

# GARDEN STATE FIREWORKS

*July 4, 2024 Fireworks Show*

# 2024 4<sup>th</sup> OF JULY EVENTS



**February 6, 2024** – City Council approved the following July 4, 2024 holiday events:

## 5K Run

- Event details consistent with 2023 event

## Seaside Lagoon

- Open for regular hours from 12:00 – 10:00pm with no additional amenities
- General admission from 12:00 – 8:30pm with water access restricted at 7:30pm
- Entry gates open at 8:30pm for an additional fireworks viewing area

## Fireworks Show

- City-sponsored, barge-based show from the harbor
- Garden State Fireworks (GSF) for fireworks display
- Pi Environmental to assist the City in complying with NPDES permitting and reporting

# GSF AGREEMENT CONCERNS

---



Three concerns have been identified through negotiations with Garden State Fireworks:



## Registration with the California Secretary of State

- Requirement of Section 2105(a) of the California Corporations Code
- GSF filed the appropriate documentation and registered on March 19, 2024

## City Liability Regarding Subcontractor Performance

- City has historically negotiated agreements with fireworks show production companies that required them to subcontract with the barge provider.
- GSF is amenable to this, but is requiring:
  - The City to remove all liability from GSF for any potential non-performance of the barge contractor
  - An upfront payment of \$70,671 (full rental cost of barge + 50% deposit for fireworks services)
- Under GSF's terms, City would have little recourse for recovering losses if the subcontractor fails to deliver the contracted barge services. Losses could include all fees previously paid to GSF

# GSF AGREEMENT CONCERNS

---



## **City Liability Regarding Subcontractor Performance** (continued)

- City could directly contract with the barge company
  - While this exposes the City to financial risk, it offers the possibility of recourse against the barge provider in the event of non-performance
  - Stand-alone agreements do present logistical and planning challenges and is not recommended by RBFD
    - Allocation of on-site staff at Long Beach Harbor for loading, unloading, and demobilization
    - Add additional complexity to environmental reporting

## **Insurance Policy**

- GSF is unable to provide the required insurance policy until it has a fully executed agreement.
- City policy requires insurance documentation prior to approval, and execution, to verify a company's coverage.
- If approved, GSF would be provided a partially executed agreement omitting the Risk Manager/Human Resources Director's signature, which would be withheld until the insurance policy documentation is received and verified as compliant

# FISCAL IMPACT



- Funding traditionally provided through the Tidelands Funds
- Total allocation includes:

<b>Garden State Fireworks</b>	Fireworks	\$65,000
<b>Pacific Maritime Group</b>	Barge	\$38,171
<b>Marine Tech Engineering</b>	Moorings	\$4,861.84
<b>Pi Environmental</b>	NPDES Permit & environmental reporting	\$7,500
<b>TOTAL</b>		<b>\$115,532.84</b>

- Cost of the barge would remain whether the City contracted it directly or through an agreement with GSF.
- Proposed Resolution No. CC-2404-023 would appropriate the Tidelands Funds needed to produce the fireworks display.

# RECOMMENDATION

---



## Staff recommends that the City Council:

- Provide direction on approval of the proposed agreement (*City's assumption of liability for subcontractor*) waiving the up-front insurance provision
  - OR -
- Provide direction for staff to enter into an agreement with GSF for the fireworks display only, waiving the up-front insurance provision, and also draft an agreement with the barge company directly.
- Approve Resolution CC-2404-023 Authorizing FY 2023-24 Budget Modification (*if necessary*)

*\*Rejecting the proposed agreement would force the cancellation of the fireworks display for the July 4, 2024 holiday*