

HARBOR DIVISION

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**DATE: AUGUST 11, 2021**

**FROM: OFFICE OF THE CITY ATTORNEY**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - FIRST AMENDMENT TO LEGAL SERVICES AGREEMENT NO. 20-3742 WITH CROWELL AND MORING LLP FOR ANTITRUST MATTERS**

**SUMMARY:**

The Office of the City Attorney (Office) requests approval of the First Amendment to Agreement No. 20-3742 (First Amendment) between the City Los Angeles Harbor Department (Harbor Department) and Crowell and Moring LLP (Crowell). The proposed First Amendment extends the term of the Agreement by one year for a maximum term of four years and increases the maximum compensation authority by \$200,000 for a total maximum compensation of \$500,000. The current three-year term expires on May 13, 2023. The proposed Amendment would extend the term of the Agreement to a proposed four years and an expiration date of May 13, 2024. The additional term is necessary due to ongoing litigation support related to an appeal of the federal case identified as United States District Court Case No. 2:20-cv-03251-PSG-MAA entitled *Harbor Performance Enhancement Center, LLC v. City of Los Angeles Harbor Department, et al.* and a new state court action identified as Superior Court Case No. 21STCV15500 entitled *Harbor Performance Enhancement Center, LLC v. City of Los Angeles Harbor Department*. The Harbor Department is financially responsible for payment for legal services rendered under Agreement No. 20-3742.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners (Board):

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SUBJECT: FIRST AMENDMENT TO LEGAL SERVICES AGREEMENT NO. 20-3742  
WITH CROWELL AND MORING LLP

1. Find that the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines;
2. Find in accordance to Charter Section 1022 that the scope of work of the proposed Agreement can be more economically and feasibly provided by an independent contractor than by City employees;
3. Approve the First Amendment to Legal Services Agreement No. 20-3742 with Crowell and Moring LLP, to extend the term by one year for a maximum term of four years and increase the compensation authority by \$200,000 for a maximum compensation authority of \$500,000;
4. Authorize and direct the Board Secretary to forward the First Amendment to the City Council for its approval pursuant to Section 373 of the City Charter and Section 10.5 of the Los Angeles Administrative Code;
5. Authorize the Executive Director and Board Secretary to execute and attest to the Third Amendment; and
6. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background – Following a competitive Request for Proposals process, Crowell was awarded a three-year agreement, Agreement No. 20-3742 (Transmittal 1), to provide legal services for litigation and antitrust matters. Agreement No. 20-3742 commenced on May 14, 2020 for a three-year term with a maximum compensation not to exceed \$300,000.

First Amendment – The Office of the City Attorney requests that the Board approve the proposed First Amendment to extend the current three-year term to a four-year term and increase the compensation authority by \$200,000. The additional term and authority is necessary due to ongoing litigation support related to an appeal of the federal case identified as United States District Court Case No. 2:20-cv-03251-PSG-MAA entitled *Harbor Performance Enhancement Center, LLC v. City of Los Angeles Harbor Department, et al.* and a new state court action identified as Superior Court Case No. 21STCV15500 entitled *Harbor Performance Enhancement Center, LLC v. City of Los Angeles Harbor Department*.

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City Council Approval – The term extension will increase the existing term to a total of four years. As this is a four-year Agreement, the Harbor Department is required by the City Charter Section 373 and Los Angeles Administrative Code Section 10.5 to obtain City Council approval for a long-term contract.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is the approval of a First Amendment to Agreement No. 20-3742 to extend the term of the Agreement and increase the compensation authority for ongoing legal services for litigation and antitrust matters, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

**FINANCIAL IMPACT:**

The proposed action is approval of a First Amendment to Agreement No. 20-3742 to extend the term of the Agreement and increase the compensation authority. A total of \$264,810 has been spent in previous fiscal years. Funding for the legal services provided by Crowell in the amount of \$150,000 is available in the Fiscal Year (FY) 2021-22 Operating Budget within the Harbor Department City Attorney's Office Account No. 54410 (Legal Fees & Services), Division No. 120 and Program No. 000. Funding for future years, if necessary, will be requested as part of the annual budget adoption process. A funding out clause is included in the Agreement. Spending under Agreement No. 20-3742 has occurred and is anticipated to occur as follows:

FY 19-20	\$100,000
FY 20-21	\$164,810
FY 21-22	\$150,000
FY 22-23	\$ 51,114
<u>FT 23-24</u>	<u>\$ 34,076</u>
	\$500,000

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**CITY ATTORNEY:**

The Office of the City Attorney has reviewed and approved the proposed First Amendment as to form and legality.

**TRANSMITTALS:**

1. Agreement No. 20-3742 with Crowell and Moring LLP
2. First Amendment to Agreement No. 20-374

FIS Approval: MB

CA Approval: SO

*Steven Otera*  
STEVEN OTERA  
Assistant City Attorney

APPROVED:

By *Steven Otera*  
JANNA B. SIDLEY  
General Counsel, Harbor Department

APPROVED:

By *Marla Bleavins*  
EUGENE D. SEROKA  
Executive Director

Author: Steven Otera  
Board Meeting: