

HARBOR DIVISION

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HELEN J. SOK

**DATE: FEBRUARY 4, 2020**

**FROM: OFFICE OF THE CITY ATTORNEY**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - FIRST AMENDMENT TO NOSSAMAN  
LLP LEGAL SERVICES AGREEMENT NO. 19-3668**

**SUMMARY:**

The Office of the City Attorney (Office) requests approval of the First Amendment to Agreement No. 19-3668 (First Amendment) between the City Los Angeles Harbor Department (Harbor Department) and Nossaman LLP (Nossaman) for legal advice and litigation support which includes, but is not limited to, a petition for a writ of mandate, identified as Superior Court Case No. 19STCP02431 entitled *Harbor Performance Enhancement Center (HPEC), LLC v. City of Los Angeles Harbor Department*, and an administrative claim recently filed with the City Clerk, arising out of the same facts, that is likely to result in a separate lawsuit for damages. The First Amendment increases compensation by \$1,573,650 for a maximum total compensation not to exceed \$1,773,650, with no change in term, which ends on July 19, 2022. The Harbor Department is financially responsible for payment for legal services rendered under Agreement No. 19-3668.

**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;

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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 the First Amendment to Legal Services Agreement No. 19-3668 with Nossaman LLP, to increase the compensation by \$1,573,650 for a maximum total compensation not to exceed \$1,773,650; and
4. Authorize the Executive Director and Board Secretary to execute and attest to the First Amendment; and
5. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background – Following a competitive Request for Proposals process, Nossaman was awarded a three-year agreement, Agreement No. 19-3668 (Transmittal 1), to provide legal services for eminent domain, inverse condemnation and real estate matters. Prior to being awarded Agreement No. 19-3668, Nossaman had previously represented the Harbor Department in the Ports O' Call Bankruptcy matter and had provided general legal advice and litigation support in various aspects relating to real property law.

Existing Contract – Agreement No. 19-3668 commenced on July 20, 2019 for a three-year term with a maximum compensation not-to-exceed \$200,000. Since being awarded this Agreement, Nossaman has actively assisted the Harbor Department in legal services related to the HPEC litigation.

Proposed First Amendment – As of November 30, 2019, \$100,000 has been incurred under Agreement No. 19-3668 related to the HPEC litigation. The remaining unspent compensation authority of \$100,000 is anticipated to be expended by January 31, 2020. The Office of the City Attorney requests that the Board approve the First Amendment to add additional authority of \$1,573,650 for a total compensation not to exceed \$1,773,650, with no change to the existing three-year term. The additional funding provides litigation support for trial preparation in the writ proceeding and additional matters anticipated through July 19, 2022.

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**ENVIRONMENTAL ASSESSMENT:**

The proposed action is the approval of a First Amendment to Agreement No. 19-3668 to increase compensation for ongoing legal services for litigation and real estate 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. 19-3668 to increase compensation by \$1,573,650 to a maximum not-to-exceed compensation authority of \$1,773,650. Spending under the First Amendment to Agreement No. 19-3668 is anticipated to occur as follows:

<b>Firm</b>	<b>FY 19-20</b>	<b>FY 20-21</b>	<b>FY 21-22</b>	<b>FY 22-23</b>	<b>TOTAL</b>
Nossaman	\$700,000	\$500,000	\$500,000	\$73,650	\$1,773,650

Funding for the legal services provided by Nossaman in the amount of \$700,000 is available in the Fiscal Year (FY) 2019-20 Operating Budget within the Harbor Department City Attorney's Office Account No. 54410, Division No. 120 and Program No. 000.

FY 2020-21 funding in the amount of \$500,000 will be requested as part of the annual budget adoption process in FY 2020-21 within the Harbor Department City Attorney's Office Account No. 54410, 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.

**CITY ATTORNEY:**

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

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TRANSMITTALS:

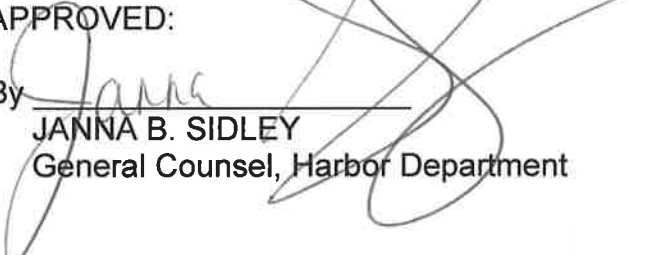
1. Agreement No. 19-3668 with Nossaman LLP
2. First Amendment to Agreement No. 19-3668

FIS Approval: 


CA Approval: 

 FOR  
JANET KARKANEN  
Deputy City Attorney

APPROVED:

By   
JANNA B. SIDLEY  
General Counsel, Harbor Department

APPROVED:

By   
EUGENE D. SEROKA  
Executive Director

Author: Janet Karkanen  
Board Meeting: February 20, 2020