

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
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: OCTOBER 8, 2015

FROM: OFFICE OF THE CITY ATTORNEY

**SUBJECT: RESOLUTION NO. _____ - AGREEMENT FOR ELECTRONIC
ON-LINE LEGAL RESEARCH SERVICES WITH LEXISNEXIS, INC.**

SUMMARY:

As part of its legal representation of the City of Los Angeles Harbor Department (Harbor Department), the Office of the City Attorney provides legal advice, handles transactions, and represents the Harbor Department in litigation, administrative proceedings, and other legal proceedings that from time-to-time require electronic computer assisted on-line legal research services, including electronic legal research of statutes, regulations, court cases, legislation, and other legal authority and public records. The Office of the City Attorney requests the Board of Harbor Commissioners (Board) to approve and award a three-year agreement (Agreement) to LexisNexis, Inc. (LexisNexis) to provide such on-line legal research services in an anticipated amount of \$106,920. The Harbor Department is financially responsible for payment of expenses under the proposed Agreement.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Find that 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 City CEQA Guidelines.

SUBJECT: AGREEMENT FOR ELECTRONIC ON-LINE LEGAL RESEARCH SERVICES

2. Find that this Agreement qualifies for award on a sole source basis as a contract for the performance of professional, technical and special services of a temporary or occasional character for which competitive bidding is not practicable or advantageous, pursuant to Los Angeles City Charter, Section 371(e)(2) and Los Angeles Administrative Code Section 10.15(a)(2);
3. Find in accordance to Los Angeles City 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;
4. Approve the Agreement in substantial form as attached with LexisNexis, Inc. for electronic computer assisted on-line legal research services for a period of three years from November 1, 2015 through October 31, 2018, in an amount not-to-exceed \$106,920;
5. Authorize the Executive Director and Board Secretary to execute and attest to the Agreement in substantially the form attached hereto; and
6. Adopt Resolution No. _____.

DISCUSSION:

Background and Context - In representing the Harbor Department in litigation and administrative proceedings and providing legal advice in transactions, compliance and other legal matters, the Office of the City Attorney often requires the use of electronic on-line computer assisted legal research services that range from search and retrieval of statutes, codes and court cases, electronic citation checking services as well as access to various state and federal court dockets and file services and public records. On-line legal research services are highly specialized, technical research tools that cannot be feasibly or economically developed by or provided by City of Los Angeles employees and that are critically necessary to the Office of the City Attorney in order to access the most accurate and recent legal authorities for use in providing legal advice and handling litigation and other legal proceedings.

The term of the current agreement with LexisNexis is November 1, 2012 through October 31, 2015, in an amount not-to-exceed \$150,000. The monthly flat rate subscription includes training and usage for 15 attorneys. A total of \$105,256 has been spent through August 30, 2015. The total amount spent by the end of the agreement (October 31, 2015) will be \$111,588. Additional contract authority in the amount of \$38,412 was for special services not included in the monthly subscription such as CourtLink and CaseMap. While these services were anticipated the funds were not used and these services are not included in the current request.

SUBJECT: AGREEMENT FOR ELECTRONIC ON-LINE LEGAL RESEARCH SERVICES

Selection Process - There are primarily two on-line legal research systems in use by attorneys nationwide, LexisNexis and Westlaw. They have different scopes of coverage, functionality and features. In 2005, the Office of the City Attorney completed a competitive selection process for on-line legal research services and after evaluating LexisNexis and Westlaw, selected LexisNexis because it provides the most comprehensive legal, news, business and public records content. Since 2005, the City Attorneys in the Harbor Department have been very satisfied with the system's scope and functionality, as LexisNexis continues to retain the most public records in California and nationwide. The collection includes billions of public records, approximately 20% more than any other provider. There is 55% more state and local news sources nationwide than the closest competitor. An important feature that is exclusively available through LexisNexis is Shepard's Citations Service, the leading citation authority for 140 years, that includes features such as full-spectrum editorial analysis highlighting both negative and positive treatment of selected cases; summaries highlighting important information, making it easy to quickly check the validity and applicability of the cases; and alerts delivering monthly, weekly or daily case citation updates any time there are changes to reports for specific cases. Another exclusive tool is Lexis Advance, which provides a more efficient way to search, and which delivers comprehensive and relevant results that can be managed, stored, accessed and tracked on demand. Due to the content advantage and the unique capabilities offered by and only available through LexisNexis, such as Lexis Advance and Shepard's Citations Service, it is the professional legal opinion of the City Attorneys serving the Harbor Department that the LexisNexis system is the best suited to their professional and technical needs.

