



ATTORNEY GENERAL OF TEXAS  
GREG ABBOTT

October 10, 2013

Mr. Frank L. Melton  
Assistant City Attorney  
City of San Antonio  
P.O. Box 839966  
San Antonio, Texas 78283

OR2013-14158A

Dear Mr. Melton:

This office issued Open Records Letter No. 2013-14158 (2013) on August 14, 2013. Since that date, we have received a third-party brief from Alamo City Constructors, Inc. ("Alamo") that affects the facts on which this ruling was based. *See* Gov't Code § 552.305(d); *see also* Open Records Decision No. 542 (1990) (statutory predecessor to section 552.305 permits governmental body to rely on interested third party to raise and explain applicability of exception in the Act in certain circumstances). Consequently, this decision serves as the corrected ruling and is a substitute for the decision issued on August 14, 2013. *See generally* Gov't Code § 552.011 (providing that Office of Attorney General may issue decision to maintain uniformity in application, operation, and interpretation of Public Information Act ("Act")). This ruling was assigned ID# 504587.

The City of San Antonio (the "city") received a request for all bid documents submitted for the 2013 Asphalt Overlay Package 23-01304, Packages 1 through 8. You state you have released some information to the requestor. Additionally, you state the requestor has agreed to some redactions. Although you take no position as to whether the submitted information is excepted under the Act, you state release of the submitted information may implicate the proprietary interests of Angel Brothers Enterprises, Ltd., Clark Construction of Texas, Inc. ("Clark"), H.L. Zumwalt Construction, Inc., J3 Company, L.L.C., Pronto Sandblasting & Coating & Oil Field Services Co., Inc., Ramming Paving Company, Alamo, Austin Constructors, L.L.C., EZ Bel Construction, L.L.C., MJC Industries, Inc. d/b/a MJC & Associates, and San Antonio Constructors, Ltd ("San Antonio"). Accordingly, you state, and provide documentation showing, you notified these third parties of the request for

information and of their right to submit arguments to this office as to why the submitted information should not be released. *See id.* § 552.305(d); *see also* ORD 542. You state San Antonio does not object to disclosure of its bid. We have received comments from Alamo and Clark. We have reviewed the submitted information and the submitted arguments.

Initially, we note an interested third party is allowed ten business days after the date of its receipt of the governmental body's notice under section 552.305(d) to submit its reasons, if any, as to why information relating to that party should be withheld from public disclosure. *See Gov't Code* § 552.305(d)(2)(B). As of the date of this letter, we have only received comments from Alamo, Clark, and San Antonio. Because we have not received comments from the remaining third parties, we have no basis to conclude these third parties have protected proprietary interests in the submitted information. *See id.* § 552.110; Open Records Decision Nos. 661 at 5-6 (1999) (to prevent disclosure of commercial or financial information, party must show by specific factual evidence, not conclusory or generalized allegations, that release of requested information would cause that party substantial competitive harm), 552 at 5 (1990) (party must establish *prima facie* case that information is trade secret), 542 at 3. Accordingly, the city may not withhold any of the remaining third parties' information on the basis of any proprietary interest they may have in the information.

Clark generally raises section 552.101 of the Government Code for its information. However, Clark has not pointed to any statutory confidentiality provision, nor are we aware of any, that would make any of this information confidential for purposes of section 552.101. *See, e.g.,* Open Records Decision Nos. 611 at 1 (1992) (common-law privacy), 600 at 4 (1992) (constitutional privacy), 478 at 2 (1987) (statutory confidentiality). Therefore, the city may not withhold any of Clark's information under section 552.101 of the Government Code.

Alamo and Clark state portions of their information are excepted from disclosure under section 552.110 of the Government Code. Section 552.110 protects (1) trade secrets and (2) commercial or financial information the disclosure of which would cause substantial competitive harm to the person from whom the information was obtained. *See Gov't Code* § 552.110(a)-(b). Section 552.110(a) protects trade secrets obtained from a person and privileged or confidential by statute or judicial decision. *Id.* § 552.110(a). The Texas Supreme Court has adopted the definition of trade secret from section 757 of the Restatement of Torts, which holds a trade secret to be:

any formula, pattern, device or compilation of information which is used in one's business, and which gives him an opportunity to obtain an advantage over competitors who do not know or use it. It may be a formula for a chemical compound, a process of manufacturing, treating or preserving materials, a pattern for a machine or other device, or a list of customers. It differs from other secret information in a business . . . in that it is not simply information as to single or ephemeral events in the conduct of the

business . . . . A trade secret is a process or device for continuous use in the operation of the business. . . . [It may] relate to the sale of goods or to other operations in the business, such as a code for determining discounts, rebates or other concessions in a price list or catalogue, or a list of specialized customers, or a method of bookkeeping or other office management.

