

# REPORT

To the Honorable Mayor and City Council  
From the City Manager

February 12, 2007

## **Subject**

Amendment to Agreement for Special Counsel Services – Recycled Water Project

## **Recommendation**

By Motion, approve Amendment No. 2 to the special counsel services agreement with Hanson Bridgett Marcus Vlahos Rudy, LLP (“Hanson Bridgett”) for specialized legal services, and authorize the city manager to sign amendment to agreement.

## **Background**

Construction of Phase One of the Recycled Water Project (all new facilities, pipelines and retrofits east of Highway 101) is approaching 50% completion, and the goal of serving 900 acre feet of recycled water to offset current drinking water use by 2010 is attainable. The level of effort required of the project team (city staff, South Bayside System Authority staff, and several consulting firms) is reaching its peak, as the first customer connections in the commercial area of Redwood Shores are expected in April 2007. The need for continued legal services will not change over the next three years, and the City Attorney, in collaboration with staff desires to continue the agreement with Hanson Bridgett. Hanson Bridgett has brought special counsel expertise in the legal, technical and regulatory aspects of public water supplies. They are experienced in, knowledgeable of public works project financing and the regional water supply system which has proven invaluable to staff and has ensured that the Council’s consideration of important water policy issues are framed fully and properly.

On February 9, 2004, the City Council approved a special counsel services agreement with Hanson Bridgett for special counsel services. On February 10, 2005, The Council approved Amendment No. 1 to the Agreement, increasing the not-to-exceed value of the agreement to \$80,000.

As of January 2007, the remaining balance of this agreement is approx. \$19,000. Staff recommends that the agreement value be increased to \$100,000, in order to ensure that sufficient budget is available over the next three years to cover billable hours requested by the City Attorney and/or the city’s project manager.

## **Alternative**

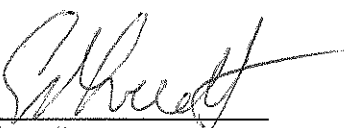
The Council could direct the City Attorney to find alternative means to carry out the legal work anticipated.

## **Fiscal Impact**

In January 2006 the City Council approved the *Water Financing Plan – 2006 Update*, and authorized the second issue of Water Revenue Bonds to finance the design and construction of Recycled Water Project facilities. The \$56.6 million in bond proceeds were deposited into a new, separate project fund that is providing financing for these and other

professional services agreements as well as construction of water recycling facilities at the South Bayside System Authority waste water treatment plant, distribution pipelines, and customer site retrofits.

  
\_\_\_\_\_  
Peter Ingram  
Community Development Director

  
\_\_\_\_\_  
Ed Everett  
City Manager

**Attachment**

Agreement Amendment No. 2

**AMENDMENT NO. 2 TO EXTEND AND AMEND AGREEMENT FOR  
SPECIAL COUNSEL SERVICES  
Hanson Bridgett Marcus Vlahos Rudy, LLP**

This Amendment No. 2 is entered into and effective as of the \_\_\_\_ day of \_\_\_\_\_, 200\_, extending and amending the agreement dated February 9, 2004, (the "Agreement") by and between the City of Redwood City, a charter city and municipal corporation of the State of California ("City"), and Hanson Bridgett Marcus Vlahos Rudy, LLP, ("Consultant") (collectively, the "Parties") for professional legal services related to environmental, regulatory and long-term planning of potable water supply and use of recycled water for non-potable applications.

**RECITALS**

A. The Parties have negotiated and agreed to a supplemental scope of work and a new fee schedule, which is attached to and incorporated by this reference as Exhibit "A," - Scope of Services, and Exhibit "B" – Schedule of Fees.

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, the Parties agree as follows:

1. That the Agreement, as may have been amended from time to time, is hereby extended and shall expire upon completion of work, and Consultant will be paid on an hourly basis up to the amount of Twenty Thousand dollars (\$20,000.00). The amended not-to-exceed authorization for the Agreement will increase by twenty thousand dollars (\$20,000.00) from Eighty Thousand dollars (\$80,000.00) to One Hundred Thousand dollars (\$100,000.00).

2. All other provisions of the Agreement, as may have been amended from time to time, will remain in full force and effect.

3. All requisite insurance policies to be maintained by the Consultant pursuant to the Agreement, as may have been amended from time to time, will include coverage for this Amendment.

4. The individuals executing this Amendment and the instruments referenced in it on behalf of Consultant each represent and warrant that they have the legal power, right and actual authority to bind Consultant to the terms and conditions of this Amendment.

HANSON BRIDGETT MARCUS  
VLAHOS RUDY, LLP.  
333 Market Street 23<sup>rd</sup> Floor  
San Francisco, CA 94105-2173

CITY OF REDWOOD CITY, a charter  
city and municipal corporation of the  
State of California

\*By:

By:

\_\_\_\_\_  
(sign here)

\_\_\_\_\_

\_\_\_\_\_  
(print name/title)

\_\_\_\_\_  
(print name/title)

\*\*By:

ATTEST:

\_\_\_\_\_  
(sign here)

\_\_\_\_\_  
Patricia Howe, City Clerk

If required by City, proper notarial acknowledgment of execution by Consultant must be attached. If a Corporation, Agreement must be signed by one corporate officer from each of the following two groups.

**\*Group A.**  
Chairman,  
President, **or**  
Vice-President

**\*\*Group B.**  
Secretary,  
Assistant Secretary,  
CFO **or** Assistant Treasurer

**Otherwise**, the corporation **must** attach a resolution certified by the secretary or assistant secretary under corporate seal empowering the officer(s) signing to bind the corporation.

EXHIBIT "A"

SCOPE OF SERVICES

The Scope of services shall remain the same as described in the Amended Original Agreement.

**EXHIBIT B**

**HANSON BRIDGETT MARCUS VLAHOS & RUDY, LLP**  
425 Market Street, 26<sup>th</sup> Floor  
San Francisco, CA 94105  
(415) 777-3200

**2007 RATE SCHEDULE**

<u>Attorney</u>	<u>Hourly Rate</u>
Ray McDevitt	\$270
Patrick Miyaki	\$250
Allison Schutte	\$220
Steven Miller	\$200
Paralegals	\$125

Out-of-pocket expenses are charged at actual cost.