

**CITY OF HOLLYWOOD  
INTEROFFICE MEMORANDUM**

**TO:** Mayor and Commissioners

**DATE:** July 24, 2017

**FROM:** Alan Fallik, Acting City Attorney

**SUBJECT:** Authorizing the negotiation and execution of an agreement with the highest ranked firm for beach equipment concession services on Hollywood Beach

I have discussed the above Agreement with the participating Department/Office, and the proposed general business terms and other significant provisions are as follows:

- 1) Department/Division involved – Parks, Recreation and Cultural Arts
- 2) Type of Agreement – n/a
- 3) Method of Procurement (RFP, bid, etc.) – RFP No. 4547-17-RL
- 4) Term of Contract
  - a) initial – five (5) years
  - b) renewals (if any) – one (1) additional three (3) year term
  - c) who exercises option to renew – mutual
- 5) Contract Amount – The City will receive an estimated annual amount of \$130,000.00 for the 1<sup>st</sup> year. Thereafter the estimated annual amount will be as follows:

Contract Year	Minimum Annual Guarantee to the City	Increase From Previous Year
Year 1	\$130,000.00	N/A
Year 2	\$136,500.00	5%
Year 3	\$143,325.00	5%
Year 4	\$150,491.25	5%
Year 5	\$158,015.81	5%
Subtotal	\$718,332.06 Total Paid to the City Years 1-5	
Year 6	\$173,817.39	10%
Year 7	\$182,508.26	5%
Year 8	\$191,633.68	5%
TOTAL	\$1,092,474.00 Total Paid to the City Years 1-8	

- 6) Termination rights – City has right to terminate with or without cause.
  - 7) Indemnity/Insurance Requirements – Vendor shall comply with applicable City requirements.
  - 8) Scope of Services – Vendor will operate and provide beach equipment concession services on Hollywood Beach.
  - 9) City’s prior experience with Vendor (if any) – n/a.
  - 10) Other significant provisions – n/a
- cc: Wazir A. Ishmael, Ph.D., City Manager