

HARBOR DIVISION

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**DATE: JANUARY 24, 2012**

**FROM: OFFICE OF THE CITY ATTORNEY**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - AGREEMENTS FOR LEGAL SERVICES BETWEEN THE CITY OF LOS ANGELES AND MEYERS NAVE RIBACK SILVER & WILSON, AND THE SOHAGI LAW GROUP**

**SUMMARY:**

The Office of the City Attorney recommends approval of Agreements for Legal Services (Agreements) between the City of Los Angeles Harbor Department (Harbor Department) and two law firms to provide legal services to assist the Office of the City Attorney in environmental matters. The proposed Agreements are with two law firms selected through a competitive selection process: (1) Meyers Nave Riback Silver & Wilson, and (2) The Sohagi Law Group. Each of the two (2) proposed Agreements is in the amount of \$330,000 and is for a term of three (3) years.

**RECOMMENDATION:**

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

1. Authorize the selection and retention of two law firms pursuant to Los Angeles City Charter Section 275, to assist the Office of the City Attorney in providing legal services to the Harbor Department: (1) Meyers Nave Riback Silver & Wilson, and (2) The Sohagi Law Group;
2. Approve the two (2) Agreements for Legal Services, each in the amount of \$330,000 and each for a term of three (3) years, with (1) Meyers Nave Riback Silver & Wilson, and (2) The Sohagi Law Group (Transmittal 1); and
3. Authorize the Executive Director to execute and the Board Secretary to attest to said Agreements, for and on behalf of the Board; and
4. Adopt the foregoing as Resolution No. \_\_\_\_\_.

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**DISCUSSION:**

Background – In accordance with Charter Section 275, the Office of the City Attorney (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 environmental matters, specifically issues under the California Environmental Quality Act (CEQA), National Environmental Policy Act (NEPA) and other environmental matters requiring specialized expertise and resources that exceed staff resources in this highly specialized area of law. The Office has two current Agreements for Legal Services with law firms providing legal services on CEQA/NEPA and environmental matters, with Meyers Nave Riback Silver & Wilson, and with The Sohagi Law Group. Both of the current Agreements expire on February 28, 2012.

Need For Counsel And Scope Of Work - The Harbor Department has significant volume of major capital improvement projects planned in the next three years comprising the proposed three-year contract period of the Agreements. Because of the substantial nature and complexity of port terminal and infrastructure projects the environmental impact reports (EIRs) under CEQA and environmental impact statements (EISs) under NEPA require complex technical analysis and disclosures requiring specialized expertise. Also, in recent years the Harbor Department has experienced a number of legal challenges to its EIRs/EISs under CEQA and NEPA which have cost the Harbor Department in both project delays and expensive settlements, further justifying the use of additional legal resources.

Because of the steady work in this area, the Office has increased its in-house attorney staff to add two attorneys specializing in CEQA and has steadily reduced the volume and expense of outside counsel assistance from \$1,765,036 in FY 2007-8 to \$326,994 in FY 2010-11. Despite this substantial reduction our 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 our in-house resources, such as heavy litigation. This assistance of outside counsel helps reduce risk of challenges delaying or stopping the Harbor Department's capital improvement projects that are vital to its strategic competitiveness and protection of public assets and revenues.

Competitive Counsel Selection Process – Because both the City Attorney divisions representing the Harbor Department and the Department of Water and Power (DWP) were seeking outside legal counsel with the same environmental law specialty, we worked together on a competitive selection process in which a Request for Proposals (RFP) and interviews were handled jointly, but selection was made separately by each division based on their own needs. In October 2011, the City Attorney's Office issued an RFP for outside legal counsel services to assist the Office in providing legal services

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to the both the Harbor Department and DWP in CEQA, NEPA, and related environmental matters. Eighteen (18) law firms responded to the RFP. Based upon a review of all proposals submitted, our Office identified and subsequently interviewed six firms that were considered to be the most qualified to provide the services required by the Harbor Department. Interviews were conducted between November 7-9, 2011 jointly by an interview panel consisting of both Harbor Department and DWP representatives and one downtown City Attorney representative. Following the interviews, the full panel discussed the candidates but had separate selection panels to make decisions for their separate divisions.

The evaluation criteria used includes demonstrated legal expertise and relevant experience in both CEQA/NEPA document preparation advice and trial/appellate litigation in a wide variety of CEQA, NEPA and related environmental law matters, experience in representing public entities, proposed staffing and strategy, and proposed costs of legal services. Other considerations included specific expertise in environmental analysis and legal issues of particular importance to the Harbor Department. Based on the interviews conducted and the RFP submissions, the Harbor Department selection panel found that three firms were best qualified to provide the anticipated assistance needed services for the Harbor Department and propose Agreements for two of the three firms in this Board action: (1) Meyers Nave Riback Silver & Wilson (Meyers Nave) and (2) The Sohagi Law Group. Our Office is proposing to go forward with Agreements for these two firms today due to their being in existing contracts that will expire on February 28, 2012. A third firm was selected by the panel but our Office is working with the firm on conflict waivers relating to past work performed by the firm for other clients, and will need additional time to process its contract. Our Office will return to the Board at a future date to propose a similar contract for the third firm after the conflicts issues are resolved.

