

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

**AGENDA TITLE:** Authorizing the City Manager to Execute a Contract with Capitol Strategies for State Government Relations Services in the Amount of \$175,000 for a Period of Up to Five Years

**DEPARTMENT:** City Manager's Office

**PRESENTED BY:** Jim Hammond, Intergovernmental Programs Manager

**ACTION:**        ☐ Ordinance        ☐ Resolution        ☒ Motion  
                 ☐ Discussion        ☐ Public Hearing

**PROBLEM/ISSUE STATEMENT:**

Staff is requesting that the City Council authorize the City Manager to execute a contract with Capitol Strategies for State Government Relations services in the amount of \$175,000 for a period of up to five years. The current contract for the City's state legislative consultant expires December 31, 2018.

The City initiated an open acquisition process for State Government Relations Services through a Request for Proposal (RFP) process from August 14, 2018 through September 14, 2018. Proposals were opened on September 14<sup>th</sup>, and one proposal from Capitol Strategies was received.

While the City's current contract had been for services only during the State legislative session, staff is recommending that the new contract provide for year-round services in order to provide resources to better address the need for strategy development and the growing establishment of special legislative committees which operate outside of the formal legislative session. The term of this contract is for 2019 with an automatic renewal of an additional four years unless cancelled by either party.

**RESOURCE/FINANCIAL IMPACT:**

The amount for the contract in 2019 is \$30,000, with a contingent amount of \$3,750 set aside for the cost of an extended session. This is based on a \$5,000 per month fee during the legislative session and a \$1,250 per month off-session fee. For future years, the yearly compensation rate will be inflated by the Seattle area CPI-U. Years with short sessions see a smaller total in-session fee. The total five year contract would be \$151,320, with \$19,911 in contingency, for a total of \$171,231. Given this, staff is recommending funding authority of \$175,000 for the life of this service contract.

**RECOMMENDATION**

Staff recommends that Council authorize the City Manager to execute a contract with Capitol Strategies from 2019-2023 with a not-to-exceed amount of \$175,000.

Approved By:        City Manager **DT**    City Attorney **MK**

## **BACKGROUND**

This City of Shoreline has historically utilized a consultant for state legislative relations services to advocate for the City during the state legislative session. The City's current contract with Capitol Strategies, which is scheduled to end December 31, 2018, provides for state government relations services only during the legislative session. These services have been provided during the legislative session each year by Capitol Strategies. The current contract cost for the 2018 legislative session was a per-month retainer during session of \$5,431, for a total of \$16,294 during the short 60-day session. During 2017, which was a long 120-day session, the per-month retainer was \$5,273.63, for a total of \$21,095.

The City initiated an open acquisition process for the state government relations services through a Request for Proposal (RFP) process, pursuant to the City's procurement policies as set forth in the Shoreline Municipal Code, Section 2.60.070. The City solicited proposals for the State Government Relations Services RFP from August 14, 2018 through September 14, 2018. The RFP was advertised in the City's paper of record, the Daily Journal of Commerce, both in print and online, as well as shared through professional networks. Proposals were opened on September 14<sup>th</sup> and one proposal from Capitol Strategies was received.

Although the City has delegated authority to execute a one-year contract without Council approval, staff considers a multi-year service contract, renewable for up to five years, with predictability that allows for long-term budgetary and strategic planning, to provide greater benefit to the City.

## **DISCUSSION**

The proposal from Capitol Strategies provides for a monthly retainer year-round, which represents a change from the practice of the past 15 years. During that time, legislative activity and the scope of legislative work has evolved in a dramatic fashion. In contrast to 15 years ago, when the first government relations service contract was established, state legislative business has grown to become a year-round activity. Special Select Committees, caucus meetings, and negotiations with the Executive branch of State government now take place extensively outside of the legislative sessions. By extension, the session becomes the field where earlier discussions play out and reach final form. In order for Shoreline's presence in State-level conversations and negotiations to be as effective as possible, staff recommend that the City transition to a year-round government relations services contract.

