

## AGENDA REPORT

TO: Mayor & City Commission  
FROM: Ken Hibl, City Manager  
DATE: July 15, 2016  
RE: Proposed Christmas Decorations Contract – Hometown Decoration & Display, LLC

For the Agenda of July 18, 2016

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Background. The City has used the services of Hometown Decoration & Display (formerly Kenmark) for its Christmas decorations for the past 16 years. The company has offered a new three-year contract with an annual increase of \$282. The City Staff has reviewed the proposal and recommends (see copy of att'd DPW Memo) approval. The new contract was provided to the Clare DDA (pays for all the decorations placed in the downtown – which is the preponderance of the decorations) at its scheduled meeting on July 8<sup>th</sup>; the DDA unanimously recommended approval of the contract. The City Commission is asked to approve the contract renewal.

Issues & Questions Specified. Should the City Commission approve the proposed contractual agreement with Hometown Decoration & Display?

Alternatives.

1. Approve the proposed agreement.
2. Direct solicitation of bids for this service.
3. Defer decision regarding the matter to a subsequently scheduled meeting.

Financial Impact. The annual contract cost is \$7,869.

Recommendation. I recommend that the City Commission approve the proposed agreement by adoption of Resolution 2016-080 (*copy att'd*).

Attachments.

1. DPW Memo.
2. Contract.
3. Resolution 2016-080.

## MEMORANDUM

**TO:** Ken Hibl, Clare City Manager  
**FROM:** Alan J. Jessup, Director of Public Works  
**DATE:** June 29, 2016  
**SUBJECT:** Hometown Decoration & Display

Hometown Decoration & Display of Hudsonville, MI has sent us an agreement to extend their existing contract with the City of Clare for three more years for a .126% increase (\$282.00).

In 2015, we paid them \$7,587.00 for 126 decorations and 15 lighted bows with pole wrap. For 2016, 2017, and 2018 this would cost \$7,869.00 as long as we used the same number and types of decorations (designs may vary by year).

Hometown Decoration & Display has done an awesome job for the City of Clare in the past and they are great to work with. I recommend we accept their proposal for a 3-year renewal and sign the agreement (PDF file attached).

AJ:cd

**AGREEMENT**

This agreement made and entered into this 29th day of January 2016, by and between Hometown Decoration and Display, LLC, of Hudsonville, Michigan hereinafter for brevity sometimes called "lessor" and the City of Clare hereinafter for brevity sometimes called "lessee"

WITNESSETH:

Whereas, lessor has offered to provide and furnish Holiday Decorations, display equipment and material to lessee pursuant to the terms, conditions and provisions hereinafter set forth, and, whereas, lessee is desirous of accepting and does accept the offer of lessor to provide and furnish said Holiday Decorations, display equipment and materials in accordance with said terms, conditions and provisions.

Now therefore, the parties hereto in consideration of the promises, and the promises of each to the other mutually made and accepted, covenant and agree as follows:

1. Lessor agrees to furnish and provide Holiday Decorations, display equipment and materials of the type hereinafter specified to lessee during the winter holiday seasons of 2016, 2017 and 2018, and to install the same in a workman like manner.
2. The decoration, display equipment and materials which shall be furnished by lessor for the use and benefit of lessee for the 2016 holiday season shall consist of components as follows:

126 Decorations	@	\$59.00	each	=	\$7,434.00
15 Lighted Bows with Pole Wrap	@	\$29.00	each	=	\$435.00
			Total	=	\$7,869.00
3. Lessor shall complete the work to be performed by it so that the decorations leased by it shall be ready for lighting in accordance with the following schedule:
  - (A) Decorations to be installed in designated areas ready for lighting on or before November 30<sup>th</sup> in each year during existence of the contract.
  - (B) Lessor shall remove decorations as soon as practicable after December 25, 2016 And December 25<sup>th</sup> of each subsequent year during the existence of the contract.
4. Lessor shall complete the plugging in of all decorations which require lighting and shall furnish connecting facilities required in order that said decorations may be plugged in for lighting.
5. Lessee agrees and undertakes to make all arrangements to procure and secure such authorization as might be required in from any governmental unit; agency of public authority to carry out its scheme for Holiday Decorations.
6. All damage to said decorations, equipment and materials or any part thereof, shall be the responsibility of the lessor provided, however, that the lessee shall use reasonable care to prevent such damage.
7. Special Provisions:
8. Lessor shall maintain such insurance as will protect lessee against any claims under workers' compensation act and from claims for damage and because of bodily injury, including death, in the amount of not less than \$500,000. for each person and \$500,000. for each accident and for claims or property damage in an amount not less than \$500,000. for any person and \$500,000. for each accident.
9. The lessee agrees to pay lessor for its services and the use of the materials designated at paragraph 2 hereof, the sum of \$7,869.00 which shall be paid to lessor at 2645 24<sup>th</sup> Ave., Hudsonville, Michigan 49426 on or before the

10<sup>th</sup> day of December of the year to which such payment is attributable. Said sum shall include the installation by lessor of such decoration, necessary service calls and removal of said decorations. If lessee is on a rotation basis, decorations for the Holiday seasons of the year 2017 and 2018 will be of different type of kind that those leased to lessee for the Holiday season of the year 2016. But the decorations, materials and supplies furnished shall, with the exception of the wrapping of poles, be such as are within a retail cost of \$250.00 to \$500.00 per unit. If you are on a rotation schedule and/or you have a three year contract, the price for said decorations and services for the Holiday seasons 2017 and 2018, shall be the same as that for the year 2016, provided, however, that if an additional or more expensive type of decoration is required, said price shall be increased in an amount to be negotiated by the parties hereto. In the event that a use of sales tax should be imposed by the state of Michigan upon lessor by reason of its undertaking as set forth herein, the lessee to reimburse lessor in payments otherwise required by the terms hereof, within thirty (30) days after demand by lessor.

10. This agreement shall be executed in two (2) counterparts, each of which is deemed to be for all purposes an original copy hereof.
11. This agreement shall be binding upon and inure to the benefit of the successors, assigns and Legal representatives of the parties hereto.

In witness whereof, the parties hereto have caused the execution hereof by their duly authorized officers this 29th day of January 2016.

Lessor

Hometown Decoration and Display, LLC

By \_\_\_\_\_

Wendy Braun, President

Lessee

City of Clare

By \_\_\_\_\_

President/Mayor/Director

Attest:

Secretary/Clerk