



DATE ISSUED: March 1, 2007

REPORT NO: 07-050

ATTENTION: Rules, Open Government and Intergovernmental Relations Committee
Agenda of March 7, 2007

REPORT TO THE CITY COUNCIL

SUBJECT: Lobbying Services contract for state representation in Sacramento, CA

REFERENCE:

REQUESTED ACTION:

Authorize the Mayor to negotiate and execute an Agreement with Sloat Higgins Jensen & Associates/Marston+Marston, Incorporated for state lobbying services for calendar years 2007 and 2008.

STAFF RECOMMENDATION:

Authorize the Mayor to negotiate and execute an Agreement with Sloat Higgins Jensen & Associates/ Marston+Marston, Incorporated.

SUMMARY:

For more than 40 years, the City has contracted with government relations firms to ensure that the City maintains effective advocacy before the legislative and executive branches of the state government. These advocates, working through the Community and Legislative Services Division, advocate City adopted policies regarding: state funding opportunities; state Legislative goals; and state Regulatory goals.

The principal responsibility of the lobbying contractor shall be achieving state funding and determined legislative and regulatory outcomes on behalf of the City.

In collaboration with the Mayor, City Council and other appropriate city departments, the lobbying contractor shall assist in implementing a detailed work plan with specified deliverables in the following areas:

1. Implementation of the 2006 State Infrastructure Bonds
2. Housing, Redevelopment & Economic Development;
3. Municipal Revenues & Operations;
4. Neighborhood Services;
5. Public Works & Transportation;
6. Public Safety; and
7. Border Infrastructure and Development.

In fulfillment of the work plans, the lobbying contractor is required to provide services and advice including, but not be limited to the following:

1. Representing the City in interacting with the Governor's office and the Legislature and staff persons, State agencies and boards, commissions and legislative bodies.
2. Researching and providing written and oral information to the City on matters which include, but are not limited to:
 - a. existing and proposed state laws and regulations that affect City interests;

- b. reports on, and testimony from, legislative hearings;
- c. the development and progress of state issues affecting specified City interests;
- d. State agency and department regulations, guidelines, directives, and other instruments of administrative policy;
- e. grants and other funding opportunities for proposed City projects;
- f. technical reports and memoranda affecting City operations and fiscal conditions;
- g. arranging meetings for City elected officials and personnel with legislative members and staff;
- h. coordinating with the City's Grants Administrator and grant writers in the appropriate city departments to identify grant funding opportunities and develop strategies to maximize the receipt of grant funds for the City.

DISCUSSION:

Last fall, the City's Purchasing and Contracting Department released Proposal Number 8601-07-T-RFP which sought responses to the request for Legislative Representation and Consulting Services for Sacramento, CA. In response to this request, two full service lobbying firms responded: Sloat Higgins Jensen & Associates/Marston+Marston, Incorporated (Sloat Higgins); and Smith Watts & Company.

Consistent with existing City policies, a technical evaluation committee (TEC) was established and completed a comprehensive review of the technical proposals and the price proposals submitted in response to the solicitation.

Members of the evaluation committee included:

- Brent Eidson, Mayor's Office of Intergovernmental Relations – Chair
- Council Member Ben Hueso, 8th District
- Job Nelson, Associate Director, Mayor's Office of Intergovernmental Relations
- Richard Haas, Deputy Chief Operating Officer for Public Works
- Penni Takade, Deputy Director, Office of the Independent Budget Analyst

The technical evaluation was completed first without the price proposals. In accordance with the solicitation, technical merit was given greater weight than price. The technical criteria used by the TEC were:

1. Qualifications, Experience and Rapport
2. Executive/Management Summary and Specifications
3. Past Performance as indicated by references

Using the above criteria the TEC ranked each of the proposers. The joint venture of Sloat Higgins was the only firm to rank exceptional in all three areas and was the unanimous recommendation of the review committee. A summary of the TEC's evaluation of the joint venture is below:

Qualifications:

Familiarity with the City of San Diego and municipal governments; comprehensive understanding of the City's goals, structure, and needs; strong lead representation; strong history of successes for clients (legislative and budgetary) across a variety of municipal issues (transportation; municipal revenues; environmental services; housing; public safety; water; etc.);

assist developing policy positions; established relationships with outside organizations (League of California Cities); strong relationship w/State Delegation and the Administration.

Executive/Management Summary and Specifications:

Provides local component to contract (Marston+Marston, Inc.); very thorough and detailed on management style and approach; good grasp of potential future issues of importance to the City; strong ideas for City strategy on future issues; detailed approach to advocacy; communication and approach is as though the contractors are an extension of the City’s Intergovernmental Relations Department.

