

HARBOR DIVISION

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HELEN J. SOK

DATE: JULY 31, 2018

FROM: OFFICE OF THE CITY ATTORNEY

SUBJECT: RESOLUTION NO. _____ SECOND AMENDMENT TO
AGREEMENT NO. E-6845 BETWEEN THE CITY OF LOS ANGELES
HARBOR DEPARTMENT AND NOSSAMAN LLP

SUMMARY:

The Office of the City Attorney requests the Board of Harbor Commissioners (Board) approval of a Second Amendment (Second Amendment) to Agreement No. E-6845 between the City of Los Angeles Harbor Department (Harbor Department) and Nossaman LLP (Nossaman). The Second Amendment would increase compensation by \$150,000 to an amount not to exceed \$300,000 over the three-year term of Agreement No. E-6845 for specialized legal services related to real estate matters and litigation. The Harbor Department is responsible for payment of expenses under Agreement No. E-6845.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Find that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(f), of the Los Angeles City CEQA Guidelines as determined by the Director of Environmental Management;
2. Approve the Second Amendment to Agreement No. E-6845 with Nossaman LLP, increasing the compensation by \$150,000 to an amount not to exceed \$300,000;

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3. Authorize the Executive Director to execute and the Board Secretary to attest to the Second Amendment to Agreement No.E-6845; and
4. Adopt Resolution No. _____.

DISCUSSION:

Background and Context – Nossaman was initially retained under Executive Director Agreement No. E-6845 (Transmittal 1). The Executive Director Agreement became a Board Agreement when the Board approved a First Amendment to the Agreement (First Amendment) on June 15, 2017 (Transmittal 2). The First Amendment extended the term of Agreement No. E-6845 by two years, with no increase in compensation. The term extension was necessary due to ongoing legal services for multiple real property matters. As per the First Amendment, the term for Agreement No. E-6845 commenced July 20, 2016 and will terminate on July 19, 2019.

Selection Process - The Office of the City Attorney conducted a competitive Request for Proposals (RFP) selection process in February 2016. The RFP for legal services was posted on February 11, 2016 on the City of Los Angeles Business Assistance Virtual Network (LABAVN). Under the scope of work, firms were able to propose legal services assisting the City Attorney's Office in providing advice and representation to the Harbor Department in connection with real property related matters. The scope included complex commercial and industrial leasing of real property by a governmental agency landlord, assigning and subleasing, ground leasing and financing, Tidelands Trust and real estate remedies and enforcing leases.

The Harbor Department received proposals from 10 firms. The proposals were evaluated by a three member review committee (Committee) consisting of three Assistant City Attorneys from the Office of the City Attorney. Based upon the scores, the Committee selected two firms, Nossaman and another firm, for agreements to provide real estate legal services to the Harbor Department.

Second Amendment- The Second Amendment will provide additional funds that will be required for real estate matters related to the development of the San Pedro Public Market. The Office of the City Attorney requests approval of the Second Amendment to increase compensation by \$150,000 to an amount not to exceed \$300,000 (Transmittal 3). The scope of work under the Second Amendment is to assist the Office of the City Attorney with pending bankruptcy proceedings commenced by a former tenant at Ports O' Call, as well as other ongoing real estate matters.

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ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of a Second Amendment for Agreement No. E-6845 with Nossaman LLP for legal services for real property matters and related 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 in accordance under Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the Second Amendment would increase compensation under Agreement No. E-6845 by \$150,000 for a total amount not to exceed \$300,000. The total remaining contract authority is \$127,680, which is expected to be expended during the summer of 2018. Funding for the \$150,000 increase was included in the FY 2018-2019 Adopted Budget, and these funds are available within the Harbor Department City Attorney's Office Account No. 54410, Division 120 and Program No. 000.

A funding out clause is included in Agreement No. E-6845. This clause stipulates that if, in any subsequent fiscal year, funds are not appropriated by the City for the work required by the agreement, then the agreement shall be terminated. However, the termination would not relieve the parties of liability for any obligation previously incurred.

The schedule of compensation broken down by fiscal year is as follows:

FY 2016-17	\$10,813
FY 2017-18	\$11,507
FY 2018-19	\$277,680
TOTAL	\$300,000

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CITY ATTORNEY:

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

TRANSMITTALS:

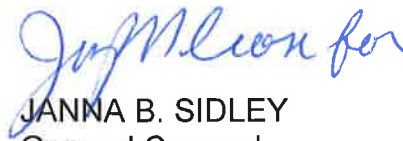
1. Agreement No. E-6845 with Nossaman LLP
2. First Amendment to Agreement No. E-6845
3. Proposed Second Amendment to Agreement No. E-6845

FIS Approval: 

CA Approval: 




JANET KARKANEN
Deputy City Attorney



JANNA B. SIDLEY
General Counsel

APPROVED:

By 

EUGENE D. SEROKA
Executive Director