

FOR COUNCIL MEETING

April 25, 2006

HONORABLE MAYOR AND MEMBERS
OF THE CITY COUNCIL
Torrance City Hall
Torrance, California

Members of the City Council:

SUBJECT: RECOMMENDATION OF THE CITY COUNCIL AD HOC ROSE FLOAT COMMITTEE FOR THE SELECTION OF THE FLOAT DESIGN OF "NATURE'S WONDERS", AND CONSTRUCTION, ENTRY, DISPLAY AND OPERATION OF A FLOAT IN THE 2007 PASADENA TOURNAMENT OF ROSES PARADE

Expenditure: \$125,000

RECOMMENDATION

The City Council ad hoc Rose Float Committee recommends that City Council:

- 1) Approve the design entitled "NATURE'S WONDERS" for the City's float entry in the Pasadena Tournament of Roses Parade on January 1, 2007;
- 2) Approve an agreement between the City of Torrance and Fiesta Parade Floats for the design, construction, entry, display and operation of the Torrance Float in the 2007 Pasadena Tournament of Roses Parade; and
- 3) Approve the expenditure of \$125,000 for related costs.

Funding

\$80,000 funding is available in the 2006-2007 General Fund.

\$45,000 funding is available in the Program Contingency reserve.

BACKGROUND

The Torrance Rose Float Association (TRFA) Float Design Committee met with representatives of Fiesta Parade Floats on March 21, 2006. Following the presentation, the committee selected and the TRFA Board of Directors approved, a design by Raul Rodriguez of Raul Rodriguez Designs Company entitled "EARLY SPRING THAW." Tim Estes and Jim Hynd of Fiesta Parade Floats will be the builder. (Attachment A)

On April 4, 2006, the Torrance Rose Float Association Board of Directors discussed float designs. The Board voted to change the design to the Committee's second choice "NATURE'S WONDERS" as its recommendation to the City Council ad hoc Committee for the Rose Float. (Attachment B)

On April 18, 2006, Torrance Rose Float Association Board of Directors members met with the City Council ad hoc Rose Float Committee to present the Float design "NATURE'S WONDERS." (Attachment C)

ANALYSIS

TRFA President, Mary Hoffman, explained to the Committee that the Association sent bid letters to all the professional float builders approved by the Pasadena Tournament of Roses. After receiving a presentation from Fiesta Parade Floats and reviewing numerous designs, the TRFA Board recommended approval of a Raul Rodriguez design with Fiesta Parade Floats as the float builder for the City of Torrance entry in the 2007 Tournament of Roses Parade. The City Council Ad Hoc Committee reviewed the design presented by Mary Hoffman on behalf of the Torrance Rose Float Association Board of Directors: "EARLY SPRING THAW, Family driving through forest in old-fashioned car."

Fiesta Parade Floats has indicated that, in order to maintain the quality and sophistication of float design and construction for the City of Torrance's 2007 entry into the Tournament of Roses Parade, the cost will be \$135,000. This will be funded by a General Fund contribution of \$80,000, and an additional \$45,000 from the Program Contingency Reserve approved by Torrance City Council on February 7, 2006. (Attachment D) The Torrance Rose Float Association Board of Directors has committed to contribute the balance of \$10,000. The Rose Float Association will be working with the City Council Ad Hoc Committee to establish a vigorous fund-raising strategy for future floats.

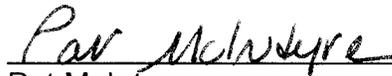
Fiesta Parade Floats will enter into an agreement with the City of Torrance for the design, construction, entry, display and operation of the City's float entry for an amount of \$125,000 (Attachment E); and enter into a separate agreement with the Torrance Rose Float Association for an amount of \$10,000. Fiesta Parade Floats will bill the amount owed by the Torrance Rose Float Association to the Association immediately.

Since the proposed float design is in keeping with the 2007 Parade theme, and considering the City's positive relationship with Fiesta Parade Floats and designer Raul Rodriguez, the Rose Float Association Board of Directors recommended acceptance of the design of "NATURE'S WONDERS" and the hiring of Fiesta Parade Floats as the contractor to design and build the City's 2007 Rose Float.

