

council agenda: 4/21/2020 item: 2.7 file no: 20-454 Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

 FROM:
 Toni J. Taber, CMC

 City Clerk
 City Clerk

 DATE:
 April 21, 2020

SUBJECT: SEE BELOW

SUBJECT: Amendment to Agreement with Hanson Bridgett LLP for Legal Services Related to *Preservation of Benefit Plan Retirees Association, et al v. City of San José, et al.*

RECOMMENDATION:

Adopt a resolution authorizing the City Attorney to negotiate and execute a Sixth Amendment to the agreement with Hanson Bridgett LLP for legal services related to *Preservation of Benefit Plan Retirees Association, et al v. City of San José, et al*, to increase the compensation by \$500,000, for a total amount not to exceed \$1,900,000.

CEQA: Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment. (City Attorney)

[Deferred from 3/17/2020 - Item 2.7 (20-273); and 3/24/2020 - Item 2.12 (20-353)]

COUNCIL AGENDA: 03-24-2020 FILE: 20-353 ITEM: 2.12



Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Richard Doyle

SUBJECT: SEE BELOW

DATE: March 5, 2020

SUBJECT: SIXTH AMENDMENT TO AGREEMENT WITH HANSON BRIDGETT LLP FOR LEGAL SERVICES RELATED TO PRESERVATION OF BENEFIT PLAN RETIREES ASSOCIATION, ET AL V. CITY OF SAN JOSE, ET AL

RECOMMENDATION

Adopt a resolution authorizing the City Attorney to negotiate and execute a Sixth Amendment to the agreement with Hanson Bridgett LLP for legal services related to *Preservation of Benefit Plan Retirees Association, et al v. City of San Jose, et al*, to increase the compensation by \$500,000, for a total amount not to exceed \$1,900,000.

OUTCOME

Execution of the Sixth Amendment to the agreement with Hanson Bridgett LLP will allow this law firm to continue to provide legal services related to *Preservation of Benefit Plan Retirees Association, et al v. City of San Jose, et al.*

BACKGROUND

On December 11, 2017, the City Attorney executed an agreement with the law firm of Hanson Bridgett LLP to provide legal services pertaining to the case of *Preservation of Benefit Plan Retirees Association, et al v. City of San Jose, et al*, in a total amount not to exceed \$175,000. On June 11, 2018, the City Attorney executed a First Amendment to the agreement, increasing the compensation by \$75,000 to a total amount not to exceed \$250,000. On August 21, 2018, the City Council adopted Resolution No. 78752 authorizing the City Attorney to negotiate and execute a Second Amendment to the agreement, increasing the amount of compensation by \$150,000 to a total amount not to exceed \$400,000. On March 5, 2019, the City Council adopted Resolution No. 78997 authorizing the City Attorney to negotiate and execute a Third Amendment to the agreement, increasing the amount of compensation by \$300,000 to a total amount not to exceed \$700,000, and extending the term through June 30, 2020. On June 18, 2019,

HONORABLE MAYOR AND CITY COUNCIL March 5, 2020 Subject: SIXTH AMENDMENT TO AGREEMENT WITH HANSON BRIDGETT LLP FOR LEGAL SERVICES RELATED TO PRESERVATION OF BENEFIT PLAN RETIREES ASSOCIATION, ET AL V. CITY OF SAN JOSE, ET AL Page 2

the City Council adopted Resolution No. 79152 authorizing the City Attorney to negotiate and execute a Fourth Amendment to the agreement, increasing the amount of compensation by \$200,000 to a total amount not to exceed \$900,000. On September 10, 2019, the City Council adopted Resolution No. 79226 authorizing the City Attorney to negotiate and execute a Fifth Amendment to the agreement, increasing the amount of compensation by \$500,000 to a total amount not to exceed \$1,400,000.

ANALYSIS

Hanson Bridgett LLP was chosen to provide specialized legal services based on the firm's expertise in tax law and fiduciary obligations of pension boards. The purpose of the Sixth Amendment is to increase the total compensation to allow Hanson Bridgett to continue to provide legal services pertaining to the case of *Preservation of Benefit Plan Retirees Association, et al v. City of San Jose, et al.*

PUBLIC OUTREACH

This memorandum will be posted on the City's website as part of the March 24, 2020 City Council Agenda.

COORDINATION

This item has been coordinated with the City Manager's Budget Office.

COST SUMMARY/IMPLICATIONS

Funding associated with the actions recommended in this memorandum is included in the General Fund, as outlined in the 2019-2020 Adopted Operating Budget, as amended by the 2018-2019 Annual Report adopted by the City Council on October 22, 2019. The recommendations in this memorandum would increase the total compensation in the agreement from \$1,400,000 to \$1,900,000. The additional funding for this contract amendment will be absorbed within the City Attorney's Non-Personal/Equipment appropriation in the General Fund. If the full costs cannot be absorbed, the City Attorney's Office will bring forward recommended budget actions for City Council approval as part of the Fiscal Year 2019-2020 Year-End budget process.

BUDGET REFERENCE

The table below identifies the fund and appropriation proposed to fund the contract amendment recommended as part of this memorandum.

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| Fund # | Appn. # | Appn. Name | Total Appn | Amt. for Contract | 2019-2020 Adopted Operating Budget Page | Last Budget Action (Date, Ord. No.) |
|-----------|------------|--|---------------|----------------------|--|---|
| 001 | 0442 | City Attorney's Non- Personal/Equipment | \$3,027,179 | \$500,000 | VIII-24 | 10-22-19, #30325 |

CEQA

Not a Project; File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

RICHARD DOYLE City Attorney

For questions please contact Richard Doyle, City Attorney, at (408) 535-1900.