

**CITY OF SAN ANTONIO
INTERNATIONAL AFFAIRS DEPARTMENT
CITY COUNCIL AGENDA MEMORANDUM**

TO: Mayor and City Council

FROM: Elizabeth E. Costello, Director, International Affairs

SUBJECT: Professional Services Contract with Mrs. Naoko Shirane

DATE: November 17, 2005

SUMMARY AND RECOMMENDATIONS

An ordinance authorizing a professional services contract with Mrs. Naoko Shirane in the amount of \$175,000 and for expenses not to exceed \$25,000 for the period October 1, 2005 through September 30, 2006 with a one year renewal option subject to appropriation, for trade and foreign investment representation services to develop and foster business with Japan. Staff recommends the approval of this ordinance.

BACKGROUND INFORMATION

Mrs. Shirane has served as City of San Antonio trade representative in Japan for over 20 years. This relationship began in January 1985, through the Greater Austin-San Antonio Corridor Council and later, in January 1989, directly contracting with the City of San Antonio. Mrs. Shirane has worked closely with the City's International Affairs and Economic Development Departments, as well as the San Antonio Economic Development Foundation to promote San Antonio in Japan, as a location for capital investment and industry expansion. Mrs. Shirane has served under Mayors Henry Cisneros, Lila Cockrell, Nelson Wolff, William Thornton, Howard Peak, Edward Garza and now Mayor Phil Hardberger. Furthermore, she has assisted in the implementation of the Kumamoto Sister City goals and supported the development of our relationship. More than 200 delegations have been coordinated to and from Japan.

She has continuously introduced and followed-up with major corporations in Japan such as Sony, Toyota and Colin Medical among many others. Together with the Economic Development Foundation and the City, Mrs. Shirane was instrumental in attracting multi-million dollar operations to San Antonio: Takata Seat Belt, Sony Corporation, Mycom International, Hyatt Hill Country Resort (a major Japanese investment joint-venture) and Colin Medical Equipment. In 2003, Toyota announced the opening of a manufacturing plant in San Antonio with an investment of \$850 million. Currently, Mrs. Shirane has been assisting with Toyota automotive suppliers.

The initial professional services contract with Mrs. Shirane in 1985 was for \$10,000. In 1987 and 1990 Colin Medical and Sony Microelectronics respectively, located in San Antonio. In 1991, the contract was increased to \$14,000. In 1993 Mycom International and in 1995 Takata Seatbelts

established their presence in San Antonio. After 12 years, in 2003 Mrs. Shirane's contract was increased to \$24,500 with Toyota announcing the opening of a plant in San Antonio.

Mrs. Shirane will have an exclusive contract for trade and foreign investment promotion and development with the City of San Antonio as a municipal client in the United States, spending approximately 70% of her time to the City of San Antonio. She will, however, continue other historic relationships. These would include facilitating specific contacts for Japanese or American firms; the State of Texas for specific projects that may involve other cities under the umbrella of the State; and a contract for \$8,000 with the Houston CVB/Houston Airport Systems for tourism promotion. There is a natural linkage between San Antonio and Houston as our most important ports of entry. Mrs. Shirane believes Houston is an important element in attracting Japanese tourists to San Antonio. Furthermore, San Antonio benefits from Continental Airlines' Japan direct flight connection to San Antonio via Houston.

Funding will allow for the operation of an 1,800 sq. ft. office, including one parking space, servicing the City of San Antonio, and located at Suite 101, 2-15-9 Hiroo, Shibuya-ku, Tokyo 150-0012 Japan. The office will be open Monday – Friday, 9:00 a.m. – 6:00 p.m. The staff will include Mrs. Naoko Shirane, Director; a full-time Executive Assistant, a full-time Marketing Specialist and a part-time Administrative Assistant. The estimated cost of the lease for the office space is \$10,000 per month or \$120,000 annually, seventy percent of which would be dedicated to San Antonio is \$84,000, with the remaining \$36,000 balance in support of staff and office expenses.

The other reimbursable expenses not to exceed \$25,000 would cover office expenses such as computer and copying machine leases, utilities and communications, and other expenses such as domestic travel and membership in the American States Offices Association (ASOA).

POLICY ANALYSIS

This ordinance supports the City of San Antonio's commitment to continue to develop and foster business with Asia, in particular, Japan. Mrs. Shirane will continue to promote and maintain the City's visibility and desirability as a site location for Japanese industry. Not only will she promote and advise the City on projected Toyota automotive suppliers, but also on other non-automotive firms who may be persuaded to follow Toyota's decision on San Antonio.

