	319.042	-3.9	-4.9
Gasoline, unleaded midgrade ^{3 4}	271.461	274.587	261.421	-3.7	-4.8
Gasoline, unleaded premium ³	319.533	323.015	307.398	-3.8	-4.8
Medical care	406.322	409.595	413.157	1.7	.9
Recreation ⁵	148.326	142.940	149.511	.8	4.6
Education and communication ⁵	144.257	144.452	145.910	1.1	1.0
Other goods and services	364.585	364.797	369.027	1.2	1.2
Commodity and service group					
All items	257.285	258.955	261.679	1.7	1.1
Commodities	198.044	199.539	199.269	.6	-.1
Commodities less food and beverages	177.550	178.887	178.250	.4	-.4
Nondurables less food and beverages	201.206	203.307	202.309	.5	-.5
Durables	151.687	151.814	151.744	.0	0
Services	309.875	311.708	317.006	2.3	1.7
Special aggregate indexes					
All items less medical care	250.194	251.797	254.465	1.7	1.1
All items less shelter	234.986	236.036	238.706	1.6	1.1
Commodities less food	181.040	182.433	181.919	.5	-.3
Nondurables	220.422	222.425	222.081	.8	-.2
Nondurables less food	206.530	208.689	207.905	.7	-.4
Services less rent of shelter ²	318.483	318.268	327.316	2.8	2.8
Services less medical care services	300.359	301.840	307.078	2.2	1.7
Energy	263.425	267.660	267.374	1.5	-.1
All items less energy	258.846	260.066	262.874	1.6	1.1
All items less food and energy	264.766	265.910	269.167	1.7	1.2

¹ This index series was calculated using a Laspeyres estimator. All other item stratum index series were calculated using a geometric means estimator.

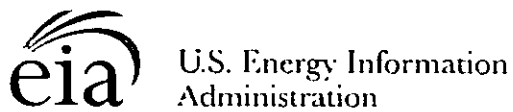
² Index is on a November 1982=100 base.

³ Special index based on a substantially smaller sample.

⁴ Indexes on a December 1993=100 base.

⁵ Indexes on a December 1997=100 base.

- Data not available.



Petroleum & Other Liquids

Gasoline and Diesel Fuel Update

Gasoline Release Date: April 28, 2014 | Next Release Date: May 5, 2014

Diesel Fuel Release Date: April 28, 2014 | Next Release Date: May 5, 2014

U.S. Regular Gasoline Prices* (dollars per gallon)full history

	04/14/14	04/21/14	04/28/14	Change from	
				week ago	year ago
U.S.	3.651	3.683	3.713	↑ 0.030	↑ 0.193
East Coast (PADD1)	3.609	3.662	3.706	↑ 0.044	↑ 0.248
New England (PADD1A)	3.638	3.685	3.755	↑ 0.070	↑ 0.236
Central Atlantic (PADD1B)	3.611	3.674	3.748	↑ 0.074	↑ 0.250
Lower Atlantic (PADD1C)	3.599	3.645	3.660	↑ 0.015	↑ 0.250
Midwest (PADD2)	3.633	3.640	3.662	↑ 0.022	↑ 0.108
Gulf Coast (PADD3)	3.472	3.491	3.491	0.000	↑ 0.196
Rocky Mountain (PADD4)	3.438	3.446	3.482	↑ 0.036	↓ -0.002
West Coast (PADD5)	3.977	4.027	4.073	↑ 0.046	↑ 0.273
West Coast less California	3.670	3.719	3.761	↑ 0.042	↑ 0.142

[-] See less
States

	04/14/14	04/21/14	04/28/14	Change from	
				week ago	year ago
California	4.156	4.206	4.254	↑ 0.048	↑ 0.349
Colorado	3.532	3.520	3.510	↓ -0.010	↓ -0.014
Florida	3.663	3.726	3.711	↓ -0.015	↑ 0.311
Massachusetts	3.557	3.607	3.681	↑ 0.074	↑ 0.250
Minnesota	3.514	3.515	3.560	↑ 0.045	↑ 0.051
New York	3.753	3.812	3.887	↑ 0.075	↑ 0.212
Ohio	3.669	3.711	3.757	↑ 0.046	↑ 0.232
Texas	3.483	3.502	3.497	↓ -0.005	↑ 0.181
Washington	3.745	3.817	3.866	↑ 0.049	↑ 0.224

Cities

Boston	3.559	3.601	3.677	↑ 0.076	↑ 0.244
Chicago	4.074	4.015	4.031	↑ 0.016	↓ -0.044
Cleveland	3.705	3.724	3.765	↑ 0.041	↑ 0.163
Denver	3.532	3.510	3.493	↓ -0.017	↓ -0.036
Houston	3.443	3.452	3.468	↑ 0.016	↑ 0.126
Los Angeles	4.284	4.306	4.332	↑ 0.026	↑ 0.415
Miami	3.874	3.858	3.829	↓ -0.029	↑ 0.246

New York City	3.603	3.681	3.775	↑ 0.094	↑ 0.260
San Francisco	4.139	4.183	4.270	↑ 0.087	↑ 0.308
Seattle	3.794	3.859	3.894	↑ 0.035	↑ 0.263

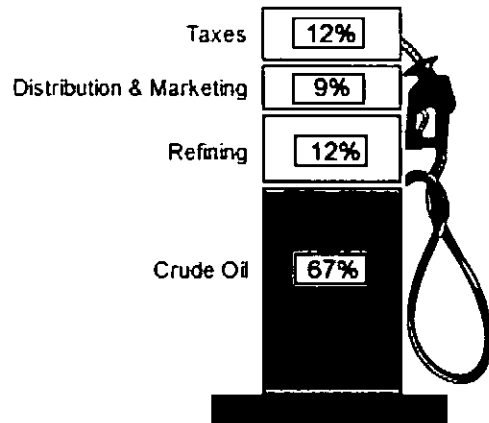
U.S. On-Highway Diesel Fuel Prices* (dollars per gallon)full history

	04/14/14	04/21/14	04/28/14	Change from	
				week ago	year ago
U.S.	3.952	3.971	3.975	↑ 0.004	↑ 0.124
East Coast (PADD1)	4.068	4.070	4.065	↓ -0.005	↑ 0.179
New England (PADD1A)	4.220	4.212	4.208	↓ -0.004	↑ 0.215
Central Atlantic (PADD1B)	4.193	4.191	4.185	↓ -0.006	↑ 0.251
Lower Atlantic (PADD1C)	3.947	3.953	3.949	↓ -0.004	↑ 0.118
Midwest (PADD2)	3.932	3.946	3.947	↑ 0.001	↑ 0.108
Gulf Coast (PADD3)	3.790	3.820	3.824	↑ 0.004	↑ 0.067
Rocky Mountain (PADD4)	3.942	3.976	3.982	↑ 0.006	↑ 0.172
West Coast (PADD5)	3.981	4.030	4.055	↑ 0.025	↑ 0.106
West Coast less California	3.893	3.945	3.954	↑ 0.009	↑ 0.121
California	4.056	4.102	4.140	↑ 0.038	↑ 0.093

*prices include all taxes

What we pay for in a gallon of:

Regular Gasoline (March 2014)
Retail Price: \$3.53/gallon



Diesel (March 2014)
Retail Price: \$4.00/gallon

