CONSENT AGENDA ITEM NO. 25

CITY OF SAN ANTONIO INTERDEPARTMENTAL MEMORANDUM EXTERNAL RELATIONS DEPARTMENT

TO:

Mayor and City Council

FROM:

Jim Campbell, External Relations Director

THROUGH: Terry M. Brechtel, City Manager

COPIES:

Veronica M. Zertuche, Deputy City Attorney; File

SUBJECT:

Ordinance Amending State Representation Contract

DATE:

October 31, 2002

SUMMARY AND RECOMMENDATION

An ordinance approving an amendment to the state legislative contracts with Denton, Navarro and Bernal, P.C., and Marc A. Rodriguez, to provide for a four percent reduction in the respective fees to be paid to each firm under its contract for the period of October 1, 2002 through September 30, 2003

Staff recommends approval of this ordinance.

BACKGROUND INFORMATION

The City has retained consultants to represent its interests before the Texas Legislature for more than 20 years. On September 20, 2001 the City Council approved a two-year contract with a two-year option for renewal with the state governmental affairs firms of Denton, Navarro and Bernal, P.C., and Marc A. Rodriguez, with its principals, Susan Rocha and Marc A. Rodriguez, respectively, assigned to this contract. The term of each agreement is October 1, 2001 through September 30, 2003.

On September 19, 2002, the San Antonio City Council adopted its Fiscal Year 2002-2003 budget, which included an elimination of programs, across-the-board reductions and reductions in force. During budget negotiations, the City Manager asked all City departments to identify budget cuts of between five and ten percent to bridge a shortfall of approximately \$44 million. In order to achieve the level of reductions requested by the City Manager, the External Relations Department proposed several budget cuts. Among them was a four percent reduction in the value of its state and federal government affairs contracts, effective October 1, 2002. Aside from personnel costs, the largest single line item in the department's budget is "fees to professional contractors." In a letter dated August 13, 2002 (see copy attached), the director of the External Relations Department informed its state and federal lobbyists that a four percent reduction was being proposed to the City Council and City Manager as part of the department's deficit reduction package.

POLICY ANALYSIS

The state governmental affairs firms of Denton, Navarro and Bernal, P.C., and Marc A. Rodriguez, have been providing governmental consulting services to the City since 1997. The City's contracts with each of these firms requires that any material changes in the provisions of the contract must first be approved by City Council for the changes to take effect. Both firms have agreed to the four percent reduction in the value of their respective contracts and will provide the same level of services, including the monitoring and tracking of city-related legislation, communicating City Council policy positions to members of the Texas Legislature, informing state lawmakers of legislation that could impact the City, preparing testimony and assisting with the scheduling of witnesses before legislative committees, coordinating the City's Legislative Program with the Texas Municipal League, other interest groups and cities, and facilitating regulatory development of City interests. The City Council adopted an ordinance on September 12, 2002 that enacted an identical reduction in the contracts of Chris Shields, P.C. and Baker Botts, L.L.P.

FINANCIAL IMPACT

The City of San Antonio will realize a fiscal year savings of \$3,759.92, if City Council approves a four percent reduction in the value of these two state governmental affairs contracts. These savings will begin to accrue on October 1, 2002 and last through September 30, 2003.

COORDINATION

This item has been coordinated with the City Attorney's Office.

Jim Campbell Director

External Relations

Approved by:

Terry M Brechtel

City Manager

City of San Antonio Discretionary Contracts Disclosure*

For use of this form, see City of San Antonio Ethics Code, Part D, Sections 1&2
Attach additional sheets if space provided is not sufficient.
State" Not Applicable" for questions that do not apply.

* This form is required to be supplemented in the event there is any change in the information under (1), (2), or (3) below, before the discretionary contract is the subject of council action, and no later than five (5) business days after any change about which information is required to be filed.