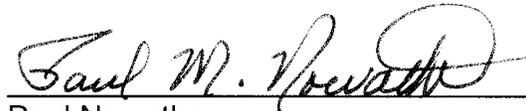
The City Council ad hoc Rose Float Committee concurs with the selection of the design and the contractor proposed by the Torrance Rose Float Association.

Respectfully submitted

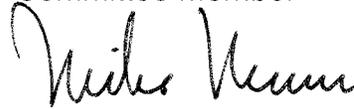
CITY COUNCIL AD HOC COMMITTEE
FOR THE ROSE FLOAT



Pat McIntyre
Committee Chairperson



Paul Nowatka
Committee Member



Michael H. Mauno
Committee Member

- Attachments:
- A) Minutes from TRFA Float Design Committee meeting of March 21, 2006.
 - B) Minutes from TRFA Board of Directors meeting of April 4, 2006.
 - C) Minutes from Torrance City Council Ad Hoc Rose Float Committee meeting of April 18, 2006.
 - D) Approval of increase of \$45,000 to cover 2007 City's Float - Council item and Supplemental dated February 7, 2006.
 - E) Float Construction Agreement

TORRANCE ROSE FLOAT ASSOCIATION
FLOAT DESIGN COMMITTEE

TUESDAY, 21 MARCH 2006 - 7:00 P.M.
WEST ANNEX CONFERENCE ROOM (1st FLOOR)

Refreshments: Bob Habel/Mary Hoffman

1. **CALL MEETING TO ORDER**

The meeting was called to order at 7:05 p.m. by President, Mary Hoffman, due to the absence of Float Design Chairperson, Kathy Thompson.

2. **ROLL CALL**

Anne & Roy Atherton, Pam Barrett, Bob Habel, Carolyn Hannas, Jim Hill, Mary Hoffman, Mary Jo Kohlmler, Joyce Miles, Gary Schmidt, Sharon Tate, Cindy Wells, Melanie White, and Ann & Jack Williams. Former Board members: Karl & Dawn Hamilton, and Tony Vega and guest, Jack Schmidt, were also present.

3. **FLAG SALUTE**

The Flag Salute was led by Vice President, Jack Williams.

4. **FIESTA PARADE FLOATS**

Fiesta has designed and constructed our floats for the past ten years. Tim Estes, President of Fiesta, spoke of our organization's good leadership and good work. Mr. Jim Hynd and float designer, Raul Rodriguez, were also present.

5. **THEME**

The theme of the 2007 Rose Parade is:

"OUR GOOD NATURE"

6. **PRESENTATION OF DESIGNS**

1. **Autumn Scene**
Two large pheasants at the front and cornucopia
2. **Flamingos**
A group of very large flamingos
3. **Country Scene**
Oversized boy & girl pulling cart
4. **Farm Scene**
Farm, silo, windmill, various farm animals
5. **Call of the Wild**
Four very tall cranes
6. **Early Spring Thaw**
Family driving through forest in old-fashioned car
7. **Fancy Garden Scene**
Large fountain and cherub with butterflies

Torrance Rose Float Association
Float Design Committee Meeting, 21 March 2006
Page 2

7. **GENERAL DISCUSSION**

General discussion by board members of the presentations and recommendation:

Country Scene	2 votes
Early Spring Thaw	4 votes
Fancy Garden	7 votes

8. **RECOMMENDATION**

It was decided to recommend FIESTA PARADE FLOATS as the float builder and selection of the design, "Fancy Garden", designed by Raul Rodriguez.

9. **AD HOC COMMITTEE DESIGN PRESENTATION**

The design will be presented to the Ad Hoc Committee tentatively on April 18

10. **CITY COUNCIL PRESENTATION**

The design will be presented to City Council on tentatively April 25.

11. **ADJOURNMENT**

A motion was made and seconded to adjourn at 8:20 p.m.