Mrs. Shirane will continue to maintain contact on behalf of the City with Japanese entities and government officials at the federal, state and municipal levels; such as the Keidanren, the most important and influential association of business leaders; METI, Ministry of Economy, Trade and Industry; JETRO, Japan External Trade Organization, and the City of Kumamoto.

During the city's visits to Japan, she will continue to coordinate business meetings and continue to provide business trade leads for San Antonio companies.

FISCAL IMPACT

The Community and Visitor Facilities Fund's FY 2005 and FY 2006 base budget for the Shirane contract is \$24,500. The FY 2006 Adopted Budget included an improved level of funding to provide greater added support. A total of \$175,500 was added for this contract with \$50,000 added in the Community and Visitor Facilities Fund and \$125,500 in the General Fund.

COORDINATION

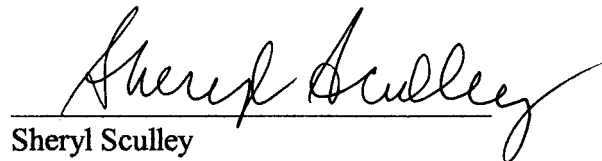
This ordinance has been coordinated with the Office of Management and Budget, Finance Department, City Attorney's Office and Contract Services Department.



Elizabeth E. Costello
Director, International Affairs



Frances A. Gonzalez
Assistant City Manager



Sheryl Sculley
City Manager

CONTRACT FOR CONSULTANT SERVICES

TO REPRESENT THE CITY OF SAN ANTONIO IN JAPAN

THE STATE OF TEXAS:

COUNTY OF BEXAR:

This Contract is made and entered into by and between the **CITY OF SAN ANTONIO**, (hereinafter referred to as "**PURCHASER**"), a Texas municipal corporation, and Mrs. Naoko Shirane, a private individual qualified to transact business in the State of Texas, (hereinafter referred to as "**CONTRACTOR**").

WITNESSETH

THAT THE PURCHASER AND CONTRACTOR in consideration of their respective agreements and covenants hereinafter contained and recited, hereby agree and contract as follows:

I. PERFORMANCE

CONTRACTOR agrees to provide consultant services to the **PURCHASER** as professional advisor on activities with Japan and to act as official City representative in Japan to promote our Sister City relationship and economic development objectives, (hereinafter referred to as "**Services**"), in accordance with the terms and conditions herein contained. **CONTRACTOR** agrees to keep **PURCHASER** apprised of her activities and progress with advance notice to **PURCHASER** of actions to be taken, and to do and perform all specified work required to complete the services as outlined hereinafter, with such changes within the scope of work as are mutually agreed to in writing between the **PURCHASER** and the **CONTRACTOR**.

II. SCOPE OF WORK

CONTRACTOR agrees to provide **PURCHASER** with the following services for the term of this Contract:

1. To act as the City of San Antonio's representative in Japan;
2. To promote and maintain the City's visibility and desirability as an industrial site location for Japanese industry;
3. To promote and advise the City on projected Toyota automotive suppliers;
4. To promote and advise the City on other non-automotive firms who may be persuaded to follow Toyota's decision on San Antonio;
5. To promote and advise the City on biomedical firms attracted to San Antonio's bio-sciences complex;

6. To promote and advise the City on other Japanese capital investment and joint venture possibilities especially in the fields of research and development, manufacturing, assembly, warehouse and distribution, education and medicine;
7. To promote visits to the City of San Antonio by Japanese representatives of industry, government, banking, research and other organizations interested and influential in location and investment decision making;
8. To assist in developing itineraries and making arrangements for visits to San Antonio by business and government leaders and Japanese delegations;
9. To maintain contact in behalf of the City with such organizations as the Keidanren, JETRO, METI, etc.;
10. To advise the City on trade lead opportunities;
11. To assist in the development and distribution of Japanese language promotional materials;
12. To set up business appointments in Japan for City officials;
13. To assist in the implementation of the Kumamoto Sister City goals and support the development of our relationship;
14. To recommend action to the **PURCHASER** of the above listed items;
15. To provide quarterly activity reports to the **PURCHASER** summarizing services performed (including investment and trade leads established, meetings and conferences attended, and updates on Kumamoto-San Antonio Sister City Program);
16. **CONTRACTOR** will operate an office, with a parking space, servicing **PURCHASER**, located at Suite 101, 2-15-9 Hiroo, Shibuya-ku, Tokyo 150-0012 Japan. The office will be open Monday – Friday, 9:00 a.m. – 6:00 p.m. with Mrs. Naoko Shirane, Director; a full-time Executive Assistant, a full-time Marketing Specialist and a part-time Administrative Assistant as staff.

III. CONTRACT PRICING AND BILLING

The total contract amount to be paid to the **CONTRACTOR** as consideration for personnel costs and consulting service fees is \$175,000, exclusive of expenses. Consideration shall be paid on a quarterly basis, upon receipt of invoice and quarterly report from **CONTRACTOR**. Expenses related to office expenses, rent, communications, local transportation, travel, trade show fees, American State Offices Association (ASOA) membership, and other expenses associated with the additional tasks provided for herein, may be reimbursed up to an amount not to exceed \$25,000.

IV. PERIOD OF PERFORMANCE

Except as otherwise provided for pursuant to the provisions hereof, this Contract shall commence October 1, 2005 and shall terminate on September 30, 2006.

PURCHASER shall have the right to renew this Contract for an additional one (1) year period should future budgetary funds be approved by City Council through the City budget.

V. TERMINATION

This Contract may be terminated by the **PURCHASER** in accordance with this clause in whole, or from time to time in part, whenever such termination is in the best interest of the **PURCHASER**. Termination will be effected by delivery to the **CONTRACTOR** of a written notice of termination specifying to what extent performance of work under the Contract has been terminated and the effective date of termination. On receipt of a notice of termination, the **CONTRACTOR** shall stop work under the Contract on the date to the extent specified in the notice of termination.

Within sixty (60) days of the effective date of the termination the **CONTRACTOR** shall submit to the **PURCHASER**, her termination claims for the monies **CONTRACTOR** claims are owed by **PURCHASER** for the services performed through the effective date of termination. In addition to the termination claim, **CONTRACTOR** shall also submit to **PURCHASER** all records, data, reports and other such materials pertaining to the services completed through the effective date of termination. **PURCHASER** will reimburse all expenses and professional fees at **CONTRACTOR's** normal hourly billing rates provided, however, that such payment does not exceed the maximum Contract amount set out in Section III.

VI. SUBSEQUENT USE OF INFORMATION

All records, data, reports and other such material pertaining to the service completed as part of this Contract shall become the absolute property of **PURCHASER**, on full payment of all compensation due **CONTRACTOR** under this Contract, to be used as **PURCHASER** desires, for public purposes, without restrictions. One (1) copy of the aforementioned documents shall be retained by **CONTRACTOR** for her own use.

VII. COST RECORDS

CONTRACTOR shall maintain all Expense Records that derive from this Contract pertaining to costs incurred, and shall submit quarterly reports which identify the expenses, also making such materials available at the respective office at all reasonable times during the Contract period for the purpose of accounting and audit inspections by **PURCHASER**.

VIII. INTEREST OF CONTRACTOR

Contractor acknowledges that it is informed that the Charter of the City of San Antonio and its Ethics Code prohibit a City officer or employee, as those terms are defined in Section 2-52 of the Ethics Code, from having a financial interest in any contract with the City or any City agency such as city owned utilities. An officer or employee has a "prohibited financial interest" in a contract with the City or in the sale to the City of land, materials, supplies or service, if any of the following individual(s) or entities is a party to the contract or sale: a City officer or employee; his parent, child or spouse; a business

entity in which the officer or employee, or his parent, child or spouse owns ten (10) percent or more of the voting stock or shares of the business entity, or ten (10) percent or more of the fair market value of the business entity; a business entity in which any individual or entity above listed is a subcontractor on a City contract, a partner or a parent or subsidiary business entity.

Pursuant to the subsection above, Contractor warrants and certifies, and this contract is made in reliance thereon, that it, its officers, employees and agents are neither officers nor employees of the City. Contractor further warrants and certifies that it has tendered to the City a Discretionary Contracts Disclosure Statement in compliance with the City's Ethics Code.

IX. LAW APPLICABLE

THIS CONTRACT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS AND IS PERFORMABLE IN BEXAR COUNTY, TEXAS.

X. SEVERABILITY

If any clause or provision of this Contract is held invalid, illegal or unenforceable under present or future federal, state or local laws, including but not limited to the City Charter, City Code, or ordinances of City of San Antonio, Texas, then and in that event it is the intention of the parties hereto that such invalidity, illegality or unenforceability shall not affect any other clause or provision hereof and that the remainder of this Contract shall be construed as if such invalid, illegal or unenforceable clause or provision was never contained herein; it is also the intention of the parties hereto that in lieu of each clause or provision of this Contract that is invalid, illegal, or unenforceable, that there be added as a part of the Contract a clause or provision as similar in terms to such invalid, illegal or unenforceable clause or provision as may be possible, legal, valid and enforceable.

