

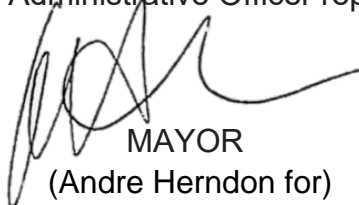
0150-11960-0000

TRANSMITTAL

TO Eugene D. Seroka, Executive Director Harbor Department	DATE 03/04/2022	COUNCIL FILE NO. --
FROM The Mayor	COUNCIL DISTRICT 15	

PROPOSED FIRST AMENDMENT TO AGREEMENT NO. 20-3742 WITH CROWELL AND MORING LLP FOR ANTITRUST LITIGATION AND LEGAL SUPPORT SERVICES

Transmitted for further processing and Council consideration.
See the City Administrative Officer report attached.



MAYOR
(Andre Herndon for)

MWS:JCY:10220035t

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: February 23, 2022

CAO File No. 0150-11960-0000

Council File No. --

Council District: 15

To: The Mayor

From: Matthew W. Szabo, City Administrative Officer 

Reference: Correspondence from the Harbor Department dated September 2, 2021; referred by the Mayor for report September 15, 2021

Subject: **PROPOSED FIRST AMENDMENT TO AGREEMENT NO. 20-3742 WITH CROWELL AND MORING LLP FOR ANTITRUST LITIGATION AND LEGAL SUPPORT SERVICES**

RECOMMENDATIONS

Approve Harbor Department (Port) Resolution No. 21-9893 authorizing a First Amendment to Agreement No. 20-3742 with Crowell and Moring LLP to continue antitrust and legal support services for one additional year at an increased cost not to exceed \$200,000; and, return the Resolution documents to the Port for further processing, including Council consideration.

SUMMARY

The Harbor Department (Port) Board of Harbor Commissioners (Board) and the City Attorney request approval of Resolution No. 21-9893 authorizing a proposed First Amendment (Amendment) to Agreement No. 20-3742 (Agreement) with Crowell and Moring LLP (Crowell) to continue antitrust litigation and legal support services for a pair of lawsuits with Harbor Performance Enhancement Center, LLC (HPEC) related to a terminated development agreement of the former Los Angeles Export Terminals (LAXT) facility at the Port of Los Angeles (POLA). The proposed Amendment extends the Agreement with Crowell for one additional year, from May 14, 2023 through May 13, 2024, at an increased cost of \$200,000 and total four-year Agreement cost not to exceed \$500,000. The Port is financially responsible for payment of expenses under the proposed Amendment.

Crowell currently serves as outside legal counsel to the City Attorney in accordance with Charter Section 275, providing antitrust and complex business litigation services support to the City Attorney on behalf of the City and the Port related to 10 acres of land on Terminal Island at POLA generally known as the former LAXT site. The Port originally contracted with Crowell for litigation services for United States District Case (USDC) No. 2:20-cv-03251, filed on behalf of HPEC on April 7, 2020. Crowell currently provides ongoing litigation support related to the appeal of the

USDC and a subsequently filed Superior Court case (No. 21STCV15500). The proposed Amendment extends the Agreement with Crowell in consideration of this litigation. If approved, the Amendment would extend the Agreement to four years. The proposed additional funding of \$200,000 represents only the estimated cost for services related to these existing cases. City Attorney and the Port continue to target issuing new requests for proposals (RFPs) to retain outside counsel every three years.

Crowell is an international law firm with headquarters in Washington, DC and an office in Los Angeles. The Port reports that The City Attorney Harbor Division selected Crowell for the current Agreement following a competitive RFP issued on April 15, 2020 for outside counsel with antitrust litigation and related complex business litigation experience. The Board approved the original Agreement with Crowell at its meeting on May 7, 2020 for a term of three years at a cost not to exceed \$300,000. Crowell previously provided legal services to the Port under Executive Director Agreement E-6727, a three-year agreement from 2013 to 2016.

The Port reports that funding of \$150,000 is budgeted and available for the Agreement in 2021-22. The Port will request any required future funding as part of the annual budget process. The City Attorney has reviewed the proposed Amendment and Agreement as to form and legality. In accordance with Charter Section 373 and Administrative Code Section 10.5(b)(2), the Amendment and Agreement require Council approval because the total term of the Agreement exceeds three years and the estimated annual payment under the proposed Amendment may exceed the 2021-22 exemption limit of \$169,418. The Port reports that the proposed action is an administrative activity and has therefore determined that it is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.

FISCAL IMPACT STATEMENT

The proposed First Amendment to Harbor Department (Port) Agreement No. 20-3742 authorizes continued antitrust litigation and legal support services from Crowell and Moring LLP for one year, through May 13, 2024, at an increased cost of \$200,000 and a total four-year Agreement cost not to exceed \$500,000, with an average annual expenditure of \$125,000. Funding of \$150,000 is included in the Port 2021-22 Budget from the Harbor Revenue Fund. Future funding is subject to the Port annual budget process. The recommendations in this report comply with Port Financial Policies. There is no impact on the City General Fund.