

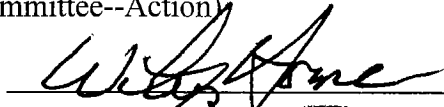
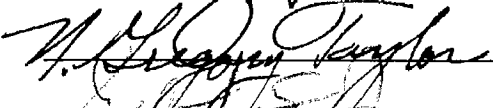


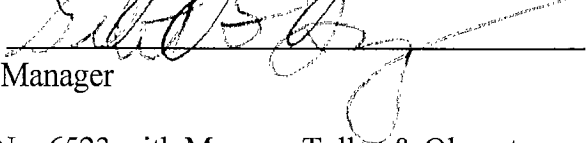
**MWD**

*METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA*

December 17, 1996

**To:** Board of Directors (Legal and Claims Committee--Action)  
 Board of Directors (Executive Committee--Action)

**From:** General Manager   
 General Counsel 

**Submitted by:** Gilbert F. Ivey   
 Executive Assistant to the General Manager

**Subject:** Second amendment to Agreement No. 6523 with Munger, Tolles & Olson to Raise the Maximum Amount of the Contract by \$250,000 to a Maximum of \$673,000 for Legal and Related Consulting Services for the New Headquarters at Union Station.

**RECOMMENDATION**

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It is recommended that the Board of Directors authorize the General Manager to execute a second amendment to Agreement No. 6523, with Richard S. Volpert and Leslie A. Young through the firm of Munger, Tolles & Olson, in a form approved by the General Counsel to raise the maximum amount of the contract by \$250,000 to a maximum of \$673,000 to provide for continuing legal and related consulting services for the development of the new headquarters at Union Station.

**BRIEF DESCRIPTION**

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Staff is proposing to amend an existing consulting agreement with Munger, Tolles & Olson (Munger, Tolles) to expand the firm's length of services relating to the new headquarters at Union Station for another 12 months to project completion and to raise the maximum amount of the contract by \$250,000 to a maximum of \$673,000. Services include strategy, analysis, negotiation and oversight coordination for building design, schedule and budget and other duties as may be requested by Metropolitan's General Counsel.

<b>Contract Type</b> <input type="checkbox"/> New <input checked="" type="checkbox"/> Amended  <b>Contract Form</b> <input type="checkbox"/> Lease <input checked="" type="checkbox"/> Professional Services	<b>Funding</b> <input checked="" type="checkbox"/> Capital-Appropriation No. 15247 <input type="checkbox"/> O & M  <b>Budget Status</b> <input checked="" type="checkbox"/> FY 96-97 Amount \$545,000  <input type="checkbox"/> Out-Year 95-96 Amount \$363,000	<b>Type of Competition</b> <input type="checkbox"/> RFQ <input type="checkbox"/> RFP NO. _____ <input checked="" type="checkbox"/> Informal RFP <input type="checkbox"/> Other Competition  <input type="checkbox"/> Sole Source
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## PURPOSE/BACKGROUND

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The law firm of Skadden, Arps, Slater, Meagher & Flom (Skadden, Arps) was originally retained in January 1994 to assist with the evaluation of sites, and with the negotiation of terms related to a new permanent headquarters site. The initial consulting agreement was for \$130,000. In October 1994, the Board of Directors approved a second and separate consulting agreement with Skadden, Arps for an additional \$360,000.

In August 1995, the main Skadden, Arps staff who assisted on the project, Richard S. Volpert, Partner, and Leslie A. Young, Real Estate Specialist, joined the firm of Munger, Tolles. At that time, the second agreement was terminated with Skadden, Arps and a new agreement was entered into with Munger, Tolles to provide for the continuing services of Mr. Volpert and Ms. Young. The services encompass strategy, analysis, negotiation and oversight coordination for building design, schedule, budget for the new headquarters at Union Station, oversight of quality assurance, and such other duties as may be requested by Metropolitan's General Counsel.

In August 1996, the Munger, Tolles agreement was amended to increase the maximum amount payable to \$423,000 and lengthen the term through January 31, 1997. Staff has made a determination of the needed scope of services through January 31, 1998. Staff is proposing to expand this agreement amount by \$250,000 for a total maximum amount payable of \$673,000. The proposed increase would compensate Munger, Tolles for services during the January 31, 1997 to January 31, 1998 time period. The proposed scope of services includes, in addition to those previously mentioned, coordinating of construction and design tasks; monitoring budget and schedule; reviewing contracts; steering to resolution potential conflicts; representing Metropolitan at appropriate meetings; overseeing contractors, architects, and other consultants; and performing other duties as requested by Metropolitan.

Staff believes that this increase is warranted because both parties have extensive and specific knowledge of all aspects of the new headquarters at Union Station development, preservation of Metropolitan's existing project team is critical to the timely and efficient completion and delivery of the facility by the November 1998 occupancy target, and the demand for services is increasing rapidly as building progresses.

**MBE/WBE**

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No MBE/WBE goals have been established for this contract since there are no subcontracting opportunities.

**CEQA COMPLIANCE/ENVIRONMENTAL DOCUMENTATION**

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The recommended action is categorically exempt from the California Environmental Quality Act (CEQA) because it involves data collection, research, experimental management and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource (State CEQA Guidelines, section 15306).

<p><b>RFP Statistics</b>  <u>N/A</u> Firms Requested RFP  <u>3</u> Firms Submitted Proposals  <u>N/A</u> Firms were Short-Listed</p> <p><b>Contracts with Consultant</b>  <input checked="" type="checkbox"/> Total No. <u>1</u>  <input checked="" type="checkbox"/> Maximum dollar Amount <u>\$673,000</u></p>	<p><b>Evaluation Criteria</b>  <u>Specific Experience with Downtown Los Angeles Real Estate Transactions</u></p> <p><b>Contractual Details</b>  <input checked="" type="checkbox"/> Anticipated Duration: <u>Through January 1998.</u></p>
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