



CITY OF LONG BEACH

OFFICE OF THE CITY MANAGER

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GERALD R. MILLER
CITY MANAGER

October 18, 2005

HONORABLE MAYOR AND COUNCIL MEMBERS
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute the contract for federal legislative advocacy services with Smith, Esposito & Lyerly, doing business as E. Del Smith and Company, Inc., in the amount of \$118,320 for a period of one year.

DISCUSSION

The firm of E. Del Smith and Company, Inc., has successfully represented the City of Long Beach in Washington, D.C. before the United States Congress and various federal agencies for over 30 years. The previous contract between the City and E. Del Smith and Company, Inc., which was amended by the City Council on November 23, 2004, expired at the end of the Fiscal Year 2005 (FY 05). Based on the unique access and influence of the firm's partners in Washington, D.C., and their extensive understanding of the City of Long Beach and related agencies, the approval of this proposed annual contract is recommended.

SUMMARY OF LAST YEAR'S ADVOCACY EFFORTS

The past fiscal year was a tremendously active year for the City on the federal level. Below is a summary of some of the major issues the City faced that E. Del Smith and Company, Inc., was intricately involved with.

▪ **Federal Energy Bill**

This year, E. Del Smith and Company, Inc., spent significant time advocating against legislation in the federal Energy Bill that would pre-empt the City's decision-making authority related to the siting and permitting of Liquefied Natural Gas (LNG) facilities and a proposal to grant the Federal Energy Regulatory Commission eminent domain over LNG terminals. The firm kept the City informed of the latest

developments, made connections with key legislators, advised the City on the need for correspondence, facilitated meetings for our federal legislative delegation, and aggressively represented the City Council's position to oppose legislation that would pre-empt state and local government authority. The firm was also helpful in coordinating the joint efforts of both the City and the Port, which was also opposed to the pre-emption language in the federal Energy Bill.

■ **Transportation Bill Reauthorization**

E. Del Smith and Company, Inc., was intricately involved in advocating for the reauthorization of the federal transportation bill, previously known as TEA-21. The City had significant interest in this piece of legislation, as it provided a funding opportunity for the I-710 / Gerald Desmond Bridge project, as well as multiple smaller, high-priority projects. E. Del Smith and Company, Inc., supplied the City with timely information on the status of funding opportunities, coordinated legislative contacts with many influential members of Congress, and advised the City on the best strategy to work with the Long Beach delegation to secure funding for critical projects. The firm also helped coordinate efforts with the Port, which was the City's partner in requesting funding for the I-710 / Gerald Desmond Bridge project. The SAFETEA-LU bill passed in August 2005, with the Long Beach area receiving over \$140 million in funding.

■ **2006 Appropriation Requests**

The firm annually provides the City with advice and assistance in preparing appropriations requests for our legislative delegation, and throughout the year works closely with Congressional staff in Washington, D.C. to give those requests the best chance of success. Congress has not finished their work yet on the 2006 Appropriations Bills, and E. Del Smith and Company, Inc., continue to work with our Congressmembers' offices to provide whatever support they require related to appropriations requests.

■ **Funding for Dredging of the Los Angeles River Estuary**

E. Del Smith and Company, Inc., has been instrumental in raising awareness in Washington, D.C. that funding is needed to dredge the federal Los Angeles River Estuary channel in Long Beach. This channel closed in January 2004 as a result of the winter storms and, with the firm's assistance, the Army Corps was granted \$400,000 to provide interim dredging to temporarily address the problem. E. Del Smith and Company, Inc., continue to work on securing \$5 million for the Army Corps to fund a full dredge and disposal of the material in the channel.

■ **Community Development Block Grant Program (CDBG)**

In February, the President proposed to eliminate the CDBG program and merge it with 18 other programs under the Department of Commerce. With the assistance of E. Del Smith and Company, Inc., the City joined with cities across the nation to

oppose this restructuring. The FY 06 Budget that Congress passed preserved the CDBG program, and since that victory E. Del Smith and Company, Inc., has been advocating for full funding of CDBG in the Housing and Urban Development 2006 appropriations bill.

▪ **Feinstein Gang Prevention and Effective Deterrence Act of 2005**

Per the City Council's direction, E. Del Smith and Company, Inc., has been advocating for passage of Senator Feinstein's Gang Prevention Act. This piece of legislation would give communities more resources and tools to attack gang crime and make their neighborhoods safer places to live.

▪ **Homeland Security Funding**

This year there has been substantial legislative interest in changing the allocation structures for Homeland Security grants. E. Del Smith and Company, Inc., has assisted the City in reviewing three different legislative proposals and working with a coalition of 25 high-risk urban areas to support legislation that funnels the most dollars to areas based on risk, while preserving the current Urban Area Security Initiative (UASI) program structure.

▪ **Other Issues**

E. Del Smith and Company, Inc., helps on a daily basis with numerous other issues that are critical to Long Beach. For example, this year they pursued FEMA funding for disaster assistance due to the winter storms, tracked legislation related to the use of eminent domain, provided information related to the availability of federal funding for victims of Hurricane Katrina, and have advocated to ensure that civil liberties are protected under the USA PATRIOT Act. On top of advocating for specific issues, E. Del Smith and Company, Inc., provides detailed monthly reports of their actions and maintains excellent relationships with key members of Congress in both parties, as well as with Administration officials.

CONTRACT AMOUNT

It is recommended that the City Council approve a one-year contract with E. Del Smith and Company, Inc., and grant a 4 percent increase to cover increased expenses incurred while representing the City. Last year, the Consumer Price Index (CPI) for the Washington, D.C. area was 4 percent (July 2004 to July 2005), and the proposed increase reflects that change in the CPI. This recommendation would result in a monthly payment of \$9,860 (previously \$9,480). The total proposed increase would be \$4,560, bringing the total amount of the contract to \$118,320.

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REQUEST FOR PROPOSALS

After approval of this contract, it is recommended that the City conduct a Request for Proposal (RFP) process to solicit proposals from different advocacy firms who would like to offer their services to the City for Fiscal Year 2007. This will be a competitive process, and will be completed prior to the beginning of the next fiscal year.

This letter was reviewed by Senior Deputy City Attorney Donna F. Gwin and Budget Management Officer David Wodynski on October 10, 2005.

TIMING CONSIDERATIONS

City Council action is requested on October 18, 2005 to ensure continuation of services from E. Del Smith and Company, Inc.

FISCAL IMPACT

The annual cost for this service is \$118,320, based on a monthly retainer of \$9,860. Funds to support this activity are budgeted in the General Fund (GP) in the City Manager's Office (CM). The cost of advocacy services in the City Manager's Office is shared by departments and funds throughout the City that benefit from these services, including many non-General Fund operations.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



GERALD R. MILLER
CITY MANAGER