



CITY OF PALO ALTO OFFICE OF THE CITY ATTORNEY

March 14, 2016

The Honorable City Council
Palo Alto, California

Authorize the City Attorney to Amend the Legal Services Agreement With Elisa Larson to Extend the Term of the Agreement to a Total Term of Approximately Three Years and Two Months, Formalize Temporary Changes to the Scope of Work and Applicable Rates and Increase the Not-to-Exceed Amount to a Total of \$375,000

EXECUTIVE SUMMARY

The City Attorney's Office requests that Council authorize the City Attorney to execute an amendment to the Legal Services Agreement ("Contract No. S15159099" or "Agreement") between the City and Elisa Larson, Attorney at Law, to extend the term of the Agreement for a total term of approximately three years and two months, formalize changes to the Scope of Work and applicable rates on a temporary basis and increase the not-to-exceed amount to \$375,000.

BACKGROUND:

In February 2015, the City executed S15159099 to retain Elisa Larson to provide legal advice and assistance to the City concerning:

- State and federal laws applicable to municipal utilities engaged in energy trading activities;
- Development, drafting, negotiation, interpretation and modification of power and natural gas purchase and sale contracts and related documents, including industry form contracts, renewable power purchase agreements, greenhouse-gas/offset and other climate change related documentation, and underground natural gas storage facilities contracts; and
- Other utilities matters as assigned.

The original agreement was for a term of two years (February 2015 – February 2017) with a total not-to-exceed amount of \$65,000. The City Attorney requests authorization to amend the agreement to extend the term and add funding to support temporary increased need for utilities-related legal services.

DISCUSSION

The City Attorney’s Office is requesting Council authorization to execute an amendment to the agreement that would:

- Extend the term from its current expiration date of February 22, 2017 to April 30, 2018, for a total term of three years and two months;
- Implement a two-tier rate structure by adding a lower rate for generalized advice work to supplement in-house staff during periods of staff leave, retirements, and other temporary staffing shortages; and
- Increase the not-to-exceed compensation from the original amount of sixty-five thousand dollars (\$65,000) by one hundred forty thousand dollars (\$140,000) to a total not-to-exceed amount of two hundred five thousand dollars (\$205,000) through April 30, 2016; add a not-to-exceed amount of eighty-five thousand dollars (\$85,000) for the period May 1, 2016 through April 30, 2017; and add a not-to-exceed amount of eighty-five thousand dollars (\$85,000) for the period May 1, 2017 through April 30, 2018. Revised not-to-exceed amounts are set forth in the table below:

<u>Time Period</u>	<u>Not-to-Exceed Amount</u>
Effective Date through April 30, 2016	\$205,000
May 1, 2016 through April 30, 2017	\$85,000
May 1, 2017 through April 30, 2018	\$85,000
<i>TOTAL NOT-TO-EXCEED AMOUNT</i>	<i>\$375,000</i>

RESOURCE IMPACT

Contract No. S15159099 is funded by the Utilities Department’s budget. Funding for this contract amendment does not require additional budgetary authority as it can be accommodated within the Utilities Department FY 2016 budget.

ENVIRONMENTAL REVIEW

Amendment of a legal services contract does not meet the California Environmental Quality Act’s definition of a project set forth in California Public Resources Code section 21065, thus no environmental review is required.

Department Head: Molly Stump, City Attorney