

**CITY OF SAN ANTONIO
Intergovernmental Relations Office
Interdepartmental Correspondence Sheet**

TO: Mayor and City Council

FROM: Jim Campbell, External Relations Director

THROUGH: Terry M. Brechtel, City Manager

COPIES: Albert Ortiz, Police Chief; Veronica Zertuche, City Attorney's Office; Lou Lendman, Office of Management and Budget; File

SUBJECT: FORENSIC SCIENCE SERVICES AGREEMENT

DATE: September 11, 2003

SUMMARY AND RECOMMENDATION

An ordinance authorizing the City Manager or her designee to approve the terms and conditions of an amendment, effective September 18, 2003 through September 18, 2004, to the Forensic Science Services Agreement between the City of San Antonio and Bexar County for crime lab services the County provides to the San Antonio Police Department, which will accept the revised fee schedule for the current term and allow for the future revisions of the fee schedule without City Council approval, provided the revision results in less than a five percent (5%) change in the total annual fees owed to the County in the fiscal year in which the revised fee schedule would become effective.

Staff recommends approval of this ordinance.

BACKGROUND

In May 1997, the City and County approved a five-year interlocal agreement for forensic science services. This Agreement provided for the payment of annual fees based on a negotiated flat monthly amount, which increased in the following manner: May 1997 – September 1997 (\$41,210); October 1997 – March 1998 (\$51,726); and April 1998 – September 1998 (\$61,726). In accordance with contract provisions that took effect October 1, 1998, the flat fee was converted to a fee-per-test methodology based on a negotiated fee schedule. The Agreement provided for only one fee schedule for the life of the contract. The 1997 contract further required numerous quality enhancements to be made at the Crime Lab, including hiring more personnel, expanding office space, obtaining accreditation from the American Society of Crime Laboratory Directors, and purchasing additional capital equipment. These improvements contributed to a budget increase of 30% from \$936,116 in FY 97 to \$1,213,585 in FY 99.

In March 1999, the Commissioners Court submitted a proposal to the Council Intergovernmental Relations Committee seeking a change in the contract due to a shortfall in the Crime Lab's revenues and a projected budget deficit of \$218,000. During that fiscal year, services provided to the San Antonio Police Department represented approximately 66% of the lab's activity and 51% of its revenue. This disparity was due to a fee schedule that did not accurately reflect the cost of service in several forensic testing categories.

After several months of negotiations, the IGR Committee recommended on June 7, 2000, to approve the guaranteed amount of \$750,000 in FY 2000 and \$825,000 in FY 2001, as well as all other costs in excess of this guaranteed minimum based upon the fee schedule that was currently in place. With the proposed amendment, the Police Department agreed to increase its payments to the County to more accurately reflect the Department's usage of the Crime Lab's services. The City also conducted an audit of the Crime Lab to identify potential cost savings and to ensure adequate accounting procedures were in place. The Internal Review Department reviewed the County's billing procedures, compared the County's records with those of the Police Department, and City auditors concluded that the County's accounting systems were satisfactory and reliable. The auditors did find, however, that a formal tracking mechanism was not in existence to measure the number of hours spent per test. They recommended an independent outside auditor review the percentage of use calculation and determine an appropriate formula that should be used in determining the City's use of the Crime Lab.

In 2001, the City and County discussed several options for determining the most accurate methodology for measuring the City's use of the Crime Lab. The City proposed a formula based on the percentage of time it took tests to be performed (60%). The County, on the other hand, proposed the usage based on the number of total tests performed by the Crime Lab (64%). As a compromise, the City and County agreed to a 62% use factor, which was applied to the FY 2002 Crime Lab budget of \$1.5 million in deriving the City's guaranteed amount of \$930,000. The fee schedule has continued to be used as a mechanism for tracking the number of tests, such that if the guaranteed minimum amount is exceeded during any year the contract is in effect, the additional costs would be transferred to the County in the following fiscal year.

In accordance with the provisions of the Forensic Science Services Agreement, the County hired Government Resource Associates (GRA) in 2001 to conduct a performance review of the Crime Lab. GRA offered recommendations on the percentage of use calculation, suggested improvements to the County's accounting system, addressed the possible need for a fiscal officer at the lab and commented on the feasibility of marketing lab services to other entities.

POLICY ANALYSIS

During FY 2002-2003, crime lab services have been provided to the San Antonio Police Department by the Bexar County Forensic Science Center, pursuant to a five-year interlocal agreement authorized by City Council on September 20, 2001.

Article IX, Section 9.02 of the agreement allows the County to propose a revised fee schedule to reflect changes in the cost of providing forensic science services to the City as well as the cost of replacing, enhancing and acquiring equipment for the Crime Lab. The agreement requires the

County to provide the City with 120 days notice before proposing a change in the fee schedule. On April 28, 2003, the County sent a letter informing the City of its intent to revise the schedule for the upcoming fiscal year. The City received notice on April 28, 2003.

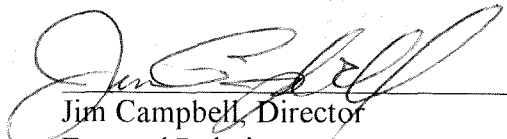
The County's proposed amendment revises the existing fee schedule, which is reflected in the attached Exhibit "A." In addition, the amendment modifies the Forensic Science Services Agreement by allowing the City Manager to approve revisions to the fee schedule, without City Council approval, provided the revisions result in less than a five percent change in the total annual fees which would be owed to the County for the fiscal year in which the revised fee schedule would become effective.

FINANCIAL IMPACT

The Police Department has \$867,000 budgeted for FY 2003. For the current fiscal year, the guaranteed minimum payment amount is \$798,000. The guaranteed minimum payment for fiscal year 2004 will be based on the total amount of fees invoiced to the City in FY 2003. The FY 2004 proposed budget is \$975,061 and is estimated to meet next year's contractual obligation.

COORDINATION

This ordinance was coordinated with the San Antonio Police Department and the City Attorney's Office.


Jim Campbell, Director
External Relations

Reviewed and Approved by:


Terry M. Brechtel
City Manager