Council Meeting of
June 7, 2010

Honorable Mayor and Members
of the Torrance City Council
City Hall
Torrance, California

Members of the Council:

SUBJECT: City Attorney - Approve Fee Amendment for legal fees (PPG Site, 465 Crenshaw Blvd)
Expenditure: $3,000

RECOMMENDATION

Recommendation of the City Attorney that the City Council approve the Fourth Amendment to Fee Agreement (C2008-185) with the law firm of Garrett DeFrenza Stiepel, LLP to provide legal services to the City in connection with the purchase of the 465 Crenshaw Boulevard site, adding an additional $3,000, for a total contract amount not to exceed $92,000.

Funding

Funding is available from FEAP 651 (Acquisition of 465 Crenshaw Blvd. property)

BACKGROUND AND ANALYSIS

The City Manager entered into a Fee Agreement on September 11, 2008, with the law firm of Garrett DeFrenza Stiepel, LLP in the amount of $24,000 to provide legal services in connection with the purchase of the 465 Crenshaw Boulevard site.

On November 1, 2008, the City Manager amended the Fee Agreement in an amount not to exceed $39,000.

On June 2, 2009, the City Council approved a Second Amendment to the Fee Agreement for an additional $30,000, for a not to exceed total amount of $69,000.

On December 8, 2009, the City Council approved a Third Amendment to the Fee Agreement for an additional $20,000, in an amount not to exceed $89,000.

Additional funding in the amount of $3,000 is necessary to finalize transfer documents, DTSC Covenant Recording and "No Further Action" Certificate.

The City Attorney recommends that the City Council approve the Fourth Amendment to the Fee Agreement with Garrett DeFrenza Stiepel, LLP in an additional amount of $3,000 for a total contract amount not to exceed $92,000.

Respectfully submitted,

John L. Fellows III, City Attorney

By_____
Alice Rusa
Law Office Administrator

CONCUR:

_____
John L. Fellows III, City Attorney

NOTED;

_____
LeRoy J. Jackson, City Manager

Attachment A: Fourth Amendment to Fee Agreement

ATTACHMENT A

FOURTH AMENDMENT TO FEE AGREEMENT FOR LEGAL SERVICES

This Fourth Amendment to Fee Agreement for legal services ("Amendment") is made and entered into as of March 1, 2010, by and between the **CITY OF TORRANCE**, a municipal corporation ("CITY"), and **GARRETT DeFRENZA STIEPEL, LLP,** a limited liability partnership ("FIRM").

RECITALS:

A. CITY and FIRM entered into a Fee Agreement for Legal Services ("Fee Agreement") on September 11, 2008, in the amount of $24,000. A copy of that Fee Agreement for Legal Services is attached as Exhibit A (Contract No. C2008-185)

B. An Amendment to the Fee Agreement was approved by the City Manager on November 1, 2008, for an additional $15,000 in an amount not to exceed $39,000. A copy of that Amendment is attached as Exhibit B.

C. On June 2, 2009, the City Council approved a Second Amendment to the Fee Agreement for an additional $30,000 for a not to exceed total amount of $69,000. A copy of that Amendment is attached as Exhibit C.

D. On December 8, 2009, the City Council approved a Third Amendment to the Fee Agreement for an additional $20,000 in an amount not to exceed $89,000. A copy of that Amendment is attached as Exhibit D.

E. An additional $3,000 is required to finalize transfer documents, DTSC Covenant Recording and "No Further Action" Certificate.

AGREEMENT:

1. Services to be Performed by FIRM.
FIRM will provide the services set forth in the Fee Agreement attached as Exhibit A and incorporated into this Amendment by this reference. FIRM warrants that all services set forth in the Fee Agreement and this Amendment will be performed in a competent, professional and satisfactory manner.

2. FIRM's Fee.
For services rendered pursuant to this Amendment, FIRM will be paid in accordance with the Fee Agreement and its Amendments; provided, however, that in no event will the total amount of money paid the FIRM, for services contemplated by this Amendment, exceed the sum of ***$92,000*** unless otherwise first approved in writing by CITY.

