

Los Angeles  
World Airports

10/19/10 05:00 PM

October 19, 2010

The Honorable City Council  
of the City of Los Angeles  
City Hall – Room 395  
Los Angeles, CA 90012

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Gina Marie Lindsey  
Executive Director

Reference: CF 09-2620

This is to hereby transmit for your information the Mayor approved City Administrative Officer's report covering the Third Amendment to Contract No. DA-4159 with Kaye Scholer, LLP for Legal Services related to Federal Regulatory Issues and Litigation Matters at Los Angeles International Airport.

Sincerely,

Mark S. Adams, Director  
Government Affairs Division  
Los Angeles World Airports

MSA:CI

Attachments



0150-09070-0001

**TRANSMITTAL**

TO Gina Marie Lindsay, Executive Director Department of Airports	DATE <b>OCT 14 2010</b>	COUNCIL FILE NO.
FROM The Mayor		COUNCIL DISTRICT

**Proposed Third Amendment to Agreement No. DA-4159 between the Los Angeles World Airports (LAWA) and the Law Firm of Kaye Scholer, LLP for an Extension to the Time of Performance to Continue Legal Services in Support of LAWA and the City Attorney**

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

  
MAYOR

MAS:WDC: 10110045t

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: October 7, 2010

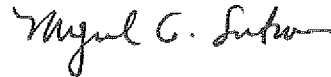
CAO File No. 0150-09070-0001

Council File No.

Council District:

To: The Mayor

From: Miguel A. Santana, City Administrative Officer



Reference: Transmittal from the Los Angeles World Airports dated September 29, 2010; referred by the Mayor for report on September 29, 2010

Subject: **REQUEST TO EXECUTE THE THIRD AMENDMENT TO AGREEMENT DA-4159 WITH KAYE SCHOLER, LLP FOR LEGAL SERVICES IN SUPPORT OF THE LOS ANGELES WORLD AIRPORTS TO EXTEND THE TERM OF PERFORMANCE AN ADDITIONAL SIX MONTHS TO MAY 2011**

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### SUMMARY

The Executive Director of the Los Angeles World Airports (LAWA; Department) requests approval to execute a proposed Third Amendment to Agreement No. DA-4159 (copy attached) with the law firm of Kaye Scholer, LLP (contractor) to extend the existing contract for legal services in support of the City Attorney with respect to complex legal matters involving litigation before the United States Court of Appeals for the District of Columbia. The proposed six-month extension to the current four-year agreement will allow the Department to (1) benefit from the contractor's unique expertise, experience, and history with these and related issues and maintain the existing level of legal services provided by the contractor, and (2) maximize its chances for a successful conclusion to several pending legal matters for which the law firm of Kaye Scholer, LLP has provided ongoing assistance and advice.

Budgeted and available funds, not to exceed \$659,627, will be used to finance the services during the extended term of the Agreement. According to the Department, the contractor will be required to provide a detailed budget for its services.

### Background

During the next six months, the law firm of Kaye Scholer, LLP is needed to provide legal counsel to LAWA attorneys on federal airline terminal rates and charges, a new lease form, applicable tariffs, and maintenance and operations, as well as represent the Department in various aspects of litigation. In addition, attorneys for Kaye Scholer, LLP will assist with future briefings for the United States Court of Appeals relative to interim and partial settlements resulting from an August 2009

Court opinion; evidentiary hearings; short- and long-term lease provisions; negotiations for, and full cost recovery of, future maintenance and operations charges; and settlement of claims by airlines. The original agreement between LAWA and the law firm of Kaye Scholer, LLP was executed in November 2006 for \$1.5 million for three years. The First Amendment, executed in May 2007, increased the contract amount by \$2.5 million to \$4 million. A Second Amendment, executed in November 2009, increased the contract amount by \$200,000 to \$4.2 million and extended the agreement one year to November 2010. The firm of Kaye Scholer, LLP was originally selected from a list of qualified firms developed as a result of an in-depth RFP process.

Funding for the proposed Third Amendment is available in the Fiscal Year 2010-11, Los Angeles World Airports Operating Budget in Cost Center 1110004 – Legal Services Division, Commitment Item 520 – Contractual Services. Future funding, if needed, will be requested as part of the Department's annual budget process.

### **Compliance with City Administrative Requirements**

Due to the volume of work and the subject matter expertise needed to adequately represent the Department in its complex legal matters, the Board of Airport Commissioners determined that the work can be performed more feasibly or economically by an independent contractor than by City employees pursuant to Charter Section 1022. There are no objections by the City's unions to this Agreement. Furthermore, Kaye Scholer, LLP is either in compliance with or the Department will monitor and ensure the firm's compliance with the City's Living Wage Ordinances, Affirmative Action Program, Child Support Obligations Ordinance, insurance requirements, Contractor Responsibility Program, Equal Benefits Ordinance, and First Source Hiring Program for all non-trade airport jobs. Upon review by the Department's Contract Services Division, it was determined that there were no specific Minority/Women Business Enterprise levels of participation established for this project since there were no subcontracting opportunities identified.

### **Compliance with California Environmental Quality Act Guidelines**

As a continuing administrative and personnel-related activity, this contract amendment is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Los Angeles City CEQA Guidelines, Article II, Section 2(f).

### **Alternatives to the Proposed Amendment**

According to the Department, if an extension to the existing agreement were not authorized, LAWA would be negatively impacted by the loss of legal representation and expertise residing in the Kaye Scholer law firm, especially given the fact that continuing negotiations and litigation are dependent upon the firm's expertise and the continuation of their assistance. Briefings with the United States Court of Appeals, additional evidentiary hearings, and counsel on a range of related matters may be required in the near future with respect to the following issues:

- Federal rates and charges cases filed in early 2007 by airlines operating in Terminals 1 and 3 and the Tom Bradley International Terminal, aspects of which were remanded by

the U.S. District Court to the U.S. Department of Transportation for further action

- Advice concerning the continuing negotiations with respect to terminal rates and charges with the long-term lease airlines at Los Angeles International Airport, which are the subject of interim settlements

## **RECOMMENDATIONS**

That the Mayor:

1. Approve, subject to City Attorney approval as to form, the proposed Third Amendment to Contract DA-4159 with the law firm of Kaye Scholer, LLP to extend the contract term for an additional six months for a total contract term of four years and six months to continue the provision of legal services to the Los Angeles World Airports for matters related to federal regulatory issues and litigation; and
2. Return the proposed Third Amendment to the Department for further processing, including Council consideration.

## **FISCAL IMPACT STATEMENT**

Approval of the proposed contract amendment will have no impact on the General Fund. Funding for the Third Amendment to Contract DA-4159 with Kaye Scholer, LLP is available in the FY2010-11 Los Angeles World Airports Operating Budget. Additional funding, if needed, will be requested as part of the annual budget process. Since the Los Angeles World Airports is bound only by the City Debt Management Policies, the City Financial Policies are not applicable.

## **Time Limit for Council Action**

Pursuant to Charter Section 373, "Long Term Contracts Approved by Council," and the Los Angeles Administrative Code Section 10.5, "Limitation and Power to Make Contracts," the proposed Agreement must be approved by the Council before it can become effective. Unless the Council takes action disapproving a contract that is longer than three years within 60 days after submission to Council, the contract will be deemed approved.

MAS:WDC:10110045

Attachment