M/S Bob Habel/Jack Williams

Respectfully submitted by,

Joyce K. Miles, Secretary

**MINUTES
TORRANCE ROSE FLOAT ASSOCIATION
BOARD OF DIRECTORS**

**TUESDAY, 4 APRIL 2006 - 7:00 P.M.
WEST ANNEX CONFERENCE ROOM (1st FLOOR)**

Refreshments: Linda Lescoe

1. **CALL MEETING TO ORDER**
The meeting was called to order at 7:00 p.m. by President, Mary Hoffman.
2. **ROLL CALL**
All board members present with the exception of the following excused absences: MaryAnne Vega and Cindy Wells.
3. **FLAG SALUTE**
The Flag Salute was led by Vice President, Jack Williams.
4. **INFORMAL BUSINESS**
 - 4.1 **INTRODUCTION OF GUESTS**
No guests present.
 - 4.2 **CORRESPONDENCE**
Miscellaneous correspondence was circulated for Board review.
5. **APPROVAL OF MINUTES**
 - 5.1 **BOARD MEETING (7 March 2006)**
A motion was made and seconded to approve the 7 March 2006 Board Minutes.

M/S Jan Staws/Roy Atherton
 - 5.2 **FLOAT DESIGN MEETING (21 March 2006)**
A motion was made and seconded to approve the 21 March 2006 Float Design Committee meeting minutes.

M/S Roy Atherton/Jack Williams
6. **TREASURER'S REPORT**
 - 6.1 **TREASURER'S REPORT (March 2006)**
A motion was made and seconded to approve the March 2006 Treasurer's Report.

M/S Jan Staws/Sharon Tate
 - 6.2 **PAYMENT OF OUTSTANDING BILLS**
No bills were presented.
7. **CITY COUNCIL LIAISON COMMENTS (Councilwoman Pat McIntyre)**
Councilwoman, Pat McIntyre was not present due to a conflict with the Torrance City Council meeting.

Torrance Rose Float Association
 Board of Directors' Meeting, 4 April 2006
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8. **STAFF LIAISON COMMENTS** (Gary Schmidt)
 General Comments

9. **OLD BUSINESS**

9.1 **FLOAT DESIGN COMMITTEE REPORT**

After further discussion of the design choices, the Board decided to not go with the Committee's initial recommendation. They voted to change the design to the Committee's second choice with modifications. The design will be changed to more of a spring scene and the working title is "Natures' Wonders".

M/S Roy Atherton/Sharon Tate

TRFA's City liaison, Gary Schmidt, will be retiring in the summer of 2007. To recognize his nineteen + years of dedication to the TRFA, Mary Hoffman suggested we give him a float ridership for the last float he will see to completion. A motion was made and seconded to give Gary a ride on the 2007 City of Torrance float on behalf of the TRFA Board of Directors.

M/S Jack Williams/Mary Jo Kohlmiller

10. **NEW BUSINESS**

10.1 **2005-2006 ANNUAL PRESIDENT'S REPORT**

A motion was made and seconded to accept the 2005-2006 annual President's report.

M/S Roy Atherton/Sharon Tate

10.2 **2005-2006 ANNUAL TREASURER'S REPORT**

A motion was made and seconded to accept the 2005-2006 annual Treasurer's report.

M/S Jan Staws/Anne Atherton

10.3 **PRESENTATION OF FLOAT DESIGN TO AD-HOC COMMITTEE**

The meeting will be held on Tuesday, April 18th at 4:30 p.m. in the Third Floor Assembly Room. All Board members are encouraged to attend.

Mary reported that John Jones, Andrew Orpe, Michael Smith (from CitiCABLE), Mary Jo Kohlmiller, and herself have been meeting to design a plan to raise funds for the City's floats. Those ideas will be presented at the Ad Hoc meeting. Mary thanked the Committee for their efforts.

Torrance Rose Float Association
 Board of Directors' Meeting, 4 April 2006
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10.4 PRESENTATION OF FLOAT DESIGN TO CITY COUNCIL

The design will be presented to the City Council on Tuesday, April 25th at 7:00 p.m. All Board members are encouraged to attend.

10.5 ANNUAL ARMED FORCES DAY PARADE

There was a general discussion of our participation.

10.6 INVENTORY

Thanks to Bob Habel for all of his efforts preparing the inventory report for 2005-2006.

10.7 AUCTION ITEMS FOR 2007 CELEBRATION DINNER

Mary Hoffman has located a source for items for gift baskets. She purchased a number of items to be used for next year's auction. The Board voted to reimburse her \$122.13 for the items she purchased.

M/S Carolyn Hannas/Roy Atherton

11. OFFICERS' AND DIRECTORS' REPORTS

11.1 MEMBERSHIP

Mary Jo reported memberships of 8 individuals and 3 Couples.