As a contract for the performance of professional, technical and special services of a temporary or occasional character for which competitive bidding is not practicable or advantageous, this contract qualifies for award on a sole source basis pursuant to Los Angeles City Charter Section 371(e)(2) and Los Angeles Administrative Code Section 10.15(a)(2). Even though this contract qualifies for a sole source award, the City Attorney's Office requested a proposal from Westlaw, Westlaw did not respond to the request. The services and resources provided by Westlaw are very different from those provided by LexisNexis. LexisNexis offers Lexis Advance (a Google-like search engine), the largest public records search nationwide, the most news and business sources and exclusive secondary legal analytical materials cited by courts, most often including Shepard's, Matthew Bender California Litigation Titles, American Law Report, The Witkin Library and Benedict on Admiralty.

Proposed Agreement - The rate structure for the Agreement includes a flat monthly rate subscription providing access to all LexisNexis services including training for 14 attorneys and 14 support staff members. Based on past experience the most cost effective way of accessing these services is a flat monthly rate subscription instead of a transactional plan with fees based on connection time and added multiple usage charges (fees per-search, per displays, per document access, per document retrieval,

SUBJECT: AGREEMENT FOR ELECTRONIC ON-LINE LEGAL RESEARCH SERVICES

and per legal citation). As a comparison document retrieval on a transactional plan would cost \$6.00 per retrieval compared to \$3.00 per retrieval on the flat rate plan. Two searches with a twenty minute connection time would cost \$44 on a transactional plan compared to \$27 on the flat rate plan. Since the flat rate is more advantageous for the Harbor Department this option was selected for the proposed Agreement. The monthly subscription rate is set forth in the schedule below by contract year (see Financial Impact section for fiscal year breakdown):

TOTAL CONTRACT AUTHORITY \$106,920

Monthly Flat Rate Subscription \$106,920 for 3 Years

November 1, 2015 to October 31, 2016 - \$2,930 per month = \$35,160 per contract year
November 1, 2016 to October 31, 2017 - \$2,960 per month = \$35,520 per contract year
November 1, 2017 to October 31, 2018 - \$3,020 per month = \$36,240 per contract year

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of an Agreement with LexisNexis for on-line legal research services. 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) in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

This Board action will have no direct employment impact.

FINANCIAL IMPACT:

Funding for the proposed Agreement has been budgeted in the amount of \$40,000 in the FY 2015-2016 Operating Budget, within the Harbor Department City Attorney's Office Account No. 54110, 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 proposed Agreement. The schedule of compensation broken down by fiscal year is as follows:

Previous Agreement (Expires October 31, 2015)
FY 2015-16: July 1, 2015 – October 31, 2015 \$12,664

SUBJECT: AGREEMENT FOR ELECTRONIC ON-LINE LEGAL RESEARCH SERVICES

Proposed New Agreement:

FY 2015-16: November 1, 2015 - June 30, 2016	\$23,440
FY 2016-17: July 1, 2016 – October 31,, 2016	\$11,720
FY 2016-17: November 1, 2016 – June 30, 2017	\$23,680
FY 2017-18: July 1, 2017 – October 31, 2017	\$11,840
FY 2017-18: November 1, 2017 – June 30, 2018	\$24,160
FY 2018-19: July 1, 2018 – October 31, 2018	<u>\$12,080</u>
TOTAL	\$106,920

Firm	FY 15/16	FY16/17	FY17/18	FY 18/19	TOTAL
LEXISNEXIS	\$ 23,440	\$35,400	\$36,000	\$12,080	\$106,920

SUBJECT: AGREEMENT FOR ELECTRONIC ON-LINE LEGAL RESEARCH SERVICES


CITY ATTORNEY:

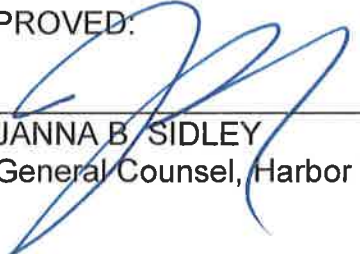
The Office of the City Attorney has reviewed and approved the proposed Agreement as to form and legality.

TRANSMITTAL:

- 1. Proposed Agreement with LexisNexis, Inc.

FIS Approval: MB (initials)
 CA Approval: [Signature] (initials)


 CHRISTOPHER B. BOBO
 Assistant City Attorney

APPROVED:
 By 
 JANNA B. SIDLEY
 General Counsel, Harbor Department

APPROVED:
 By 
 FOR EUGENE D. SEROKA
 Executive Director