



Legislation Details (With Text)

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Title: Approve to the First Amendment the consultant services agreement with The Gualco Group, Inc., to extend the term and increase the total compensation to \$170,000 for professional water lobbying and consulting services for the Department of Public Utilities.
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Attachments: 1. 2018-03-01 GUALCO Amendment 1.pdf

Date	Ver.	Action By	Action	Result
3/1/2018	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

March 1, 2018

FROM: THOMAS C. ESQUEDA, Director
Department of Public Utilities

SUBJECT

Approve to the First Amendment the consultant services agreement with The Gualco Group, Inc., to extend the term and increase the total compensation to \$170,000 for professional water lobbying and consulting services for the Department of Public Utilities.

RECOMMENDATION

The Department of Public Utilities' (DPU) staff recommends that the City Council approve the First Amendment to the consultant services agreement with The Gualco Group, Inc., and authorize the Director or designee to execute the Amendment on behalf of the City.

EXECUTIVE SUMMARY

The Department of Public Utilities seeks City Council approval for a professional consultant services agreement with The Gualco Group, Inc. to perform professional water lobbying and consulting activities regarding State governmental activities. The First Amendment will extend the term of the original agreement until June 30, 2019, and increase the compensation from \$90,000 to \$170,000.

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 of Fresno retained (a) Campbell Strategy and Advocacy LLC in June 2016 to provide legislative lobbying and consulting services for General Fund programs and services, and (b) the Gualco Group in August 2016 to provide legislative lobbying and consulting services for water-related DPU programs and services. For the General Fund lobbying and consulting services, the City compensates Campbell Strategy and Advocacy LLC at a rate of \$15,000 per month. For water-related DPU lobbying and consulting services, the City compensates the Gualco Group at a rate of \$5,000 per month.

The City has retained the services of Gualco Group because the California State Legislature and Office of the Governor have been 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, emergency drought regulations; long-term water use efficiency measures; modifications and alterations to the Sustainable Groundwater Management Act; mandatory water and sewer consolidations between cities and disadvantaged communities; subsidies for failed or failing water systems funded by cities; 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 legislation, DPU has a need to retain the services of a professional services firm to provide water-specific legislative liaison services to monitor and report on the water-related legislative and administrative actions being contemplated and adopted in Sacramento so that the City may respond appropriately, and in a timely manner, to express either support or concern for the proposed legislative action.

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.

Since being approved by City Council on August 18, 2016, The Gualco Group has been providing exemplary consulting, lobbying and engagement services for water-related issues affecting the City. The term date for The Gualco Group, Inc. agreement is February 28, 2018, and the First Amendment will extend the term to June 30, 2019 and increase the total compensation from \$90,000 to \$170,000 at the same rate as the original Agreement, which is \$5,000 per month. The First Amendment has been approved as to form by the City Attorney's Office.

ENVIRONMENTAL FINDINGS

Approval of the consultant service agreement amendment is not a “project” within the meaning of CEQA Guidelines Section 15378 because the organizational and administrative activities as identified in the consultant agreement will not result in direct or indirect physical changes in the environment.

LOCAL PREFERENCE

Local preference was not applied because this is an amendment to an existing agreement.

FISCAL IMPACT

Funding has been appropriated in the FY 2018 Water Division Budget, and will be appropriated in the FY 2019 Water Division budget.

Attachments:

First Amendment