Disclosure of Parties, Owners, and Closely Related Persons

For the purpose of assisting the City in the enforcement of provisions contained in the City Charter and the Code of Ethics, an individual or business entity seeking a discretionary contract from the City is required to disclose in connection with a proposal for a discretionary contract:

| (1) the identity of any individual who would be a party to the discretionary contract: |
|--|
| Susan C. Rocha |
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| (2) the identity of any <u>business entity</u> that would be a party to the discretionary contract: |
| Denton, Newarro & Bernal |
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| |
| and the name of: |
| (A) any individual or business entity that would be a subcontractor on the discretionary contract; |
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| |
| and the name of: |
| (B) any individual or business entity that is known to be a partner, or a parent or subsidiary business entity, of any individual or business entity who would be a party to the discretionary contract; |
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¹ A *business entity* means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, unincorporated association, or any other entity recognized by law.

| (3) the identity of any lobbyist or p discretionary contract being sou party to the discretionary contract | ught by a | | |
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| Political Contributions Any individual or business entity see connection with a proposal for a dhundred dollars (\$100) or more windirectly to any current or former many political action committee that business entity whose identity micontributions by an individual inclindividual's spouse, whether statut include, but are not limited to, contregistered lobbyists of the entity. | liscretiona within the permber of contribute ust be dude, but tory or co | ry contract all political past twenty-four (24) City Council, any can be to City Council electricated under (1), are not limited to, common-law. Indirect | al contributions totaling one i) months made directly or adidate for City Council, or to ections, by any individual or (2) or (3) above. Indirect contributions made by the contributions by an entity |
| To Whom Made: | | Amount: | Date of Contribution: |
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| Disclosures in Proposals Any individual or business entity see known facts which, reasonably under employee would violate Section 1 official action relating to the discretion. | erstood, ra of Part B | aise a question ² as to , Improper Economic | whether any city official or |
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| Signature: | Title: \hat{k} | Partner | Date: |
| ween Cook | Compar | ny: n, Noverso É B | unal Oct 24, 2002 |

² For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.

Disclosure of Parties, Owners, and Closely Related Persons

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A business entity means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, unincorporated association, or any other entity recognized by law.

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CITY OF SAN ANTONIO

EXTERNAL RELATIONS DEPARTMENT P.O. BOX 839968 SAN ANTONIO, TEXAS 78283-3966 TEL: 210-207-8109 FAX: 210-207-8544

August 13, 2002

Ms. Susan Rocha Denton, Navarro & Bernal 1700 Tower Life Building 310 South St. Mary's Street San Antonio, TX 78205

Dear Ms. Rocha: Susan

As you probably are aware, the City of San Antonio is facing its most difficult budget challenge in over a decade. The City Manager's budget, which will be presented to the City Council on August 15, 2002, will include an elimination of programs, across-the-board reductions and reductions in force. City departments have been asked to identify five to ten percent in budget cuts.

Aside from personnel costs, the largest single line item in the External Relations Department budget is "fees to professional contractors." In order to achieve the level of reductions requested by the Management Team, I have included in my proposed cuts a four percent reduction in the value of the state and federal government affairs contracts, effective October 1, 2002. I cannot predict which reductions the Mayor and Council will accept, but I wanted you to know that a reduction in your contract is a possibility.

If the City adopts my proposal as part of the deficit reduction package, I will need your consent to amend your contract by action of the Council. I can assure you this action was taken only after very careful consideration and in concert with other significant budget reductions. Please feel free to call me if you have any questions.

Sincerely,

Hin Campbell, Director External Relations



CITY OF SAN ANTONIO

EXTERNAL RELATIONS DEPARTMENT P.O. BOX 839968 SAN ANTONIO, TEXAS 78283-2986 TEL; 210-207-8109 FAX: 210-207-8544

August 13, 2002

Mr. Marc A. Rodriguez 700 E. 11th Street, Suite 100 Austin, TX 78701

Dear Mr. Rodriguez:

Jack.

As you probably are aware, the City of San Antonio is facing its most difficult budget challenge in over a decade. The City Manager's budget, which will be presented to the City Council on August 15, 2002, will include an elimination of programs, across-the-board reductions and reductions in force. City departments have been asked to identify five to ten percent in budget cuts.

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