



CITY OF PALO ALTO OFFICE OF THE CITY ATTORNEY

November 28, 2016

The Honorable City Council
Palo Alto, California

Request for Authorization to Increase Existing Legal Services Agreement With the Law Firm of Jarvis, Fay, Doporto & Gibson by an Additional \$325,000 for a Total Not-to-Exceed Amount of \$375,000 for Litigation Defense Services and Approve a Budget Amendment in the General Fund

Recommendation

Staff recommends that the City Council:

1. Increase the existing legal services agreement with the law firm of Jarvis, Fay, Doporto & Gibson, LLP, Attorneys at Law by an additional \$325,000 for a total not to exceed amount of \$375,000; and
2. Amend the Fiscal Year 2017 Budget Appropriation Ordinance by:
 - a. Increasing the Office of the City Attorney's appropriation for contract services by \$325,000; and
 - b. Decreasing the General Fund Budget Stabilization Reserve by \$325,000.

Background

Jarvis, Fay, Doporto & Gibson represents the City in various complex and specialized transactional and litigation matters in the areas of land use, the California Environmental Quality Act, construction law and municipal taxes and fees. The existing legal services agreement with Jarvis Fay, Doporto & Gibson for \$50,000 covered pre-litigation and initial litigation defense services since a claim was filed in the Staats matter in early 2015. Staats is a tax class action matter that has been designated "complex" by the Santa Clara County Superior Court.

Discussion

A lawsuit has now been filed and discovery is underway. Additional funding is needed through the class certification stage. Funding for this amendment will come from the Budget Stabilization Reserve. If the case continues, the City Attorney's Office may return to Council for further funding of this matter.

The City Attorney's Office requests authorization to amend an existing legal services agreement with the law firm of Jarvis, Fay, Doporto & Gibson, LLP, Attorneys at Law, to add an additional \$325,000 for legal services relating to defense of the City in Staats v. City of Palo Alto, Santa

Clara Superior Court, Case No. 1-15-CV-284956. This Amendment 1 brings the total agreement to an amount not to exceed \$375,000.

Resource Impact

The initial \$50,000 funding for legal defense in the Staats matter came from the City Attorney's Department budget. An additional \$325,000 is needed to continue the City's contract for legal services. These funds are recommended to be drawn from the General Fund Budget Stabilization Reserve.

Environmental Review

This is not a project under the California Environmental Quality Act (CEQA).

Department Head: Molly Stump, City Attorney