11.2 PUBLICITY

General discussion.

11.3 WAYS AND MEANS

General discussion.

12. ONCE AROUND

Melanie White prepared a display to feature at our events to promote the sale of rose vials for the float. Pam Barrett shared photos of the two floats that the City of Manhattan Beach had had in the 1935 and 1937 Rose Parades.

13. ADJOURNMENT

A motion was made and seconded to adjourn at 8:20 p.m.

M S Carolyn Hannas/Roy Atherton

Respectfully submitted by,
 Joyce Miles, Secretary

NEXT MEETING
Tuesday, 2 MAY 2006 - 7:00 p.m.
WEST ANNEX CONFERENCE ROOM (1st Floor)

Refreshments: KATHY THOMPSON

**TORRANCE CITY COUNCIL
AD HOC ROSE FLOAT COMMITTEE
Tuesday, April 18, 2006**

4:30 p.m.

**Torrance City Hall
Third Floor Assembly Room**

1. **CALL TO ORDER**
Councilwoman Pat McIntyre asked Councilman Paul Nowatka to chair the meeting for her. Councilman Nowatka called the meeting to order at 4:35 p.m.
2. **ACCEPT AND FILE AFFIDAVIT OF AGENDA POSTING**
M/S Councilman Paul Nowatka/Councilman Mike Mauno
3. **INTRODUCTION OF GUESTS**
Fran Fulton from the City Manager's office and Joyce Bell, representing Gary Schmidt
4. **FUNDING FOR THE TORRANCE ROSE FLOAT IN THE 2007 ROSE FLOAT PARADE**
John Jones provided an update on a fund raising campaign. He told about an initial meeting with Michael Smith of CitiCABLE, Community Services Department members and TRFA Board members. In addition, there were several follow-up meetings with Community Services and TRFA. Mr. Andrew Orpe with the Community Services Department mapped out a campaign strategy to solicit funds from various businesses. Councilman Nowatka suggested raising the top level from \$15,000.00 to \$20,000.00 and shared that due to recent changes in the laws, he didn't believe they would be permitted to author letters asking for large donations to fund the float. The Committee liked the ideas presented and will work with Community Services and Rose Float to obtain a list of businesses to contact for possible donations. Councilman Mauno shared that a video presentation about the Armed Forces Day Parade had increased the element of understanding in the business community and an improved response for donations. He suggested TRFA look into doing something similar.
5. **SELECTION OF THE FLOAT DESIGN FOR THE CITY'S FLOAT ENTRY IN THE 2007 PASADENA TOURNAMENT OF ROSES PARADE**
Mary Hoffman shared an email received by the City Council members expressing concerns about the selection process of the 2007 float design. The Torrance Rose Float Design Committee's recommendation to the Board was discussed at the April 4th Rose Float Board meeting. A motion was made to choose the float design, Nature's Wonders, as the Board's recommendation to the Torrance City Council Ad Hoc Rose Float Committee for consideration as the City's 2007 float. The Rose Float Board approved the design change without objection. TRFA Vice President, Jack Williams and Board member, Bob Habel, presented the design to the Committee. Mr. Williams shared that the Board asked for modifications to the design presented to reflect more of a "spring" theme, than the "winter" design shown in the preliminary rendering. Following discussion, Councilman Nowatka made a motion to accept the TRFA's recommendation (Nature's Wonders) as the City of Torrance float design for the 2007 Pasadena

Tournament of Roses Parade. It was seconded by Councilman Mauno. A full color rendering will be presented to City Council on Tuesday, April 25, 2006.

6. ORALS

Councilman Mauno suggested putting together a historical look at the various float designs and comparing them to the actual floats, as well as anecdotes to go with each year's floats. He felt this would be a great historical record and could be sold as a fund raising tool.

7. ADJOURNMENT

A motion was made and seconded that the meeting adjourn at 5:37 p.m.

