

AGENDA REPORT

TO: Mayor & City Commissioners
FROM: Ken Hibl, City Manager
DATE: April 15, 2010
RE: *Renewal of Kenmark Christmas Decorations Contract

For the Agenda of April 19, 2010

***Note: This is a Consent Agenda item and is considered as routine business of the City Commission. As such, this matter shall be automatically enacted by one motion with all other Consent Agenda items unless a Commissioner or citizen requests this item be individually discussed, in which event it shall be removed from the Consent Agenda and considered and acted upon in its designated sequence on the approved agenda of the Clare City Commission for April 19, 2010.**

Background. The City has enjoyed a contract for the annual construction (Kenmark has the ability to fabricate essentially any type of decoration we desire), installation, and removal of Christmas decorations within the City for the past 11 years. The contractual agreement has expired. Kenmark has offered (*copy of proposed contract renewal attached*) to renew the current contract for another three-year period; the City Commission is asked to consider approving the renewal.

As the DDA reimburses the City for the cost of Christmas Decorations that are mounted in the downtown district, the DDA was asked to review the proposal to renew the current contract with Kenmark. The Clare Main Street Board and DDA was scheduled to meet on Friday, April 2nd to discuss and consider the Kenmark contract and subsequently make a recommendation to the Clare City Commission; however, a quorum was not present to hold the meeting. Consequently, a special meeting was convened on Thursday, April 15th to discuss this and other agenda items of the Board; the Board unanimously recommended that the City Commission renew the contract with Kenmark, Inc.

Issues & Questions Specified. Should the City Commission renew a contractual agreement with Kenmark, Incorporated for a three-year period?

Alternatives.

1. Approve the proposed renewal.
2. Do not approve the proposed renewal.
3. Defer/delay decision of this matter to a subsequently scheduled City Commission meeting.

Financial Impact. There is no increase in the cost of the contract proposal; we have been paying the same price for the past three years, and the proposed agreement holds that same price for the next three years.

Recommendation. I recommend that the City Commission approve the contract renewal by adoption of Resolution 2010-026 (*copy att'd*).

Attachments.

1. Proposed Contract.
2. Resolution 2010-026.

Kenmark, Inc.
P.O. Box 2
Buckley, MI 49620
(231) 269-3777, Fax (231) 269-3967
E-mail address: cmexico@acegroup.cc

February 8, 2010

RE: 2010-2012 Christmas Decoration Contract

Dear Customer:

Please find enclosed 2 copies of the new three-year contract for the 2010-2012 Christmas Decorating seasons. Please sign both copies, **return one** to our office at the above address and **keep one** copy for your files.

If there has been any changes or if you have any questions, please do not hesitate to call our office at the above number to assist.

Sincerely,

Carman Mexico, Vice President

cc: file

AGREEMENT

This agreement made and entered into this 8th day of February 2010, by and between Kenmark, Inc., of Buckley, 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 Christmas 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 Christmas 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 Christmas Decorations, display equipment and materials of the type hereinafter specified to lessee during the Christmas seasons of **2010, 2011 and 2012** 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 2010 Christmas season shall consist of components as follows:

131 Decorations	@	\$55.00 each	=	\$7,205.00
15 Lighted Bows with Pole Wrap	@	\$25.00 each	=	<u>\$ 375.00</u>
				\$7,580.00
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 30th in each year during the existence of the contract.
 - (B) Lessor shall remove decorations as soon as practicable after January 1, 2011 And January 1st 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 Christmas 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 **\$7,580.00 which shall be paid to lessor at P.O. Box 2, Buckley, Michigan 49620 on or before the 10th 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 Christmas seasons of the year 2011 & 2012 will be of different type of kind that those leased to lessee for the Christmas season of the year 2010. 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 \$225.00 to \$350.00 per unit. The price for said decorations and services for the Christmas season 2011 & 2012, shall be the same as that for the year 2010, 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 if 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 8th day of February 2010.

Lessor
Kenmark, Inc.

By 

Carman Mexico, Vice President

Lessee
City of Clare

By _____

President/Mayor/Director

Attest:

Secretary/Clerk

RESOLUTION 2010-026

A RESOLUTION OF THE CLARE CITY COMMISSION RENEWING THE CONTRACTUAL AGREEMENT FOR CHRISTMAS DECORATIONS WITH KENMARK, INCORPORATED.

WHEREAS, the City of Clare has long-enjoyed a contractual agreement with Kenmark, Incorporated for providing, installing, and removing public Christmas decorations within the City; and

WHEREAS, said contract has expired; and

WHEREAS, Kenmark, Incorporated has offered to renew said contract for a three-year period for no increase in price; and

WHEREAS, the City has been totally pleased with the services provided by Kenmark, Incorporated.

NOW THEREFORE BE IT RESOLVED that the City Commission of the City of Clare hereby approves a renewed contract with Kenmark, Incorporated, the provisions, terms, and conditions of said contractual agreement as outlined therein.

ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INSOFAR AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.

The Resolution was introduced by Commissioner _____ and supported by Commissioner _____. The Resolution declared adopted by the following roll call vote:

YEAS:

NAYS:

ABSENT:

Resolution approved for adoption on this 19th day of April 2010.

Diane Schmidt, City Clerk