Past Performance as indicated by references:

Well connected with the legislature and the administration; successful in passing legislation and gaining both direct funding and creating grant opportunities for their clients; provide broad range of services and routinely performs above and beyond the contract requirements; willing to work on anything asked of them; primary representation remains consistent; provides good advice on achievable goals.

Past Performance for the City of San Diego:

To date, Sloat Higgins has provided the City with sound past performance in both direct funding opportunities¹ and legislative priorities. Over the term of their contract, the City's lobbyists have been successful in assisting the City in achieving funding including, but not limited to the following projects:

- Booking fee reimbursement (\$5,222,000,000 annually)²
- I-15 Parks (Normal Heights, Teralta, Park de la Cruz (\$1,000,0000))
- Water for Industry Pilot Program (\$1,750,000)
- Chollas Creek Projects (\$1,250,000)
- Expansion of the City’s Curbside Recycling Program (\$6,840,000)
- North Chollas Park (\$2,000,000)
- Pt. Loma Fire Station #22 (\$750,000)
- Mission Trails Regional Park Equestrian Center (\$1,550,000)
- Otay River Valley Parkway (\$1,000,000)

In addition to the funding successes, Sloat Higgins provided excellent past performance for the City in advocating for specific policy issues before the Legislature and the Governor. Some of these successes include:

- Four legislative proposals allowing the “6 to 6” program to operate.
- Booking Fee Reimbursement Program (ensured San Diego’s eligibility)
- Redefining “point of sale” for Jet Fuel allowing San Diego to collect sales tax on the fuel
- Net metering – increased the net metering cap for San Diego Gas & Electric service territory
- Clean up of historic burn sites
- Increased penalties for illegal street racing
- Immunity for Good Samaritans utilizing Automated External Defibrillators

¹ Direct funding for City projects occurred primarily during the period of time in which the State Budget was operating with a significant surplus.

² The booking fee reimbursement program was abolished in FY 2004-2005 but reinstated in FY 2005 - 2006

To that end, Sloat Higgins employs a strong team of consultants with expertise in all important policy areas. While the firm proposes to dedicate a day-to-day manager for the City's account, the firm has also committed, at no additional costs, to bring whatever additional resources they have to bear on any issue the City may deem as a priority.

Dating back to the original Agreement with Sloat Higgins enacted in 1999, the firm has provided services to the City for a flat fee retainer of \$12,500 per month. The proponents have submitted a price proposal that is an increase over the previously contracted amount and will be a significant part of the negotiations should the Council approve the action requested in this report.

FUTURE ACTIONS

After the initial two (2) year contract period, the City reserves the option to renew the contract up to three (3) additional one (1) year periods under the terms and conditions herein stated beginning on the anniversary of the commencement of contract. The renewal is contingent on a mutual agreement between the City and the Contractor with such agreement to be confirmed within sixty (60) days of the expiration of the contract period. Either the City or the Contractor may decline to confirm the renewal of the contract for any reason whatsoever, which shall render the renewal option null and void.

FISCAL CONSIDERATIONS:

Anticipated contract costs are budgeted in the current fiscal year (FY 2007) through June 30, 2007 per City Council action on September 12, 2006.

Future contract costs will be proposed in the FY 2008 Community & Legislative Services Budget; Department 220, Organization Number 5000, Account 4888.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On September 12, 2006 the City Council adopted an amendment to the Annual Appropriations Ordinance authorizing the transfer of funds from the unappropriated reserves to fund the City's lobbying contracts.

On November 24, 1998 the City Council voted to award the Joint Venture between Sloat, Higgins and Associates and the Flannery Group the contract as the City of San Diego's legislative representative in Sacramento.

On October 30, 2000 the City Council authorized the Director of the Intergovernmental Relations Department and the City Manager to execute a Personal Services Agreement for Legislative Representation and Consulting Services with Joint Venture of Sloat, Higgins, Jensen and Associates, and Marston+Marston, Inc., for a period of twenty-four (24) months, commencing on November 1, 2000, with a one-year review by the City Council.

On March 23, 2003 the City Council authorized the City Manager to enter contract negotiations with the partnership of Sloat-Higgins/Marston & Marston/Platinum Advisors, for the purpose of general state representation on behalf of the City of San Diego.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: None

KEY STAKEHOLDERS AND PROJECTED IMPACTS: None

J. Brent Eidson
Originating Department

Kris Michell
Deputy Chief/Chief Operating Officer