



Agenda Item

City Council

Item #: 3.4.

10/13/2021

File #: 21-0342

TO: Honorable Mayor and Members of the City Council

FROM: Bonnie Hagan, Acting City Manager

1. SUBJECT

Agreement with VCI Event Technology for audio, lighting, electrical, and staging services at the Tree Lighting Ceremony and Candlelight Choir Procession and the Third of July Celebration, and appropriation of \$41,000 in unreserved General Fund to support Fiscal Year 2021-2022 City special event expenses.

2. SUMMARY

A four-year agreement with VCI Event Technology to provide audio, lighting, electrical, and staging services at four annual Tree Lighting Ceremony and Candlelight Choir Procession events and four Third of July Celebration events starting in December 2021 and July 2022, respectively, for a total compensation not to exceed \$452,589.68. While the City has a Community Partnership Program to help offset the costs of special events, an appropriation of \$41,000 in unreserved General Fund is required to address rising costs in the event industry to support City special events through June 2022.

3. RECOMMENDED ACTION

1. Approve agreement with VCI Event Technology in the amount not to exceed \$452,589.67 for audio, lighting, electrical, and staging services; and authorize the Mayor and City Clerk to execute on behalf of the City.
2. Authorize the appropriation of \$41,000 in General Fund unreserved fund balance into expenditure account number 100.7015.51780.00000 Other Contractual Services.

4. FISCAL IMPACT

The total expenditure for the four-year agreement is not to exceed \$452,589.68 and will be funded through the General Fund (100). The cost of this agreement is partially offset by sponsorship donations.

5. STRATEGIC PLAN GOALS

Goal 3: Enhance and promote quality of life in the community

- b: Deliver high quality and safe recreational, social, environmental, educational and cultural services.

6. DISCUSSION AND BACKGROUND

The City has offered the Tree Lighting and Candlelight Choir Procession (Tree Lighting) and 3rd of July Celebration (3rd of July) events annually to the community for more than two decades. These family friendly events are very popular and collectively attract approximately 20,000 people each

year. Since their inception, the Orange Community Master Chorale (Chorale) has participated as a main component of each event through their musical entertainment and main stage performances. The City utilizes outside services to provide the audio and visual equipment, staging, lighting, electrical, labor, and technical support necessary for these popular community events.

The previous agreement for audio and visual services expired with the conclusion of the 2021 3rd of July event. Therefore, the City issued a Request for Proposal (RFP 20.21.47) to provide audio, lighting, electrical, and staging (A/V) services for the two special events from December 2021 through July 2025, for a total of eight events. The City did not receive any proposals. Staff then contacted three companies who specialize in A/V services for large events. One company, VCI Event Technology (VCI), submitted a proposal. VCI is the City's current provider.

VCI submitted a complete proposal, demonstrating the firm's expertise, and has provided acceptable service to the City for almost a decade. Over the course of that time, VCI has worked closely with the Chorale to meet the production, sound, audio/visual, and staging needs of each of these events. The following table outlines VCI's proposed costs for each event by Fiscal Year:

Fiscal Year	Tree Lighting	3rd of July	FY Total Costs
2021-22	\$ 37,891.67	\$ 73,266.15	\$ 111,157.82
2022-23	\$ 38,321.57	\$ 74,136.45	\$ 112,458.02
2023-24	\$ 38,764.37	\$ 75,032.86	\$ 113,797.23
2024-25	\$ 39,220.45	\$ 75,956.16	\$ 115,176.61
Total	\$ 154,198.06	\$ 298,391.62	\$ 452,589.68

VCI's costs increased by \$46,990.90, or approximately 73%, when comparing the final year of service of VCI's expired agreement with the first year of service of the proposed new agreement. Staff research concludes that the increase in costs is related to an increase in equipment and labor costs throughout the industry.

Staff recommends executing a four-year not to exceed agreement of \$452,589.68 with VCI. The amount for FY22 is \$111,157.82. Both a payment and cancellation schedule is included for each event. The agreement also allows the City to terminate for any reason with five days written notice.

Overall Increase in Special Event Costs

As a result of VCI's increase in costs, staff evaluated contracted costs, materials and supplies associated with all of the City's large annual special events (3rd of July, Treats in the Streets Autumn Festival, Veterans Day Tribute, Concerts in the Park Series, and Tree Lighting). Contracted services include table and chair rentals, fireworks, concert band fees, fencing costs, and port-a-potty rentals, to name a few.

In 2006, the Community Services Department started the Community Partnership program, which operates on a calendar year, to help offset the costs of special events. In calendar year 2021, the City has raised slightly over \$79,000 in Partnership funds. To date, \$30,486.65 was allocated for FY21 event costs, leaving \$48,963.35 for FY22 event costs. Additional funds could still be raised between now and the end of the calendar year.

Staff estimates total cost for FY22 special events to be \$190,000. After accounting for allocated Partnership funds (\$48,963) and appropriated General Fund dollars (\$100,000), an additional \$41,000 is needed to complete this year's special event calendar. Therefore, staff is recommending a

\$41,000 appropriation in unreserved General Fund. If additional Partnership money is received, these funds would be used to offset special event costs, and any remaining appropriation would return to the general fund.

Through the annual budget process, staff will evaluate the current appropriations for special events and make budgetary recommendations as appropriate based on actual costs associated with hosting City special events to the same standard as past years. Sponsorship program donations will continue to be used to offset the cost of hosting community events. The Partnership program for calendar year 2022 will officially kick off in spring 2022.

7. ATTACHMENTS

- Entertainment Services Agreement - VCI Event Technology