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ADMINISTRATIVE EXEMPTION and INNOVATION, GRANTS, TECHNOLOGY, COMMERCE, AND TRADE COMMITTEE REPORT relative to the first amendment to the agreement with the law firm Brown and Winters to continue assisting the City Attorney with efforts to recover environmental investigation and cleanup expenses from historic or past tenant insurance policies with the Port of Los Angeles.

Recommendations for Council action:

1. ADOPT the determination by the Los Angeles Harbor Department (LAHD) that the proposed action is exempt under the California Environmental Quality Act (CEQA) as provided in Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.
2. APPROVE the LAHD Resolution No. 16-7902 authorizing the first amendment to Agreement No. 16-3109-A between the LAHD and Brown and Winters.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that approval of the LAHD proposed first amendment to extend Agreement No. 13-3109 with the law firm of Brown and Winters for three years and a contingency fee payment agreement for approximately one-third or 33 percent of all funds recovered from insurance policies, whether through negotiations and settlement of claims, litigation or arbitration. The LAHD states that the agreement does not cover the appeal of judgments or arbitration awards that the LAHD finds unsatisfactory or the defense of appeals. The LAHD is to reimburse Brown and Winters for associated costs and expenses up to \$35,000 per contract year and \$105,000 for the three-year contract term.

Community Impact Statement: None submitted.

**TIME LIMIT FILE – JUNE 6, 2016**

**(LAST DAY FOR COUNCIL ACTION – JUNE 3, 2016)**

SUMMARY

At the meeting held on April 19, 2016, your Innovation, Grants, Technology, Commerce and Trade Committee considered a LAHD transmittal relative to approval of Resolution No. 16-7902 to authorize a proposed First Amendment (Amendment) to extend Agreement No. 13-3109 (Agreement) with the law firm of Brown and Winters. The CAO reports that the proposed Amendment will allow Brown and Winters to continue assisting the Office of City Attorney (City Attorney) with efforts to recover environmental investigation and cleanup expenses from historic or past tenant insurance policies with the Port of Los Angeles. Brown and Winters will continue to assist the City Attorney and LAHD staff with legal services related to the preparation, filing, negotiation, and litigation of insurance claims and the recovery of costs and expenses through investigating, monitoring, mitigating and remediating contaminated properties. The proposed Amendment will extend the Agreement by three years, from March 2016 to February 2019, with no additional increase in compensation. Brown and Winters will continue to receive a contingency fee payment schedule of approximately 33 percent of any funds recovered from insurance policies. The LAHD will continue to remain financially responsible for payment and reimbursement of associated, supportive litigation costs and expenses up to \$35,000 per year

and approximately \$105,000 for three years. An opportunity for public comment was held. After a brief discussion, the Committee moved to approve the recommendations contained in the transmittal. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

INNOVATION, GRANTS, TECHNOLOGY, COMMERCE, AND TRADE COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
BLUMENFELD:	YES
BONIN:	YES
KREKORIAN:	ABSENT
BUSCAINO:	YES
MARTINEZ:	YES

ME

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**