Respectfully submitted by,

Mary Hoffman, Acting Secretary

Council Meeting of
February 7, 2006

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

**SUBJECT: RECOMMENDATION OF THE CITY COUNCIL AD HOC ROSE FLOAT
COMMITTEE TO APPROPRIATE AN ADDITIONAL \$45,000 TO COVER
THE COST OF 2007 CITY'S FLOAT**

Expenditure: \$45,000

RECOMMENDATION

The City Council Ad Hoc Rose Float Committee recommends that the City Council appropriate an additional \$45,000 to cover the cost of the City's Float in the 2007 Pasadena Tournament of Roses Parade.

Funding

Funding is available from the Program Contingency reserve. The Reserve currently has a balance of \$170,897.

BACKGROUND

The City of Torrance was first represented in the Pasadena Tournament of Roses Parade in 1914, touting a flower covered derrick truck titled "Industry." The City then participated in 1947 and 1948 and since 1958 has had consecutive entries in the last 48 years.

The Torrance float provides our City with national and international recognition. The Rose Parade is seen by millions of viewers in over 90 countries. The Torrance float also provides hundreds of volunteers with an opportunity to participate in decorating the float. This serves as an important source of community participation and civic pride.

On January 17, 2006, members of the Torrance City Council Ad Hoc Rose Float Committee met with members of the Torrance Rose Float Association Board of Directors to discuss funding for the City's float in the 2007 Tournament of Roses Parade.

ANALYSIS

In the past, the City of Torrance has funded the City's annual entry, while the Torrance Rose Float Association, a non-profit organization made up of community volunteers, was entrusted with selecting and decorating the float. The Torrance Rose Float Association coordinates the efforts of hundreds of volunteers who come to Pasadena

annually to decorate the Torrance entry. People from all parts of Torrance unite and work together as a team. Young and old alike share in this rewarding experience. The annual value calculated for this volunteer service is estimated to be \$95,200. (6,800 hrs. x \$14.00 hr.)

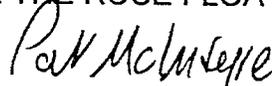
Over the past few years, costs associated with producing a float have increased. These cost increases have come in the form of increased rent for the facilities; increases in worker's compensation insurance; increases in the cost of flowers and other decorating materials; rising fuel costs; and finally, there has been a 90% increase in the cost of steel. While Fiesta Parade Floats has done an incredible job in keeping the price down for the City, they can no longer afford to do so. Consequently, Fiesta notified the President of the Torrance Rose Float Association that the cost of the 2007 float would be \$135,000, a ten thousand dollar increase over last year.

Currently, the City budgets \$80,000 annually for the Rose Float. The T.R.F.A. will commit to funding \$10,000, leaving a gap of \$45,000 to pay for the City's entry in the 2007 parade. The Ad Hoc Committee discussed funding the gap through corporate fundraising, but such a program has yet to be formally implemented. Committee members also discussed increasing the City's annual contribution that would include an annual CPI adjustment.

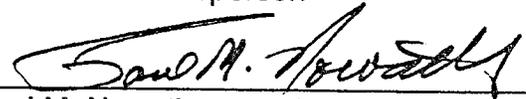
Since there is a deadline of mid-February to commit to participate in the 2007 Parade, the City Council Ad Hoc Rose Float Committee is recommending additional funding in the amount of \$45,000 for the City's 2007 float. It remains the hope of the committee that this additional funding can be offset through private contributions. (Attachment A)

Respectfully submitted,

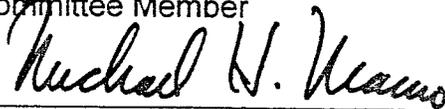
CITY COUNCIL AD HOC COMMITTEE
FOR THE ROSE FLOAT



Pat McIntyre
Committee Chairperson



Paul M. Nowatka
Committee Member



Michael H. Mauno
Committee Member

Attachment: A) Minutes of Ad Hoc Rose Float Committee meeting of January 17, 2005.
B) Letter from Fiesta Parade Floats- February 2, 2004

Council Meeting of
February 7, 2006

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

SUBJECT: Supplemental Material to Council Agenda Item 71

Attached is a letter from Tim Estes, President of the Fiesta Parade Floats proposing an increase to \$135,000 for the 2007 Torrance Rose Float, due to cost increases in materials and supplies to build the float. This letter was delivered to staff this morning by Mary Hoffman, President of the Rose Float Association.

