

**City of Culver City, California
Agenda Item Report**

Meeting Date: <u>06/04/12</u>		Item Number: <u>C-3</u>
CITY COUNCIL AGENDA ITEM: Approval of a Professional Services Agreement with Guadagno & Sons to Supply the Carnival Rides for the Fiesta La Ballona with a Base Term of Three Years and an Option to Extend for One Additional Year.		
Contact Person/Dept.: Dan Hernandez, PRCS Director		Phone Number: (310) 253-6655
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐
Public Hearing: ☐	Action Item: ☐	Attachments: ☐
Commission Action Required: Yes ☐ No ☒		Date: _____
Public Notification: (Email) Meetings and Agendas – City Council (05/30/12); (Email) Parks, Recreation and Community Services Commission (05/30/12); (Email) Guadagno & Sons (05/30/09).		
Department Approval: Dan Hernandez, (05/23/12)	City Attorney Approval: Carol Schwab (by H. Baker) (05/30/12)	
Chief Financial Officer Approval: Jeff Muir (by M. Noller) (05/30/12)	City Manager Approval: John M. Nachbar (05/30/12)	
<u>RECOMMENDATION:</u> Staff recommends the City Council approve a three-year [with an optional fourth year] professional services agreement with Guadagno & Sons (“G&S”) to supply carnival rides for the 2012, 2013, and 2014 Fiesta La Ballona [and 2015, subject to approval by the City Manager]. <u>BACKGROUND:</u> Beginning in 2004 the Fiesta La Ballona Committee (“Committee”) contracted with Guadagno and Sons (“G&S”) to supply carnival rides during the Fiesta in order to attract families to the event. This has been a very successful addition to the Fiesta and has increased attendance as well as revenue to the vendors and to the City which in turn helps to offset the cost of producing the Fiesta. After the 2005 Fiesta, the Committee agreed that G&S should come back for the next three (3) years (through 2008) due to their entertainment value and their commitment to the success of the Fiesta. After the 2008 Fiesta it was determined that the City should circulate a Request for Proposals (RFP) to determine if the cost sharing relationship between G&S and the City was standard for this industry. In addition, staff and the Fiesta La Ballona Committee were interested in entering into a longer term relationship in order to potentially achieve cost savings through a multi-year agreement. As a result of that RFP process, on March 23, 2009 the City Council awarded a Fiesta La Ballona Carnival Ride Concessionaire Agreement to Guadagno and Sons		

City of Culver City, California
Agenda Item Report

for a two (2) year period with the stipulation that at the conclusion of this two (2) year period, G&S could request a one (1) year extension, for a total of up to three (3) years, if agreeable to both parties. The third year option was exercised in 2011, thus bringing the contract period to an end.

DISCUSSION:

An RFP for Fiesta La Ballona Carnival Ride Concessionaire was released on March 1, 2012. In addition to the standard public notification process, copies of the RFP were emailed to ten (10) carnival ride vendors:

- | | | |
|-------------------------------|---------------------------|----------------------------------|
| ▪ California Carnival Company | ▪ Classic Amusement | ▪ Midway Fun |
| ▪ Carnival Promotions | ▪ For Kids Sake Inc. | ▪ Ray Cammack Shows |
| ▪ Carnival Services | ▪ Garner Holt Productions | ▪ Zebra Entertainment and Events |
| | ▪ Guadagno & Sons | |

Only one proposal, that of Guadagno and Sons, was received by the due date of March 19, 2012. Considering the fact that only one bid was received and that Guadagno and Sons has successfully worked with the Fiesta for the last seven (7) years, staff is requesting that the City Council approve a three (3) year agreement [with an optional fourth year] with Guadagno & Sons ("G&S") to supply carnival rides for the 2012, 2013, and 2014 Fiesta La Ballona [and 2015, subject to approval by the City Manager].

Staff and the Committee have been very pleased with the level of service provided by Guadagno and Sons. They have been responsive to concerns as they arise and they pride themselves on their courteous and well-groomed staff. Mr. Guadagno and his sons are Certified Basic Ride Inspectors and the family and management have served on the Board of Directors of the Pacific Coast Showmens Association and Showfolks of America.

FISCAL ANALYSIS:

Concession Fee Schedule

Guadagno and Sons proposed Concession Fee Schedule is identical to the one that has been in effect since 2009. Guadagno & Sons is proposing to pay the City of Culver City the following fee amounts in connection with the Fiesta La Ballona:

- A.** Guaranteed minimum payment amount of \$25,000 per 2½ day Carnival event (Friday night from 6PM to 11PM, Saturday from 11AM to 11PM, Sunday from 11AM to 8 PM) or the aggregate totals of the following payments, whichever is greater.

**City of Culver City, California
Agenda Item Report**

- | | | |
|-----------|---|----------------------|
| B. | 25% up to gross sales of the first | \$40,000 |
| | 30% of the next gross sales of | \$40,000 |
| | 35% of the balance of gross sales | \$35% of balance |
| | | |
| C. | For each game | \$200 |
| | | |
| D. | Food concession | \$500 |
| | | |
| E. | Presale Ticket Sales | \$30% of gross sales |
| | | |
| F. | Guadagno & Sons will supply to the Fiesta Committee 100 posters printed to the Committee's specifications at no cost to the City. | |
| | | |
| G. | Guadagno & Sons will provide full access to all ticket numbers and accounting of all sales during the entire event. | |

Carnival Revenue

Projected expenditures and revenues for the Fiesta La Ballona are included in the annual City budget process and are reflected in the budget for Community Events – Fiesta La Ballona). As noted in the concession fee schedule above, the guaranteed minimum payment amount per 2½ day Carnival event is \$25,000. In 2009, 2010 and 2011, this guaranteed minimum payment amount was achieved as gross sales did not rise above the \$25,000 benchmark.

MOTION:

That the City Council:

1. Approve a three (3) year agreement [with an optional fourth year] with Guadagno & Sons to supply carnival rides for the 2012, 2013, and 2014 Fiesta La Ballona [and 2015, subject to approval by the City Manager, 2015]; and,
2. Authorize the City Attorney to review/prepare the necessary documents; and,
3. Authorize the City Manager to execute such documents on behalf of the City.