

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 03/23/09	Item Number: <u>C-10</u>
AGENDA ITEM: Approval of an Agreement with Guadagno & Sons to Supply the Carnival Rides for the Fiesta La Ballona with a Base Term of Two Years and an Option to Extend for One (1) Additional Year.	
Contact Person/Dept.: Pam Robinson, Recreation Manager	Phone Number: (310) 253-6632
Fiscal Impact: Yes ☒ No ☐	General Fund: Yes ☐ No ☒
Public Hearing: ☐	Action Item: ☐ Attachments: ☒
Public Notification: Master E-Mail Notification List (03/18/09); Fiesta La Ballona Committee (03/18/09); Guadagno & Sons (03/18/09).	
Department Approval: Bill La Pointe (by P. Mooney) (03/12/09)	City Attorney Approval: Carol Schwab (by H. Baker) (03/17/09)
Chief Financial Officer Approval: Jeff Muir (by M. Noller) (03/18/09)	City Manager Approval: Jerry B. Fulwood (03/18/09)

RECOMMENDATION:

Staff recommends the City Council approve a two (2) year [with an optional third year] agreement with Guadagno & Sons (G&S) to supply the carnival rides for the 2009 and 2010 Fiesta La Ballona.

BACKGROUND:

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 an RFP requesting proposals from other companies to determine if the cost sharing relationship between G&S and the City is standard for this industry. In addition, staff and the Committee were interested in entering into a longer term relationship in order to potentially achieve cost savings through a multi-year agreement.

On December 11, 2008, RFP #1386, *Request for Proposal for Ride and Carnival Concessionaire* (Attachment 1), was posted on the City's website and advertised in the Culver City News. In addition, copies of the RFP were emailed to the following vendors:

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| ▪ 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 G&S, was received by the due date of January 15, 2009.

DISCUSSION:

As stated above, G&S has supplied the carnival rides for the Fiesta since 2004. Staff and the Committee have been very pleased with their service. They have been responsive to concerns as they arise and they pride themselves on their courteous 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. Attachment 2 is a copy of their *Management Philosophy & Employee Policy* which states in great detail the commitment they have to the success of the event.

RFP #1386 states that a Carnival Concession Agreement will be awarded for a two (2) year period and that at the conclusion of this two (2) year period, contractor may request a one (1) year extension, for an aggregate term of up to three (3) years if agreeable to both parties. Considering the fact that only one bid was received and that G&S has successfully worked with the Fiesta for the last four (4) years, staff is recommending a contract with a two year base term with an optional one year extension upon the approval of the City Manager.

FISCAL ANALYSIS:

Attachment 3 is a copy of Exhibit B, *Schedule of Compensation*, from the 2008 agreement with G&S. The guaranteed payment to the City was based on a percentage of ticket sales beginning with a fifteen (15) percent share and escalating to a twenty-five (25) percent share as the gross revenue grew. In 2008, the City's share of revenue from G&S was \$26,341.05.

Attachment 4 is a copy of the portion of the proposal from G&S which outlines the proposed new profit sharing. G&S proposes to increase their percentage to the City from a span of fifteen (15) percent to twenty-five (25) percent, to a span of twenty-five (25) percent to thirty-five (35) percent.

Final payment to G&S has historically taken place approximately thirty (30) days after the conclusion of the Fiesta when all of the deposits have been reviewed and approved by the City's Finance Department and staff has had an opportunity to request from Council authorization to pay G&S their final payment. In past years, the City has made a ten-thousand dollar (\$10,000) down payment by warrant prior to

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the Fiesta in order for G&S to cover their costs of moving into the City and maintaining their staff. Staff is recommending that this practice continue. In addition, staff is recommending that the final payment to G&S be based on the proposed profit sharing outlined in Attachment 4 in order to reduce the amount of time G&S must wait for their final payment. These terms would be incorporated into the final agreement with G&S.

Projected expenditures and revenues for the Fiesta La Ballona are included in the annual City budget process and are reflected in account number 10132810 (Community Events – Fiesta La Ballona).

ATTACHMENTS:

1. Bid #1386, Request for Proposal for Ride and Carnival Concessionaire
2. G&S Management Philosophy and Employee Policy
3. Schedule of Compensation from 2008 agreement with G&S.
4. Concession Fee Proposal from G&S response to Bid #1386

MOTION:

That the City Council:

Approve an agreement with Guadagno & Sons for carnival rides for the 2009 and 2010 Fiesta La Ballona with an Optional Year to provide rides for the 2011 Fiesta, subject to the approval of the City Manager and Guadango & Sons.