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**Title:** Actions related to awarding a consultant services agreement to The Gualco Group, Inc., for professional water lobbying and consulting services:  
 1. Affirm the City Manager’s determination that The Gualco Group, Inc., is uniquely qualified to perform the consultant services.  
 2. Approve a consultant services agreement with The Gualco Group, Inc., for an amount not to exceed \$180,000 for professional water lobbying and consulting services in California

**Sponsors:** Department of Public Utilities

**Indexes:**

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**Attachments:** 1. Attachment 1- Uniquely Qualified Memo, 2. Attachment 2 - Consultant Services Agreement.pdf

Date	Ver.	Action By	Action	Result
8/22/2019	1	City Council	approved	Pass

**REPORT TO THE CITY COUNCIL**

**August 22, 2019**

**FROM:** MICHAEL CARBAJAL, Director  
Department of Public Utilities

**BY:** CHERYL L. BURNS, Management Analyst II  
Department of Public Utilities - Administration

**SUBJECT**

Actions related to awarding a consultant services agreement to The Gualco Group, Inc., for professional water lobbying and consulting services:  
 1. Affirm the City Manager’s determination that The Gualco Group, Inc., is uniquely qualified to perform the consultant services.  
 2. Approve a consultant services agreement with The Gualco Group, Inc., for an amount not to exceed \$180,000 for professional water lobbying and consulting services in California

**RECOMMENDATION**

Staff recommends that the City Council affirm the City Manager’s determination that The Gualco Group, Inc., is uniquely qualified to perform water lobbying services; approve a consultant services agreement with The Gualco Group, Inc., for an amount not to exceed \$180,000 over a three year

period for professional water lobbying and consulting services in California; and authorize the Director of Public Utilities, or designee, to sign the agreement on behalf of the City of Fresno.

## **EXECUTIVE SUMMARY**

The Department of Public Utilities seeks City Council approval to enter into a professional consultant services agreement with The Gualco Group, Inc., the City's current water lobbyist, to perform professional water lobbying and consulting activities regarding State governmental activities for three years.

## **BACKGROUND**

All functions of the City are significantly affected by actions of the State Legislature and the Office of the Governor. In response to anticipated and unanticipated actions by the State Legislature and Office of the Governor, the City retained The Gualco Group, Inc., in August 2016 to provide legislative lobbying and consulting services for water-related issues.

The California State Legislature and the Office of the Governor continue to be actively involved in drafting and adopting legislation that impacts the City of Fresno's Water Division. The specific areas of concern include, but are not limited to, water conservation and drought regulations, modifications and alterations to the Sustainable Groundwater Management Act, mandatory water and sewer consolidations between cities and disadvantaged communities, and application guidelines related to low-interest loans and grants for water supply, treatment, and distribution projects.

Given the potential financial, operational, and technical impacts associated with proposed water-related legislation, the Department of Public Utilities has a need to extend the services of The Gualco Group, Inc., to serve as a legislative, administrative and regulatory representative for the City on water issues, maintain relationships, and monitor the activities of all relevant State agencies and departments, and advocate positions as instructed by the City.

The consultant will continue to work with state officials to ensure maximum input on water matters of concern to the City as recognized by the consultant and/or designated by the City. This will include, but is not limited to, the Governor's Office, state departments and agencies, boards and commissions, and key legislators and individuals.

The consultant will meet with City officials, either in person or via teleconference, on a monthly basis to provide information of benefit to decision makers. The consultant will also provide quarterly reports to the City on the performance of the consultant's obligations under this agreement. City Administration will provide these quarterly reports to the City Council. Additionally, the consultant will hold at least one legislative strategy session each year with City officials, including representatives from both the City Administration and the City Council, to identify issues of priority for the City.

## **Consultant Selection Process**

On June 7, 2016, the City issued a Request for Qualifications (RFQ) for professional, water-related lobbying and consulting services.

On July 8, 2016, the City received two proposals: one proposal from The Gualco Group, Inc., and one proposal from Churchwell White LLP. After conducting interviews with each firm, DPU

determined that The Gualco Group, Inc., was the best selection to represent the City in Sacramento on water-related issues.

On August 18, 2016, the City Council approved consultant services agreement with The Gualco Group, Inc., to provide professional, water-related lobbying and consulting services, and to engage with the Governor's Administration and the State Legislature, at the direction of the City, on water issues.

On March 1, 2018, the City Council approved the First Amendment to the consultant services agreement with The Gualco Group, Inc., to extend the term of the original agreement until June 30, 2019, and increase the compensation from \$90,000 to \$170,000.

On June 24, 2019, the Department of Public Utilities executed the Second Amendment to the consultant services with The Gualco Group, Inc., to extend the term of the agreement until August 31, 2019, with no increase in compensation.

On July 25, 2019, the City Council expressed a desire to continue contracting with The Gualco Group, Inc., for professional water lobbying and consulting services in California.

Since being approved by City Council on August 18, 2016, The Gualco Group, Inc., has been providing exemplary consulting, lobbying and engagement services for water-related issues affecting the City. The City Council desires to continue using the services of The Gualco Group, Inc., for water-related lobbying services.

The term of the proposed agreement with The Gualco Group, Inc., is three years, terminating July 31, 2022, with total compensation not to exceed \$180,000, at a monthly rate of \$5,000 and all reimbursable costs incurred under this agreement, not to exceed \$5,000 for the term of the agreement. The Director of Public Utilities, or designee, shall be authorized to sign the agreement on behalf of the City of Fresno. The Agreement for Consultant Services has been approved as to form by the City Attorney's Office.

## **ENVIRONMENTAL FINDINGS**

Approval of the consultant service agreement is not a "project" within the meaning of CEQA Guidelines Section 15378.

## **LOCAL PREFERENCE**

Local preference was not applied because The Gualco Group, Inc., is uniquely qualified.

## **FISCAL IMPACT**

Funding has been appropriated in the FY 2020 Water Division budget, and will be appropriated in the FY 2021 and FY 2022 Water Division budgets.

Attachments:

Attachment 1 - Uniquely Qualified Memo

Attachment 2 - Consultant Services Agreement