Proposed Agreement Terms - We recommend that each of the two firms identified above be awarded a three-year contract with an initial appropriation of \$330,000 each, to assist our Office with the anticipated environmental work for the Harbor Department's capital improvement projects over the next three years. Further explanation of proposed legal work to be performed by the outside legal counsel under the Agreements is set forth in a separate privileged and confidential legal memorandum from our Office to the Board.

We have an approved CEQA outside counsel budget of \$631,129 for FY 2011-12 and as of invoices billed through November 30, 2011 have only spent \$113,357, leaving an unspent balance of \$518,665, some of which will be spent for December 2011 through February 2012 work under existing contracts. The two Agreements together would appropriate \$100,000 of this remaining \$517,772 for the March through June 2012 remainder of FY 2011-12. Our Office is proposing that the Board approve the two proposed Agreements totaling \$660,000 in the aggregate to assist with environmental

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legal services, allocated between the two firms across four fiscal years over the three-year contract period as follows:

Fiscal Year	Aggregate Amount Both Agreements Over 3-Year Contract Period	Individual Firm Agreement Amounts
FY 2011-12 3/1/12 - 6/30/12 (4 months)	\$100,000	<ul style="list-style-type: none"><li>• Meyers -\$30,000</li><li>• Sohagi -\$70,000</li></ul>
FY 2012-13 7/1/12 - 6/30/13 (12 months)	\$350,000	<ul style="list-style-type: none"><li>• Meyers -\$175,000</li><li>• Sohagi -\$175,000</li></ul>
FY 2013-14 7/1/13 - 6/30/14 (12 months)	\$160,000	<ul style="list-style-type: none"><li>• Meyers -\$100,000</li><li>• Sohagi -\$60,000</li></ul>
FY 2014-15 7/1/14 - 2/28/15 (8 months)	\$50,000	<ul style="list-style-type: none"><li>• Meyers -\$25,000</li><li>• Sohagi -\$25,000</li></ul>

**TOTAL \$660,000**

While not being proposed for action by the Board at this time, for the Board's information in terms of overall CEQA counsel expenditures over the contract period of the Agreements, the additional proposed contract with the third law firm to be brought to the Board in the next several months will likely be a three-year agreement in the approximate amount of \$240,000. If such third contract was approved and budget approval granted, this would bring the total environmental outside counsel expense over the three year March 1, 2012 – February 28, 2015 contract period to \$900,000 (\$660,000 + \$240,000).

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is for the approval of two (2) Agreements for Legal Services, each in the amount of \$330,000 and for a term of three (3) years, for legal services to assist the Office in Harbor Department matters. As an administrative activity, the Director of Environmental Management has determined 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 CEQA Guidelines.

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**FINANCIAL IMPACT:**

The proposed two Agreements each authorize \$330,000 for an aggregate total of \$660,000. The Office of the City Attorney has advised that funds for these Agreements will be expended as follows:

Fiscal Year 2011/12	\$100,000	(\$70,000 + \$30,000)
Fiscal Year 2012/13	\$350,000	(2 Agreements at \$175,000 each)
Fiscal Year 2013/14	\$160,000	(\$100,000 + \$60,000)
Fiscal Year 2014/15	\$ 50,000	(2 Agreements at \$25,000 each)
<b>TOTAL</b>	<b>\$660,000</b>	

Funds in the amount of \$100,000 for Fiscal Year 2011/12 are available in Account No. 54410, Division No. 0120, Program No. 000. These funds are currently designated generally for "Environmental Counsel" and are available for FY 2011/12 appropriation for these two Agreements. A Fiscal Year 2012/13 budget request in the amount of \$500,000 for CEQA counsel which would include funding \$350,000 for these two Agreements has been submitted to Accounting and is pending approval through the Harbor Department's FY 2012/13 annual budget adoption process, subject to Board approval.

The Harbor Department's financial obligations after the current fiscal year are contingent upon the Board's approval of the budget and appropriation of funds. If any subsequent year funds are not appropriated by the Board for these Agreements, the Agreements shall be adjusted to the approved budget amounts or terminated if necessary. A funding-out clause is included in each Agreement.

**ECONOMIC BENEFITS:**

Approval of these two (2) Agreements will support four (4) direct and five (5) secondary one-year equivalent jobs in the five-county region.

**CITY ATTORNEY:**

The Office of the City Attorney has reviewed and approved as to form and legality, the proposed Agreements for Legal Services with (1) Meyers Nave Riback Silver & Wilson, and (2) The Sohagi Law Group.

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**TRANSMITTALS:**

1. Proposed Agreements for Legal Services
  - a. Meyers Nave Riback Silver & Wilson
  - b. The Sohagi Law Group

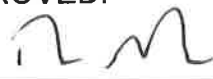
FIS Approval:  (initials)

CA Approval:  (initials)



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Assistant General Counsel

APPROVED:

By   
THOMAS A. RUSSELL  
General Counsel, Harbor Department

CONCURRED:

By   
GERALDINE KNATZ, Ph.D.  
Executive Director

Author: Joy Crose  
Board meeting: 2/2/2012