Respectfully submitted,

GENE BARNETT

By


John Jones,
Recreation Services Manager

CONCUR:


Gene Barnett
Community Services Director

NOTED:


LeRoy J. Jackson
City Manager

Attachment: Letter from Tim Estes, President of the Fiesta Parade Floats



FIESTA

PARADE FLOATS

February 3, 2006

Mary Hoffman
President
Torrance Rose Float Association
3031 Torrance Blvd.
Torrance, CA 90509-2970

Dear Mary :

Thank you again for allowing Fiesta Parade Floats to produce another prize-winning float on behalf of the City of Torrance. It truly was a beautiful float despite the rain. All of the volunteers and the citizens of Torrance I am sure were very proud of another great entry in the annual Rose Parade.

Now we all need to move forward on the 2007 Rose Parade which has a theme of "Our Good Nature". I have analyzed my costs, and in wanting to keep the same superior quality of float for the City of Torrance, I propose that the budget for the 2007 City of Torrance be increased to \$135,000. This does not necessarily cover all of my cost increases, but the proposed budget would allow Fiesta Parade Floats to create another spectacular for the City of Torrance.

I look forward to meeting in the near future to present float concepts to you and the float selection committee. I thank you for your time in this matter.

Sincerely,

Tim Estes
President

FLOAT CONSTRUCTION AGREEMENT

THIS FLOAT CONSTRUCTION **AGREEMENT**, made this 25th day of April, 2006 between FIESTA PARADE FLOATS, a California corporation, hereinafter called **FIESTA**, and the CITY OF TORRANCE, hereinafter called **TORRANCE**.

THAT FOR, valuable consideration the receipt of which is hereby acknowledged, IT IS AGREED AS FOLLOWS:

I. SERVICES TO BE PROVIDED BY FIESTA

A. FIESTA shall create, construct and decorate a float for **TORRANCE**.

1. To be entered in the 2007 Tournament of Roses Parade ("**PARADE**") to be held in the City of Pasadena, California on January 1, 2007.

2. In accordance with:

a. The designs, sketches and specifications heretofore submitted to and approved by **TORRANCE** and,

b. The instructions of the Pasadena Tournament of Roses Association for floats to be entered in the **PARADE**.

B. **FIESTA** shall furnish and provide:

1. All equipment, material and labor required to construct said float.

2. The truck or other propulsion for said float.

3. A float decoration supervisor to oversee the decoration of the float by a decoration crew supplied by **TORRANCE**.

4. Two capable and qualified drivers for said float on the day of the **PARADE**.

5. Any personnel required to guide the float to and in the **PARADE**.

C. Materials used in the float:

1. Materials used in the construction of the float shall be supplied by and shall remain the property of **FIESTA**.

2. Any materials and decorations supplied by **TORRANCE** shall remain the property of and shall be returned to **TORRANCE** unless other arrangements are made.

D. Operation of the float during and after the **PARADE**:

1. **FIESTA** shall place the completed float in the **PARADE**, drive it in the **PARADE** and maintain it during the Post Parade exhibition period at the locations set aside for this purpose.

2. **FIESTA** shall abide by all rules, regulations, requirements and instructions of the Pasadena Tournament of Roses Association for floats entered in the **PARADE**.

3. **FIESTA** shall assume full responsibility for and control of the operation of said float during and after **PARADE**.

II. SPECIFICATIONS FOR THE FLOAT

A. The design, sketches, specifications and the dimensions of the subject float have been submitted to **TORRANCE** by **FIESTA** and same are hereby incorporated herein by this reference as though set forth in full.

B. The title, "**NATURE'S WONDERS**" shall appear in letters at least six inches high so as to be clearly legible to the viewing audience and television. The name "**CITY OF TORRANCE**" shall appear on the float in letters approximately six inches high so as to be clearly legible to the viewing audience and television.

III. FLOAT DESIGN RELEASE

With respect to the selected design, by virtue of this signed **AGREEMENT**, **TORRANCE** understands that the right to reproduce the selected final float design shall belong to **FIESTA** and that any reproduction of the design has to be cleared by **FIESTA**, except for the following:

A. For any nonprofit advertisement of the float that promotes **TORRANCE**, **FIESTA** or the **PARADE**.

B. For any novelty item, in which the novelty item sales are used to promote **TORRANCE** and / or to assist **TORRANCE** in raising monies to pay for the float, related costs for the float, or as a donation to any non-profit organization.

