

HARBOR DIVISION

425 S. PALOS VERDES ST.

P.O. BOX 151

SAN PEDRO, CA 90733-0151

FACSIMILE

(310) 831-9778

(310) 732-3750



OFFICE OF THE CITY ATTORNEY

MICHAEL N. FEUER
CITY ATTORNEY

JANNA B. SIDLEY
GENERAL COUNSEL

JOY M. CROSE
ASSISTANT GENERAL COUNSEL

CHRISTOPHER B. BOBO
ESTELLE M. BRAAF
BRIAN DALUIO
JOHN T. DRISCOLL
JUSTIN HOUTERMAN
JANET KARKANEN
KENNETH F. MATTFELD
HEATHER M. MCCLOSKEY
ESTHER S. OLSEN
STEVEN Y. OTERA
MINAH PARK
HELEN J. SOK

DATE: JULY 9, 2019

FROM: OFFICE OF THE CITY ATTORNEY

**SUBJECT: RESOLUTION NO. _____ - LEGAL SERVICES AGREEMENT
BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND
NOSSAMAN LLP**

SUMMARY:

The Office of the City Attorney (Office) requests approval of a Legal Services Agreement (Agreement) between the City of Los Angeles Harbor Department (Harbor Department) and the law firm of Nossaman LLP (Nossaman) for legal services for eminent domain, inverse condemnation and real estate matters. The Agreement is for a term of three years with compensation authority of \$200,000. The Harbor Department is financially responsible for payment for legal services rendered under the proposed Agreement.

RECOMMENDATION:

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

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;

DATE: JULY 9, 2019

PAGE 2 OF 5

SUBJECT: LEGAL SERVICES AGREEMENT WITH NOSSAMAN LLP

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 a Legal Services Agreement with Nossaman LLP in the amount of \$200,000 for a three-year term From July 20, 2019 through July 19, 2022;
4. Ratify the Agreement commencement date of July 20, 2019 and expenses incurred from July 20, 2019 until the date of execution by the Harbor Department;
5. Authorize the Executive Director and Board Secretary to execute and attest to the Agreement; and
6. Adopt Resolution No. _____.

DISCUSSION:

Background – In accordance with Charter Section 275, the Office has determined that it requires outside legal counsel to assist it in the discharge of its duties to perform legal services in connection with eminent domain, inverse condemnation and real estate matters requiring specialized expertise and resources that exceed staff resources in this highly specialized area of law.

Need For Counsel And Scope Of Work – There are two outside counsel law firms (Nossaman LLP and Zuber Lawler and Del Duca) with existing Agreements. Both Agreements were initially one-year Executive Director Agreements but both were amended to extend the term to three years (Transmittal 1). The term for these Agreements terminates on July 19, 2019 and replacement counsel is needed from July 20, 2019 to provide services to meet the Harbor Departments' legal needs. Outside counsel is necessary because the Harbor Department routinely engages in real estate matters. Because of the steady work in this area, the Office has in-house attorney staff handling litigation and performing the majority of work without the use of outside counsel. Despite this, the Office still has need for assistance from outside counsel when specialized expertise is necessary for complex or new legal issues, and/or temporary spikes in work volume exceeding the capacity of in-house resources.

Competitive Counsel Selection Process – The Office relied on a January 7, 2019 competitive selection process conducted by the City Los Angeles Department of Water and Power for outside legal counsel in connection with eminent domain, inverse condemnation and real estate matters. Since the projects involved providing representation for the City in general real estate matters related to acquisitions, including but not limited to title, encumbrances, encroachments, trespasses, nuisances and landlord-tenant matters, relying on this selection process was appropriate.

