

**CITY OF SAN ANTONIO
FINANCE DEPARTMENT
CITY COUNCIL AGENDA MEMORANDUM**

TO: Sheryl Sculley, City Manager
FROM: Ben Gorzell Jr., Acting Finance Director
SUBJECT: Ordinance Authorizing an Amendment and Extension of the Payphone Contract
DATE: April 20, 2006

SUMMARY AND RECOMMENDATIONS

This Ordinance authorizes an amendment and extension of the current payphone contract with Southwestern Bell Telephone, L.P. d/b/a AT&T Texas ("AT&T") (formerly "SBC") and the City of San Antonio. The contract provides for exclusive payphone services in City facilities and non-exclusive services in the City's public rights-of-way ("R-O-W").

Approval of this Ordinance is recommended.

BACKGROUND INFORMATION

On May 14, 2004, the City authorized an agreement with SBC to provide payphone services in City facilities and the City's public R-O-W. The term of the agreement was from June 1, 2004 to April 30, 2006 with the option to renew for two additional one year terms with Council approval. The agreement includes the following key elements:

- ✓ Exclusivity in City facilities;
- ✓ Non-exclusive use in the City's R-O-W;
- ✓ Right to remove low usage payphones;
- ✓ Allows the City to maintain payphone services at a cost of \$50.00 per payphone if SBC requests removal due to low usage and the City wishes to maintain;
- ✓ Establishes a minimum number of payphones at the Alamodome, Convention Center, and Municipal Auditorium to be maintained; and
- ✓ Restoration requirements for removal of payphones.

Over the years, usage of payphones has dramatically declined and this trend is likely to continue with the use of cell phones and other modes of communication. Staff has worked with its current payphone provider, AT&T, to find a fair and reasonable solution to this decline in usage and revenues. Hence, a proposed amendment to the agreement has been reached which includes the removal of the requirement for a minimum number of payphones at the Dome, Convention Center, and Municipal Auditorium and to raise the price of maintaining a low usage payphone from \$50 to \$75 plus applicable taxes. Other than the aforementioned items, the agreement remains the same. The proposed Ordinance will approve the amendment and authorize the first renewal of the agreement extending it through April 30, 2007.

The decline in payphone usage will result in certain City facilities losing all payphones as it becomes uneconomical to support payphones based on usage at those facilities. In order to address any possible customer service concerns, the Alamodome and Convention Facilities are working with the Information Technology Services Department to install courtesy phones (not payphones) in order to meet customer service requirements.

FISCAL IMPACT

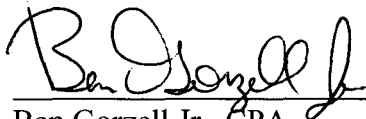
Projected revenues for Fiscal Year 2006 have been re-estimated at \$139,000 which is approximately an 18% decline from Fiscal Year 2005. Compensation is based on 25% of total payphone gross revenues on payphones that generate at least an average of \$3.00 per day.

COORDINATION

This item has been coordinated with the Convention Facilities, Alamodome, Information Technology Services, Airport, Municipal Courts, and the City Attorney's Office.

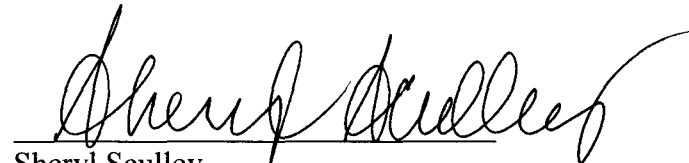
SUPPLEMENTARY COMMENTS

The disclosure requirements of the City's Ethics Ordinance are attached.



Ben Gorzell Jr., CPA
Acting Finance Director

Approved for Council Consideration:



Sheryl Sculley
City Manager

City of San Antonio
Discretionary Contracts Disclosure

*For use of this form, see Section 2-59 through 2-61 of the City Code (Ethics Code)
Attach additional sheets if space provided is not sufficient.*

(1) Identify any individual or business entity¹ that is a **party** to the discretionary contract:

AT&T Services, Inc.

(2) Identify any individual or business entity which is a **partner, parent** or **subsidiary** business entity, of any individual or business entity identified above in Box (1):

No partner, parent or subsidiary; or

List partner, parent or subsidiary of each party to the contract and identify the corresponding party:

See attached list, but it does not include a comprehensive listing of all business relationships of AT&T that could be conceived as partnerships.

(3) Identify any individual or business entity that would be a **subcontractor** on the discretionary contract.

X No subcontractor(s); or

List subcontractors:

(4) Identify any **lobbyist** or **public relations firm** employed by any party to the discretionary contract for purposes related to seeking the discretionary contract.

X No lobbyist or public relations firm employed; or

List lobbyists or public relations firms:

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. A sole proprietor should list the name of the individual and the d/b/a, if any.

(5) Political Contributions

List all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made to any *current* or *former member* of City Council, any *candidate* for City Council, or to any *political action committee* that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under Box (1), (2), (3) or (4) above, or by the officers, owners of any business entity listed in Box (1), (2) or (3):

☐ No contributions made; If contributions made, list below:

By Whom Made:	To Whom Made:	Amount:	Date of Contribution:
See attachment.			

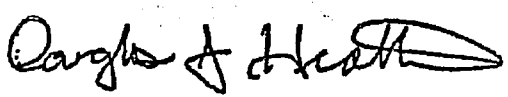
(6) Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city must disclose any known facts which, reasonably understood, raise a question² as to whether any city official or employee would violate Section 2-43 of the City Code (Ethics Code), ("conflicts of interest") by participating in official action relating to the discretionary contract.

X Party not aware of facts which would raise a "conflicts-of-interest" issue under Section 2-43 of the City Code; or

Party aware of the following facts:

This form is required to be supplemented in the event there is any change in the information 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, whichever occurs first.

Signature: 	Title: Doug Heath Executive Director AT&T Services, Inc.	Date: April 4, 2006

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.

Subject:

City of SA PAC contributions

<u>Name</u>	<u>Date</u>	<u>Amount</u>	<u>Office</u>
Julian Castro	7/19/04	\$ 200	San Antonio Mayor
Chip Haass	9/22/04	\$ 100	S.A. Council - District 10
Richard Perez	9/22/04	\$ 100	S.A. Council - District 4
Carroll Schubert	9/22/04	\$ 100	San Antonio Mayor
Kevin Wolff	9/22/04	\$ 150	S.A. Council - District 9

City of SA Candidate Contributions

Hardberger

J. Callaway	\$1,000
K. Jennings	\$ 500
J. Kahan	\$ 250
C. Malone	\$ 125
P. Mancini	\$ 100
A. Richter	\$ 500
J. Stankey	\$ 300
R. Stephenson	\$ 500
E. Whitacre	\$1,000

Schubert

J. Callaway	\$1,000
J. Epperson	\$ 500
F. Miller	\$1,000

Castro

P.H. Ardoin	\$1,000
J. Fuentes	\$ 250