



City of Huntington Beach

File #: 24-188

MEETING DATE: 3/19/2024

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Eric G. Parra, Interim City Manager

VIA: Ashley Wysocki, Director of Community & Library Services

PREPARED BY: Molly Uemura, Community & Library Services Manager

Subject:

Approve and execute a three-year Professional Services Contract between the City of Huntington Beach and PSQ Productions for production and management service of the annual Independence Day Celebration

Statement of Issue:

In order to facilitate the City's annual Independence Day celebration, there is a need to approve a professional services contract between the City and PSQ Productions (Contractor), to manage and produce the 2024, 2025, and 2026 Independence Day Celebration events, which include the annual Surf City 5K Run, 4th of July Parade, and Fireworks over the ocean.

Financial Impact:

Sufficient appropriations are budgeted in the General Fund Fourth of July account 10045302 to cover payments due to PSQ Productions through the end of this fiscal year. Future fiscal years will be budgeted accordingly. Compensation through the three-year life of the contract is set at the following:

- \$150,000 in 2024
- \$160,500 in 2025
- \$171,735 in 2026

Recommended Action:

Approve and authorize the Mayor and City Clerk to execute "Professional Services Contract Between the City of Huntington Beach and PSQ Productions for Production and Management Service of the Annual Independence Day Parade."

Alternative Action(s):

Do not approve the recommended action and direct staff accordingly.

Analysis:

The previous contractor's professional services contract expired September 30, 2023. Per Municipal Code 3.03, all professional services contracts over \$30,000 must be competitively bid. Given the scope of services needed for the production and management of the Independence Day Celebration, as well as the direction from Independence Day Board council liaisons, a new Request for Proposal (RFP) was released for contracted services to manage and produce the City's Celebration, including the annual Surf City 5K Run, 4th of July Parade, and Fireworks over the ocean.

On September 7, 2023, the RFP was released. A total of three firms responded by the closing of the qualification process on Friday, October 20, 2023. A review panel was established to evaluate and score each submittal. The review panel, comprised of City staff representing three different City departments, thoroughly reviewed all three proposals based on objective evaluation criteria and established a weighted score for each qualified applicant. Based on the scores, all three firms were invited to present their proposals to the panel via in-person interview, with PSQ being the recommended contractor.

Upon approval, the Professional Services Contract (Contract) will have a three-year term and will automatically terminate three (3) years after commencement on September 1, 2026. The Contract may be extended up to two (2) one-year terms upon mutual consent of both parties. The Contract establishes areas of responsibility of the City and PSQ Productions for the production and management service of the annual Independence Day Celebration.

A summary of responsibilities for the Independence Day celebration is listed below. A more detailed listing is included in Exhibit B of the Contract (Attachment 1).

PSQ Production Responsibilities:

- a) Planning and execution of the 4th of July Parade, Run, and Fireworks Show.
- b) Sponsorship procurement and sponsor recognition.
- c) Merchandise, overall event logistics.
- d) VIPs, entertainment, and public relations; music and entertainment procurement if applicable.
- e) Sub-contractor agreements, management, and payment.
- f) Volunteer development.
- g) Public/media relations.
- h) Implement all logistical plans.
- i) Provide general event production and management.
- j) Provide research and planning.
- k) Marketing services.
- l) Budget development, management, reconciliation, and regular reporting to the City.
- m) Collaborate with the Independence Day Board for community sponsorships and development of the event theme, logo, and selection of parade participants and grand marshals.

City Responsibilities:

- a) Assign a staff coordinator to work directly with Contractor.
- b) Provide a contingency allowance of no more than \$10,000 to cover variations that may occur in the expected values of elements of cost or schedule.
- c) Assist with promotion and marketing of the event.

With regard to other event costs, any additional event expenses will be covered through other revenue streams (i.e., parade entry fees, event ticket sales, entry fees, merchandise sales, and sponsorships), which will be coordinated and handled directly by the Contractor.

Historically, the increased parking charge collected at the south beach attended lots and the Main Promenade Parking Structure over the three-day period raises between \$120,000 and \$135,000 (depending on the day of the week that July 4th falls on) and have been used to offset the Contractor's fee.

Within 30 days of the Event, Contractor and City will reconcile all revenues and expenses for the Event. If there is a net positive in the account, the funds will remain in the established Independence Day account to fund the Event in upcoming years. If expenses exceed revenues, the City may be responsible for reimbursing PSQ Productions pending a review by City and Contractor of the Event budget and all approved expenses and revenue opportunities.

Environmental Status:

This action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

Strategic Plan Goal:

Non Applicable - Administrative Item

Attachment(s):

1. Professional Services Contract between the City of Huntington Beach and PSQ Productions for production and management service of the Annual Independence Day Celebration.
2. PSQ Productions PowerPoint.
3. 2/16 Supplemental Communications