The proposal from Capitol Strategies was reviewed by staff to determine compliance with requested knowledge, skills, and work history, as well as ability to deliver on primary objectives and the requested scope of work. Capitol Strategies was found to meet all standards, based on their experience advocating for other cities, their established relationships with staff and elected officials from both political parties, their established relationships with associations and business groups, and their proven track record promoting or defeating proposed legislation for their clients. The proposed contract scope of work for Capitol Strategies is attached to this staff report as Attachment A.

If approved by Council, the contract with Capitol Strategies will begin January 1, 2019 and will run for one year. While the previous contract had been for services only during the legislative session, this contract will be a year-round agreement for consultant services in order to better address the need for strategy development and the growing establishment of special legislative committees which operate outside of formal sessions. The contract will then automatically extend on a yearly basis for four additional years through December 31, 2023 unless cancelled by either party.

The City will be billed a flat retainer of \$5,000 per month for services provided during the 2019 legislative session; during the remaining months of the year, the City will be billed a flat retainer of \$1,250. If additional contract years are utilized, these monthly rates will be adjusted based on the June to June Consumer Price Index for the Seattle Metro Area.

### **ALTERNATIVES ANALYSIS**

An alternative would be for the City to only contract for state legislative services during the Legislative Session, as has been the City's practice the last 15 years. This alternative would provide a lower level of service to the City of Shoreline and would need to be negotiated with Capitol Strategies.

### **RESOURCE/FINANCIAL IMPACT**

The base cost for the 2019 contract will be \$30,000; with a contingency for an extended legislative session, it will be \$33,750. For future years, the monthly compensation rate will be inflated by the CPI, as noted above. If an annual contract inflator rate of 3.00% is estimated for the life of the contract, the total five year cost of the contract would be \$151,320, with \$19,911 in contingency, for a total of \$171,231. Given this, staff is recommending funding authority of \$175,000 for the life of this service contract. The table below provides a breakout of these costs figures:

Year	Base rate (per month)	Base annual cost/ contract amount	Contingency for extended session	Annual total with contingency
2019	\$5,000 during session/ \$1,250 off-session	\$30,000	\$3,750	\$33,750
2020	\$5,150/\$1,288	\$27,038	\$3,863	\$30,901
2021	\$5,305/\$1,326	\$31,828	\$3,979	\$35,807
2022	\$5,464/\$1,366	\$28,686	\$4,098	\$32,784
2023	\$5,628/\$1,407	\$33,768	\$4,221	\$37,989
<b>Total</b>		<b>\$151,320</b>	<b>\$19,911</b>	<b>\$171,231</b>

The 2019-2020 biennial budget includes sufficient funds for this service.

### **RECOMMENDATION**

Staff recommends that Council authorize the City Manager to execute a contract with Capitol Strategies from 2019-2023 with a not-to-exceed amount of \$175,000.

### **ATTACHMENTS**

Attachment A: Draft Contract Scope of Work with Capitol Strategies Consulting

## **CITY OF SHORELINE**

### **State Government Relations Services: Scope of Work**

Works with the City's identified legislative priorities, and identifies emerging issues, to advance the City's position on issues before the state legislature and in state government. Tasks include:

- Consult on the City's legislative agenda and priorities; assist in developing legislative agendas and support City response to emerging issues throughout the year.
- Provide regular communication on bills and issues of interest during session to the Manager for Government Relations, including detailed tracking of bills, tailored to City needs and interests.
- Develop and guide strategy for passing or defeating legislation and for securing state fiscal assistance.
- Provide strategic guidance on the City's priorities and key legislative issues.
- Assist with testimony for legislative hearings.
- Arrange appointments for City Council and City staff both during session and the interim.
- Attend meetings of interest to the City including AWC events and legislative meetings both during the session and the interim.
- Notify the City of legislative and regulatory issues that may impact the City.
- Promote state assistance for transportation and capital budget projects.
- Monitor developments related to Fircrest, annexation, housing, basic city services and other identified issues.
- Take direction on work issues and activities from the Manager for Government Relations.