IV. PERFORMANCE BY SPONSOR

A. **TORRANCE** shall pay **FIESTA** the total sum of \$125,000.00, which shall be payable as follows:

1. \$42,000.00 on or before July 1, 2006 at which time all steel work shall be completed;
2. \$42,000.00 on or before September 1, 2006 at which time all art work shall be completed;
3. \$41,000.00 prior to January 15, 2007.

B. Proper costuming of personnel and/or float riders supplied by **TORRANCE**, shall be the responsibility of **TORRANCE**.

V. FAILURE OF PERFORMANCE

A. In the event that completion and/or participation of the float is prevented by an act of God, war, fire not attributable to failure to employ reasonable precautions by **FIESTA**, or any other unforeseen cause beyond the control of **FIESTA**, **FIESTA** shall immediately cease work on the float and shall be entitled to reimbursement of ten percent (10%) of the contract price plus actual expense incurred prior to the notice to cease or the cessation of the work.

B. "Actual Expense" shall include the amount shown on invoices for the cost of materials, sub-contract parts, designer fee and/or labor. In the event that such actual expenses are less than the amount paid to **FIESTA** on the date of cessation of work, **FIESTA** hereby agrees to refund the difference to **TORRANCE**.

C. Difficulties experienced by **FIESTA** in obtaining material, equipment and labor shall not be considered as valid excuses for non-performance.

VI. WITHDRAWAL BY SPONSOR

In the event that **TORRANCE** should instruct or cause **FIESTA** not to complete the float or not to drive it in the **PARADE**, it is recognized that **FIESTA** can only construct a certain number of floats and in agreeing to construct the float for **TORRANCE**, it must reject the opportunity to construct other floats, and further that it is important to **FIESTA's** business to have the opportunity to display it's work in the **PARADE**, the exact amount of which would be extremely difficult and impractical to fix. It is therefore agreed that if such instruction or causing be given after July 1, 2006 **FIESTA** is entitled to be paid it's full contract price.

VII. TIME OF THE ESSENCE

It is stipulated by the parties hereto that time is of the essence and that the completed float shall be ready to be placed in the **PARADE** and shall participate therein.

VIII. INSURANCE

A. FIRE; **FIESTA** shall obtain and maintain a policy of insurance covering loss or damage to the float by fire and so-called all risks, in an amount of no less than \$125,000.00, with loss payable to **TORRANCE** or **FIESTA** as their interest may appear.

B. WORKMEN'S COMPENSATION; **FIESTA** shall carry said insurance in an amount adequate to cover all employees supplied by **FIESTA**, concerned with the construction and the operation of said float. Any personnel and/or float riders supplied by **TORRANCE** shall be the responsibility of **TORRANCE**.

C. PUBLIC LIABILITY & PROPERTY DAMAGE; **FIESTA** agrees to carry said insurance during entire period of creation, operation and exhibition of said float as follows:

1. General Liability coverage not less than \$1,000,000.00 combined single limit per occurrence and in the aggregate for bodily injury and property damage.
2. Excess following form General Liability coverage of \$4,000,000.00 per occurrence and in the aggregate for bodily injury and property damage.
3. **TORRANCE** named as additional insured under said policies along with the Pasadena Tournament of Roses Association and the City of Pasadena.

D. FIESTA: agrees to have the insurance company writing such insurance's as listed above issue certificates of insurance to **TORRANCE**.

IX. RELATIONSHIPS

The performance of **FIESTA**'s service herein under shall be in the capacity of an independent contractor and not as an officer, agent, or employee of **TORRANCE**.

X. EFFECTIVE DATE

The effective date of this **AGREEMENT** shall be the date of execution by **TORRANCE**.

IN WITNESS THEREOF, the parties hereto have caused this **AGREEMENT** to be executed this 25th day of April, 2006.

**APPROVED AS TO FORM
JOHN L. FELLOWS III
CITY ATTORNEY**

FIESTA PARADE FLOATS

By: _____

By: _____
Timothy W. Estes
President

CITY OF TORRANCE

By: _____
Dan Walker
MAYOR

ATTEST

By: _____
Sue Herbers
CITY CLERK