



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: February 3, 2015

TO: Mayor and Councilmembers

FROM: Public Works Department, Water Resources Division
City Attorney Office

SUBJECT: Authorize Actions Regarding Agreements For Professional Services
Relating To Reactivating The Charles E. Meyer Desalination Facility

RECOMMENDATION: That Council:

- A. Authorize the City Attorney to amend Professional Services Agreement Number 24,835 with Hanson Bridgett, LLP, to increase the not-to-exceed amount from \$100,000 to \$150,000 for legal support services related to contracting for services to design, build, and operate the Desalination Facility, and other contractual requirements as needed;
- B. Authorize the City Attorney to execute a Professional Services Agreement with Orrick, Herrington & Sutcliffe, LLP, in the not-to-exceed amount of \$30,000 to provide bond counsel services to assist the City with financing for reactivation of the Charles E. Meyer Desalination Facility; and
- C. Appropriate \$155,000 from Water Fund reserves for the transfer of funds to the Water Drought Fund for professional services related to the reactivation of the Charles E. Meyer Desalination Facility.

DISCUSSION:

Hanson Bridgett, LLP

The City is preparing to reactivate the Desal Facility. The proposals to design, build, and operate the Desal Facility are due in March 2015 in an effort to be ready to award a contract in June, should the drought condition not improve this winter.

On June 10, 2014, the City entered into Agreement No. 24,835 with Hanson Bridgett LLP in the not to exceed amount of \$25,000 for legal assistance in drafting the Request for Qualifications/Request for Proposals for the Design, Build, Operate contract. On September 23, 2014, Council authorized increasing the not to exceed amount to

\$100,000 to provide for additional legal services necessary to assist with preparation of the draft contract document, which was attached to the RFP and provided to the selected proposers. The contract, and its many attachments, is a highly sophisticated and complex contract that requires extensive legal review and experience.

Staff is currently preparing addenda to the RFP and working with the three pre-qualified firms as they prepare their proposals. These tasks all require legal consultation. Once the proposals are submitted, the final contract will be negotiated and drafted by the City Attorney's Office with assistance from Hanson Bridget. Staff requests an increase of \$50,000 to the Professional Services Contract for a total not to exceed amount of \$150,000.

Orrick, Herrington & Sutcliffe, LLP

As authorized by City Council on November 4, 2014, Staff has submitted an application to the Regional Water Quality Control Board for a Safe Drinking Water State Revolving Loan to finance, in large part, the cost to reactivate the Desal Facility. Part of the required review process by the State is a bond counsel opinion letter. The City has worked with the law firm of Orrick, Herrington & Sutcliffe LLP for bond counsel service for many years. Orrick served as bond counsel for the City for the recent water debt refunding as well as all of the state revolving loans and many other financings. Staff requests that the Council authorize the City Attorney to enter into an agreement with Orrick in the not to exceed amount of \$30,000 for these necessary services.

FUNDING:

When the contract services with Hansen Bridget were originally increased on September 23, 2014, by \$75,000, no additional funds were transferred into the Drought Fund to cover the added costs. At this time, in addition to the contracts above totaling \$80,000, it is recommended that all funds associated with the \$75,000 contract increase, for a total of \$155,000, be transferred from Water Fund Reserves to the Drought Fund. The Drought Fund was created to enable tracking of all major costs associated with responding to the drought. In the event this drought is deemed a Federal Disaster, the City may be eligible for some level of cost reimbursement resulting from drought response efforts.

PREPARED BY: Ariel Calonne, City Attorney

SUBMITTED BY: Ariel Calonne, City Attorney
Rebecca Bjork, Public Works Director

APPROVED BY: City Administrator's Office