DATE: JULY 9, 2019

PAGE 3 OF 5

SUBJECT: LEGAL SERVICES AGREEMENT WITH NOSSAMAN LLP

The Office reviewed the 13 proposal applications and based upon the quality and responsiveness of their proposal, demonstrated specific expertise and cost effectiveness, the Office recommends Nossaman as the most qualified and in the best interests of the Harbor Department. The firm possesses specialized legal expertise and relevant experience performing legal services in the areas of real estate matters, particularly as they relate to public entities. The Office also evaluated the 2016-2019 performance of Nossaman during which time their work included representing the City in the matter of the San Pedro Waterfront, LLC bankruptcy proceeding in the U.S. Bankruptcy Court as well as general advice on claims, settlement agreements, tenancy matters and issues with permits, leases and licenses.

The evaluation criteria used includes demonstrated legal expertise and relevant experience and trial/appellate litigation in a wide variety of real estate matters, experience in representing public entities, proposed staffing and strategy, and proposed costs of legal services. Based on the review process, the Office of the City Attorney determined that Nossaman is the most knowledgeable, experienced and responsive. Two additional law firms (Alvarado Smith PC and Bergman Dacey Goldsmith PLC) will also be recommended for agreements; however, due to specific needs, the proposed Agreement with Nossaman is being expedited. The additional firms will be recommended at a future date and under a separate Board Report.

Proposed Agreement Terms - The Agreement terms are as follows:

- **Term:** Three years from July 20, 2019 (approximately 2019-2022)
- **Contract Authority:** Maximum amount not to exceed \$200,000.
- **Scope of work:** Harbor Department real estate matters and litigation
- **Standard City and City Attorney Agreement provisions.**

If the Board approves the new proposed Agreement, the Board is also requested to ratify the contract commencement date of July 20, 2019, in order to avoid a gap in legal services when the existing contract expires. The Harbor Department is not legally obligated to pay for services rendered prior to the commencement of a contract, but the Board may in its discretion ratify such a contract and authorize the retroactive start date.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of a legal services agreement with Nossaman for ongoing legal services for real estate matters and litigation, 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 under Article II, Section 2 (f), of the Los Angeles City CEQA Guidelines.

DATE: JULY 9, 2019

PAGE 4 OF 5

SUBJECT: LEGAL SERVICES AGREEMENT WITH NOSSAMAN LLP

FINANCIAL IMPACT:

The proposed action is for the approval of an Agreement for legal services for a three-year term and compensation authority of \$200,000. The Harbor Department is financially responsible for payment for legal services rendered under the proposed Agreement. Funding in the amount of \$50,000 has been included in the Fiscal Year 2019-20 Operating Budget within the Harbor Department City Attorney's Office Account No. 54410 (Legal Fees & Services), Division No. 0120 and Program No. 000. Funding for future fiscal years if necessary, will be requested to be budgeted as part of the annual budget adoption process, upon Board approval. A funding out clause is included in the Agreement. Spending under the proposed Agreement is expected to occur as follows:

Firm	FY 19/20	FY 20/21	FY 21/22	TOTAL
Nossaman LLP	\$50,000	\$75,000	\$75,000	\$200,000

DATE: JULY 9, 2019

PAGE 5 OF 5

SUBJECT: LEGAL SERVICES AGREEMENT WITH NOSSAMAN LLP

CITY ATTORNEY:

The Office of the City Attorney has prepared and approved the proposed Agreement as to form and legality.

TRANSMITTALS:

1. Legal Services Agreement No. E-6845 with Nossaman LLP and Amendments 1 & 2
2. Legal Services Agreement with Nossaman LLP

FIS Approval: MB

CA Approval: me



JANET KARKANEN
Deputy City Attorney

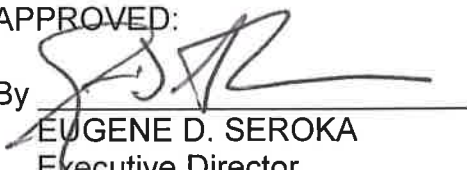
APPROVED:

By


JANNA B. SIDLEY
General Counsel, Harbor Department

APPROVED:

By


EUGENE D. SEROKA
Executive Director

Author: JK/ksh
Board Meeting: July 25, 2019