



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Lee Wilcox

**SUBJECT:** SEE BELOW

**DATE:** June 3, 2019

Approved

Date

6-13-19

**SUBJECT: AGREEMENT BETWEEN THE CITY OF SAN JOSE AND CRUZ STRATEGIES FOR STATE LEGISLATIVE ADVOCACY SERVICES**

## RECOMMENDATION

Authorize the City Manager to:

- a) Negotiate and execute an agreement with Cruz Strategies, LLC to provide state legislative advocacy services for a two-year term beginning July 1, 2019 through June 30, 2021, with a maximum compensation amount not to exceed \$480,000 subject to City Council appropriation of funds.
- b) Execute a one-year option to extend the Agreement through June 30, 2022 to provide ongoing services for an estimated one year cost of \$240,000, subject to the appropriation of funds.

## OUTCOME

Council's action will allow the City to have representation at the state level to provide strategic advocacy on the City's top legislative, funding, and regulatory priorities.

## BACKGROUND

On June 21, 2016, Council approved a three-year contract with Gonzalez, Quintana, Hunter & Cruz, LLC and California Consulting, LCC for state legislative advocacy services and grant writing services. Since 2016, Gonzalez, Quintana, Hunter & Cruz, LLC reorganized and the City retains a contract with Cruz Strategies. This contract expires June 30, 2019.

On February 12, 2019, the City issued a Request for Proposals (RFP) for state legislative advocacy services. The Administration posted the RFP to BidSync, the City's e-procurement system, and closed the solicitation on March 12, 2019. The Administration conducted outreach to seventeen advocacy firms that represent local jurisdictions and private sector clients to provide information on the RFP and to encourage proposals. The City also advertised the opportunity in Capitol Morning Report, an online report widely read by lobbying firms, legislators, staff, and interest groups in Sacramento. Thirty-two firms viewed and ten firms downloaded the RFP. The City received a single response to this solicitation from a Cruz Strategies proposal.

### **ANALYSIS**

A five-member RFP evaluation team comprised of the City Manager's Office and policy focused City staff developed the scope of work and evaluation criteria in the RFP. The evaluation criteria were as follows:

***Proposal Responsiveness (Pass/Fail):*** The proposal responds to all requirements in the RFP including response to questions, all required forms, and references.

***Experience of Proposer (25%):*** The proposer has experience conducting legislative and regulatory advocacy and government relations by working with the California legislature, Governor, state agencies and stakeholder groups.

***Firm's Scope of Work and Services (35%):*** The firm's scope of work and services align with the categories outlined in the RFP including legislative and regulatory advocacy, establishing an active presence for the City at the state, bill tracking/monitoring services, and state budget and grant advocacy.

***Example of Firm's Success and Legislative and Regulatory Knowledge (10%):*** The firm understands policies that impact the City, and has a successful record of accomplishment of advocating for its clients' priorities.

***Customer Satisfaction/Firm Reputation (10%):*** The firm has a reputation for customer satisfaction.

***Fee Structure/Cost (10%):*** The proposed fee structure and overall contract cost.

***Local Business Enterprise (5%):*** The firm is a local business.

***Small Business Enterprise (5%):*** The firm is a small business. In accordance with City policy, only local businesses can qualify for the small business enterprise criteria.

*Evaluation*

Cruz Strategies represents several public agencies including County of Sacramento, the San Diego County Water Authority, and the Sacramento Area Council of Governments. Cruz Strategies is also the City of San José's current representative. The Cruz Strategies proposal includes a subcontract with Strategies 360, which has expertise in energy and California Public Utilities Commission and California Energy Commission, to provide advocacy services for San José Clean Energy.

Since there was one proposal, the Administration evaluated the proposal on the responsiveness to the RFP and determined that the Cruz Strategies was responsive to the RFP requirements. The Administration is also satisfied with the existing work and services provided by Cruz Strategies. The Administration recommends that the award go to Cruz Strategies, with their subconsultant, Strategies 360.

*Protests*

No firms issued a protest during the 10-day protest period following the Notice of Intended Award.

**EVALUATION AND FOLLOW-UP**

The Administration will monitor and evaluate the performance of the state advocacy services contract. At the end of the contract term, the Administration will conduct an RFP process for state legislative advocacy services.

**PUBLIC OUTREACH**

The Administration will post this memorandum to the City's Council Agenda website for the June 25, 2019 Council Meeting.

**COORDINATION**

The Administration coordinated this memorandum with the City Attorney's Office and the City Manager's Budget Office.

**COMMISSION RECOMMENDATION/INPUT**

The recommended action does not have a Commission Recommendation.

**COST SUMMARY/IMPLICATIONS**

Annual costs of \$240,000 are included in the City Manager’s Office non-personal/equipment budget as outlined in the 2019-2020 Proposed Operating Budget, which scheduled to be heard by the City Council on June 18, 2019 for adoption. Table 1 identifies the fee schedule.

**Table 1 – Fee Schedule**

FY 2019-2020	FY 2020-2021	Total
\$240,000	\$240,000	<b>\$480,000</b>

If the City Managers exercises the one-year option, the estimated cost would be \$240,000 per year, subject to appropriations.

**BUDGET REFERENCE**

Table 2 identifies the fund and appropriations to fund the contract recommended as part of this memo.

**Table 2 – Budget Fund and Appropriations**

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract	2019-2020 Proposed Operating Budget Page*	Last Budget Action (Date, Ord. No.)
001	0112	Non-Personal/ Equipment City Manager’s Office	\$4,170,759	\$240,000	VIII-59	N/A

\* Subject to the adoption of the 2019-2020 Proposed Operating Budget by the City Council on June 18, 2019.

**CEQA**

Not a Project, File No. PP17 003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

/s/  
LEE WILCOX  
Chief of Staff, City Manager’s Office

For questions, please contact Bena Chang, Director of Intergovernmental Relations, 408-975-3240.