

CITY OF PALM DESERT STAFF REPORT

MEETING DATE: September 12, 2024

PREPARED BY: Shawn Muir, Community Services Manager

SUBJECT: APPROVE CHANGE ORDER NO. 1 TO CONTRACT NO. C44470 WITH THE CHRISTMAS KINGS, INC., DBA SOUTHERN CALIFORNIA LIGHTING, INC., FOR ADDITIONAL SEASONAL LIGHTING (PROJECT NO. MLS00033)

RECOMMENDATION:

1. Approve Change Order No. 1 to Contract No. C44470 with The Christmas Kings, Inc., dba Southern California Lighting, Inc., of Lake Elsinore, California, in the cumulative amount of \$122,000, plus an annual contingency amount of \$50,000 for additional areas.
2. Authorize extra work in the annual amount of \$25,000 for unforeseen conditions and repairs.
3. Authorize the City Manager to execute the agreement, change orders, amendments, and any other documents necessary to effectuate these actions.

BACKGROUND/ANALYSIS:

On November 17, 2022, Contract No. C44470 for the Seasonal Lighting and Décor Program was awarded to The Christmas Kings, Inc., in the amount of \$370,000 for a 5-year term commencing July 1, 2023. Recently, the City Council requested that the Seasonal Lighting Subcommittee reconvene to consider additional seasonal lighting along major thoroughfares in the City. The Subcommittee met on January 8, 2024, and April 26, 2024, to determine the scope for the additional lighting and select the décor. The following scope was defined:

- Add seasonal décor to safety lights (i.e. intersection light poles) at the following locations:
 - All intersections on Highway 111 between Parkview and Hospitality
 - Intersection of Cook and Gerald Ford
 - Intersections on Dinah Shore from Monterey to Gateway
- Total 64 additional pole décor

Staff contacted The Christmas Kings, Inc., to request a proposal for the additional lighting. The City will rent the additional decorations rather than purchase them to provide cost efficiency. The additional cost for the remainder of the contract term is listed below:

Contract Year	Season	Contract	Change Order #1	Extra Work	Contingency	Annual Total
Year 1	2023-24	\$78,000	N/A	N/A	N/A	\$78,000
Year 2	2024-25	\$73,000	\$35,000	\$25,000	\$50,000	\$183,000
Year 3	2025-26	\$73,000	\$32,000	\$25,000	\$50,000	\$180,000
Year 4	2026-27	\$73,000	\$30,000	\$25,000	\$50,000	\$178,000
Year 5	2027-28	\$73,000	\$25,000	\$25,000	\$50,000	\$173,000
Cumulative Total		\$370,000	\$122,000	\$100,000	\$200,000	\$792,000

The total cost for the additional lighting décor selected by the Subcommittee for the remainder of the contract term is \$122,000. Staff requests an annual contingency amount of \$50,000 to add areas as requested, and \$25,000 annually for allowable extra work for unforeseen circumstances and repairs associated with the program.

Legal Review:

This report has been reviewed by the City Attorney's office.

FINANCIAL IMPACT:

The approved operations budget for Fiscal Year 2024-25 includes \$185,000 under Account No. 1104614-4391001 for the Seasonal Lighting and Décor Program, which totals \$183,000, including contingency and allowable extra work in FY 2024-25. Staff will budget accordingly during the annual budget approval process for future years and expenditures will be contingent upon budget approval; therefore, there is no further financial impact to the general fund.

ATTACHMENTS:

1. Agreement C44470
2. C44470 The Christmas Kings CO1
3. Quote - The Christmas Kings