RESTATEMENT OF TORTS § 757 cmt. b (1939); *see also Hyde Corp. v. Huffines*, 314 S.W.2d 776 (Tex. 1958). In determining whether particular information constitutes a trade secret, this office considers the Restatement's definition of trade secret as well as the Restatement's list of six trade secret factors.<sup>1</sup> RESTATEMENT OF TORTS § 757 cmt. b. This office must accept a claim that information subject to the Act is excepted as a trade secret if a *prima facie* case for the exception is made and no argument is submitted that rebuts the claim as a matter of law. *See Open Records Decision No. 552 at 5 (1990)*. However, we cannot conclude section 552.110(a) is applicable unless it has been shown the information meets the definition of a trade secret and the necessary factors have been demonstrated to establish a trade secret claim. *Open Records Decision No. 402 (1983)*. We note pricing information pertaining to a particular contract is generally not a trade secret because it is "simply information as to single or ephemeral events in the conduct of the business," rather than "a process or device for continuous use in the operation of the business." RESTATEMENT OF TORTS § 757 cmt. b; *see also Huffines*, 314 S.W.2d at 776; *Open Records Decision Nos. 255 (1980), 232 (1979), 217 (1978)*.

Section 552.110(b) protects "[c]ommercial or financial information for which it is demonstrated based on specific factual evidence that disclosure would cause substantial competitive harm to the person from whom the information was obtained[.]" Gov't Code § 552.110(b). This exception to disclosure requires a specific factual or evidentiary showing, not conclusory or generalized allegations, that substantial competitive injury would likely result from release of the information at issue. *Id.*; *see also Open Records Decision No. 661 at 5 (1999)* (to prevent disclosure of commercial or financial information, party must show

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<sup>1</sup>The Restatement of Torts lists the following six factors as indicia of whether information constitutes a trade secret:

- (1) the extent to which the information is known outside of [the company];
- (2) the extent to which it is known by employees and other involved in [the company's] business;
- (3) the extent of measures taken by [the company] to guard the secrecy of the information;
- (4) the value of the information to [the company] and [its] competitors;
- (5) the amount of effort or money expended by [the company] in developing the information;
- (6) the ease or difficulty with which the information could be properly acquired or duplicated by others.

RESTATEMENT OF TORTS § 757 cmt. b; *see also Open Records Decision Nos. 319 at 2 (1982), 306 at 2 (1982), 255 at 2 (1980)*.

by specific factual evidence, not conclusory or generalized allegations, that release of requested information would cause that party substantial competitive harm).

Alamo and Clark assert portions of their information constitute trade secrets under section 552.110(a) of the Government Code. However, upon review, we conclude Alamo and Clark have failed to establish a *prima facie* case that any portion of their information meets the definition of a trade secret. We further find Alamo and Clark have not demonstrated the necessary factors to establish a trade secret claim for any of their information. *See* ORD 402. Therefore, none of the information at issue may be withheld under section 552.110(a).

Further, we understand Alamo and Clark to argue portions of their information consist of commercial information the release of which would cause substantial competitive harm under section 552.110(b) of the Government Code. Upon review, we find Clark has demonstrated portions of its information constitute commercial or financial information, the release of which would cause substantial competitive injury. Accordingly, the city must withhold this information, which we have marked, under section 552.110(b) of the Government Code. However, we find Alamo and Clark have made only conclusory allegations that the release of any of the remaining information at issue would result in substantial harm to their competitive positions. *See* Open Records Decision Nos. 661 (for information to be withheld under commercial or financial information prong of section 552.110, business must show by specific factual evidence that substantial competitive injury would result from release of particular information at issue), 509 at 5 (1988) (because costs, bid specifications, and circumstances would change for future contracts, assertion that release of bid proposal might give competitor unfair advantage on future contracts is too speculative), 319 at 3 (information relating to organization and personnel, professional references, market studies, qualifications, and pricing are not ordinarily excepted from disclosure under statutory predecessor to section 552.110). Furthermore, we note some of the contracts at issue were awarded to Clark. This office considers the prices charged in government contract awards to be a matter of strong public interest; thus, the pricing information of a winning bidder is generally not excepted under section 552.110(b). *See* Open Records Decision No. 514 (1988) (public has interest in knowing prices charged by government contractors). *See generally* Dep't of Justice Guide to the Freedom of Information Act 344-345 (2009) (federal cases applying analogous Freedom of Information Act reasoning that disclosure of prices charged government is a cost of doing business with government). Accordingly, none of the remaining information at issue may be withheld under section 552.110(b).

