



CITY OF CARSON

Legislation Text

File #: 2021-409, Version: 1

Report to Mayor and City Council

Tuesday, May 18, 2021

Consent

SUBJECT:

CONSIDERATION AND APPROVAL OF AMENDMENT NO. 3 TO THAT CERTAIN CONTRACT SERVICES AGREEMENT FOR CITY ATTORNEY SERVICES (C-08-002) (CITY COUNCIL)

I. SUMMARY

Presented for the City Council's consideration and approval is Amendment No. 3 to the Contract Services Agreement for City Attorney Legal Services with Aleshire and Wynder, LLP (Exhibit No. 1).

II. RECOMMENDATION

TAKE the following actions:

1. APPROVE Amendment No. 3 to the Contract Services Agreement for the City Attorney Legal Services for the City of Carson.
2. AUTHORIZE the Mayor to execute the agreement.

III. ALTERNATIVES

TAKE another action the City Council deems appropriate.

IV. BACKGROUND

The City Attorney has not received any rate increases in the last seven (7) years even though cumulative CPI adjustment for the last 7 years has been 7.7%. Furthermore, during the last thirteen (13) years, the City Attorney has only received one rate increase and only after the office took a voluntary rate reduction to financially assist the City in 2010.

As is shown below, the City Attorney has one of the lowest rates compared to other contract consultants in the City and compared to other public law firms serving other cities.

Even after the rate adjustment, the City Attorney's rates will be under market. The proposed new rate structure could have an approximate \$200,000 impact on the City Attorney's budget. However, since the City Attorney has consistently come under budget, the impact may be less. Also, the City Attorney's proposed new rate structure annualized over the next 4 years will represent only less than a cumulative 2.5% increase.

The table below summarizes the City's Attorney's rates since 2008:

Rate Adjustments	Effective Dates	70 Hrs (Gen Svcs)	>70 Hrs (Gen Svcs)	Litigation n/ Spec Svcs
6/17/08 Fee Agreement (Pt. 1 of 2)	6/17/08 - 6/30/09	\$135	\$150	\$195
6/17/08 Fee Agreement (Pt. 2 of 2)	7/1/09 - 3/31/10	\$150	\$160	\$205
4/21/10 Letter re Voluntary Reduction of A&W Hourly Billing Rates (Rollback \$10/hr)	4/1/10 - 7/31/11	\$140	\$150	\$195
12/1/14 Amendment No. 1 (Pt. 1 of 2)	1/1/15 - 6/30/15	\$165	\$175	\$220
12/1/14 Amendment No. 1 (Pt. 2 of 2)	7/1/15 - at least 6/30/17	\$170	\$180	\$225

The City Attorney is asking for a 2 step rate increase but is keeping the same discounted rate structure for the general services. The City attorney requests the City Council's approval of rate adjustments as follow:

Service Category	Current rate	Proposed rate (2021-2022) (1 of 2)	Proposed rate (2022-2023) (2 of 2)
General Services	\$170 1 st 70 hrs. \$180 after first 70 hours	\$205 <70 hrs. \$210 after first 70 hours	\$215 <70 hrs. \$220 after first 70 hours
Litigation/Specialty Services	\$225	\$275 Partner \$245 Associate	\$285 Partner \$255 Associate
Reimbursable, including bonds	\$245 to \$400 depending on the complexity	\$300 to \$425 depending on the complexity	\$300 to \$450 depending on the complexity

A cost of living adjustment would be included as well.

In comparison, here are the rates for other law firms that currently serve or have recently served the City of Carson for special contract work in one capacity or other:

Law Firm	Per Hour Rate
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Atkinson, Andelson, Loya, Rudd & Romo	\$325
Harris and Associates	\$300 Partner \$275 Associate
Chris Boucher of Boucher Law Firm	\$295
Curt Toll from Greenberg Traurig, LLP	\$615 Partner \$375 Associate

Additionally, below is a sample of rates for non-legal consultants currently being used by the City for special contracts to put the City Attorney's request in context:

Law Firm	Per Hour Rate
HDL, tax consultants	\$300
ESA, CEQA consultants	\$285 Senior Director \$195 Managing Associate
National Demographics Corporation	\$400 personal appearance \$300 President \$250 Vice President
Kosmont Transactions Services	\$375 President CEO \$305 Senior Vice President \$210 Vice President

Again, for market comparison, some other Municipal Law Firms' recent published billing rates are as follows:

Best, Best & Krieger:

- General Services: \$220 per hour
- Specialty: \$400 Partner and \$265 Associate
- Litigation: \$325 Partner and \$265 Associate

Rutan & Tucker:

- General Services: \$300 per hour
- Litigation/Specialty: \$345 per hour

The City Attorney's proposed rates remain below the market even after the requested rate adjustment is approved.

The City is currently involved in over 25 active litigation cases and over \$750 million in economic development. At the beginning of this year alone, the City Attorney won a huge victory for the City, eliminating an \$80 Million liability against the City. In her years with Carson, she has personally been the lead litigator and has been the principal architect of the winning litigation strategies for the numerous rent control related litigation matters within the City, saving the City over \$110 million in the aggregate. As the Council is aware, the City Attorney also played a leading role in enacting legislation several times, improving

the City's position in the pending lawsuits and providing better protections for the residents. Among ways the City Attorney has served the City of Carson recently, to name a few:

- Assisted the Carousel Tract residents in receiving the favorable Remedial Action Plan from the Regional Water Board;
- Negotiated the \$45 Million settlement with Tesoro in connection with the LARIC Project;
- Pursued and successfully implemented Rule 1180 requiring fence line monitoring at refineries;
- Assisted staff in developing Development Impact Fees and the City Wide CFD which have been a critical part of this community maintaining its infrastructure.

A recent study in connection with the adoption of the charter showed that after A&W was selected as City Attorney for Carson in 2003, the cost of the city's attorney declined by 30% from the prior firm, with the litigation costs declining by 40%. After a decade, those savings in legal costs significantly remain.

V. FISCAL IMPACT

The proposed new rate structure could have an approximate \$200,000 impact on the City Attorney's budget. Funds for this contract amendment are included in the proposed Fiscal Year 2021-2022 Budget Workshop No. 3.

VI. EXHIBITS

Exhibit 1 - Amendment No. 3 to the Contract Services Agreement for City Attorney Legal Services with Aleshire and Wynder, LLP (Pages 5- 8)

Prepared by: Tarik Rahmani, Finance Director