XI. NOTICES

For purposes of this Contract, all official communications and notices among the parties shall be deemed sufficient if in writing and mailed, registered or certified mail, postage prepaid, to the addresses set forth below:

PURCHASER

International Affairs Department
City of San Antonio
P.O. Box 839966
San Antonio, Texas 78283-3966

CONTRACTOR

Mrs. Naoko Shirane
Shirane International
Suite 201, 2-15-9 Hiroo
Shibuya-ku, Tokyo 150
JAPAN

XII. INDEMNIFICATION

CONTRACTOR covenants and agrees to FULLY INDEMNIFY and HOLD HARMLESS, the PURCHASER and the elected officials, employees, officers, directors, volunteers and representatives of the PURCHASER, individually or collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal or bodily injury, death and property damage, made upon the PURCHASER directly or indirectly arising out of, resulting from or related to CONTRACTOR's activities under this CONTRACT, including any acts or omissions of CONTRACTOR, any agent, officer, director, representative, employee, consultant or subcontractor of CONTRACTOR, and their respective officers, agents, employees, directors and representatives while in the exercise of performance of the rights or duties under this CONTRACT, all without however, waiving any governmental immunity available to the PURCHASER under Texas Law and without waiving any defenses of the parties under Texas Law. IT IS FURTHER COVENANTED AND AGREED THAT SUCH INDEMNITY SHALL APPLY EVEN WHERE SUCH COSTS, CLAIMS, LIENS, DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY AND/OR SUITS ARISE IN ANY PART FROM THE NEGLIGENCE OF PURCHASER, THE ELECTED OFFICIALS, EMPLOYEES, OFFICERS, DIRECTORS AND REPRESENTATIVES OF PURCHASER, UNDER THIS CONTRACT. The provisions of this INDEMNITY are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity. CONTRACTOR shall advise the PURCHASER in writing within 24 hours of any claim or demand against the PURCHASER or CONTRACTOR known to CONTRACTOR related to or arising out of CONTRACTOR's activities under this CONTRACT and shall see to the investigation and defense of such claim or demand at CONTRACTOR's cost. The PURCHASER shall have the right, at its option and at its own expense, to participate in such defense without relieving CONTRACTOR of any of its obligations under this paragraph.

It is the EXPRESS INTENT of the parties to this CONTRACT, that the INDEMNITY provided for in this section, is an INDEMNITY extended by CONTRACTOR to INDEMNIFY, PROTECT and HOLD HARMLESS, the PURCHASER from the consequences of the PURCHASER'S OWN NEGLIGENCE, provided however, that the INDEMNITY provided for in this section SHALL APPLY only when the NEGLIGENT ACT of the PURCHASER is a CONTRIBUTORY CAUSE of the resultant injury, death, or damage, and shall have no application when the negligent act of the PURCHASER is the sole cause of the resultant injury, death, or damage. CONTRACTOR further AGREES TO DEFEND, AT ITS OWN EXPENSE and ON BEHALF OF THE PURCHASER AND IN THE NAME OF THE PURCHASER, any claim or litigation brought against the PURCHASER and its elected officials, employees, officers, directors, volunteers and representatives, in connection with any such injury, death, or damage for which this INDEMNITY shall apply, as set forth above.

XIII. LEGAL AUTHORITY

The signer of this Contract for CONTRACTOR represents, warrants, assures and guarantees that she has full legal authority to execute this Contract on behalf of

CONTRACTOR and to bind **CONTRACTOR** to all of the terms, conditions, provisions and obligations herein contained.

XIV. GENDER

Words of any gender in this Contract shall be held and construed to include any other gender, and words in the singular shall be held to include the plural, unless the context otherwise requires.

XV. CAPTIONS

The captions contained in the Contract are for the convenience of reference only and in no way limit the terms and/or conditions of this Contract.

XVI. SIGNATURES

CONTRACTOR and **PURCHASER** for themselves, their successors, executors, administrators and assigns, hereby agree to the full performance of the covenants herein contained.

XVII. DATE

This Contract has been executed in duplicate originals this the ____ day of _____, 2005 to be effective as of October 1, 2005.

CITY OF SAN ANTONIO

CONTRACTOR

City Manager

Naoko Shirane

Mrs. Naoko Shirane

ATTEST:

APPROVED AS TO FORM:

City Clerk

City Attorney