Clark claims some of its information is confidential under section 552.128 of the Government Code. Section 552.128 is applicable to “[i]nformation submitted by a potential vendor or contractor to a governmental body in connection with an application for certification as a historically underutilized or disadvantaged business under a local, state, or federal certification program[.]” Gov't Code § 552.128(a). However, Clark does not

indicate it submitted the proposals in connection with an application for certification under such a program. Moreover, section 552.128(c) states that

[i]nformation submitted by a vendor or contractor or a potential vendor or contractor to a governmental body in connection with a specific proposed contractual relationship, a specific contract, or an application to be placed on a bidders list, including information that may also have been submitted in connection with an application for certification as a historically underutilized or disadvantaged business, is subject to required disclosure, excepted from required disclosure, or confidential in accordance with other law.

*Id.* § 552.128(c). In this instance, Clark submitted its proposals to the city in connection with specific proposed contractual relationships with the city. We therefore conclude the city may not withhold any portion of Clark's remaining information under section 552.128 of the Government Code.

Alamo raises section 552.131 of the Government Code for some of its information. Section 552.131 of the Government Code relates to economic development information and provides in part:

(a) Information is excepted from [required public disclosure] if the information relates to economic development negotiations involving a governmental body and a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and the information relates to:

(1) a trade secret of the business prospect; or

(2) commercial or financial information for which it is demonstrated based on specific factual evidence that disclosure would cause substantial competitive harm to the person from whom the information was obtained.

*Id.* § 552.131(a). Section 552.131(a) excepts from disclosure only "trade secret[s] of [a] business prospect" and "commercial or financial information for which it is demonstrated based on specific factual evidence that disclosure would cause substantial competitive harm to the person from whom the information was obtained." *Id.* This aspect of section 552.131 is co-extensive with section 552.110 of the Government Code. *See id.* § 552.110(a). Because we have already disposed of Alamo's claims under section 552.110, the city may not withhold any of Alamo's information under section 552.131(a) of the Government Code.

In summary, the city must withhold the information we marked under section 552.110(b) of the Government Code. The remaining information must be released.

This letter ruling is limited to the particular information at issue in this request and limited to the facts as presented to us; therefore, this ruling must not be relied upon as a previous determination regarding any other information or any other circumstances.

This ruling triggers important deadlines regarding the rights and responsibilities of the governmental body and of the requestor. For more information concerning those rights and responsibilities, please visit our website at [http://www.texasattorneygeneral.gov/open/orl\\_ruling\\_info.shtml](http://www.texasattorneygeneral.gov/open/orl_ruling_info.shtml), or call the Office of the Attorney General's Open Government Hotline, toll free, at (877) 673-6839. Questions concerning the allowable charges for providing public information under the Act may be directed to the Office of the Attorney General, toll free, at (888) 672-6787.

Sincerely,



Nicholas A. Ybarra  
Assistant Attorney General  
Open Records Division

NAY/ac

Ref: ID# 504587

Enc. Submitted documents

c: Requestor  
(w/o enclosures)

Mr. Paul Anderson  
For Alamo City Constructors, Inc.  
Anderson and Associates  
P.O. Box 240628  
San Antonio, Texas 78224  
(w/o enclosures)

Angel Brothers Enterprises, Ltd.  
1993 Wald Road  
New Braunfels, Texas 78132  
(w/o enclosures)

H.L. Zumwalt Construction, Inc.  
12354 FM 1560 North  
Helotes, Texas 78023  
(w/o enclosures)

J3 Company, L.L.C.  
6600 Highway 27  
Comfort, Texas 78013  
(w/o enclosures)

Ramming Paving Company  
105 Nell Deane Boulevard  
Schertz, Texas 78154  
(w/o enclosures)

Austin Constructors, L.L.C.  
7907 South FM 973  
Austin, Texas 78719  
(w/o enclosures)

EZ Bel Construction, L.L.C.  
203 Recoleta  
San Antonio, Texas 78216  
(w/o enclosures)

MJC Industries  
dba MJC & Associates  
10906 Laureate Drive, #100  
San Antonio, Texas 78249  
(w/o enclosures)

San Antonio Constructors, Ltd.  
P.O. Box 682008  
San Antonio, Texas 78268  
(w/o enclosures)

Annie S. Dadian-Williams, P.E.  
Clark Construction of Texas, Inc.  
5140 Gibbs Sprawl Road  
San Antonio, Texas 78132  
(w/o enclosures)

Pronto Sandblasting & Coating &  
Oil Field Services Co., Inc.  
9456 South Presa  
San Antonio, Texas 78223  
(w/o enclosures)