3. Conflict of Interest.
FIRM warrants that all necessary conflict clearances have been obtained.

4. Business License.
FIRM will not be required to obtain a City business license.

5. In all other respects, the Agreement dated September 11, 2008, the First Amendment dated November 1, 2008, the Second Amendment dated May 1, 2009 and the Third Amendment dated October 1, 2009 is ratified and reaffirmed and is in full force and effect.

CITY OF TORRANCE,
a municipal corporation

By: _____
Frank Scotto
Mayor

GARRETT DeFRENZA STIEPEL LLP
a limited liability partnership

By: _____
Henry R. Stiepel
Attorney at Law

ATTEST;

_____
Sue Herbers, City Clerk

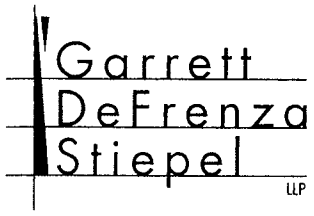
APPROVED AS TO FORM:

JOHN L. FELLOWS III
City Attorney

By: _____

Exhibit A) Fee Agreement
Exhibit B) First Amendment to Fee Agreement
Exhibit C) Second Amendment to Fee Agreement
Exhibit D) Third Amendment to Fee Agreement

EXHIBIT A



Henry R. Stiepel

Direct Dial No.
(714) 384-4303

Email Address
hstiepel@gdslaw.net

September 11, 2008

Mr. LeRoy Jackson
City Manager, City of Torrance
3031 Torrance Boulevard
Torrance, CA 90503

Re: Legal Representation

Dear Mr. Jackson:

Thank you for asking Garrett DeFrenza Stiepel LLP to provide legal services to the City of Torrance in connection with the proposed purchase of the 465 Crenshaw Boulevard site, as well as such other legal matters as the City may require from time to time. This letter will confirm the manner in which our firm charges fees, costs and expenses for services it renders.

Fees at Garrett DeFrenza Stiepel LLP are based upon our regular hourly rates in effect at the time the work is performed. Our services are billed on a per-hour basis, in increments of one-tenth of an hour. We reserve the right to make upward or downward adjustments to our fee schedule as may be appropriate from time to time. If a change in these rates occurs, the City will receive a disclosure notice included with or reflected in your bill.

In addition, we have standard charges for photocopying and paralegal time. Unlike most other firms, we do not have separate charges for long distance telephone calls, facsimile transmissions, word processing, secretarial overtime, postage, or parking validation. A schedule of our current billing rates and standard charges is enclosed for your further information.

From time to time, we may advance normal and customary costs and expenses on the City's behalf as we feel are necessary or desirable for the proper handling of the City's legal affairs. Such costs and expenditures may include charges for messenger services, overnight delivery, filing, recording or publishing fees, and the like. Occasionally, with the City's consent we may contract with outside parties for services in connection with our representation. If we do, we may forward the invoice to you and ask you to pay the invoice directly.

Each month we will present the City with a detailed statement indicating all work performed and all fees, costs, and expenses incurred during the previous month. The City hereby agrees to be responsible for all fees, costs, and expenses incurred for such legal services and expenses. Our statements are payable upon receipt. Our statements are payable as aforesaid regardless of whether or when you receive any contributions or reimbursements from third parties. To avoid the necessity of increasing our fees to all clients to cover the added costs we incur due to clients who are delinquent, we reserve the right to charge a service fee for payments delinquent beyond thirty (30) days, at the lesser of one percent (1%) of the amount delinquent or the maximum rate permitted by law, for each month from the date which is thirty (30) days from the date of our statement until

C2008-185

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Park Tower, 695 Town Center Drive, Suite 500, Costa Mesa, California 92626-1924
Tel: (714) 384-4300 • Fax (714) 384-4320

payment is received by us. If we do not receive payment within sixty (60) days, we may cease performing further services until the account is maintained on a current basis. We also reserve the right to undertake legal proceedings to collect unpaid fees and seek reimbursement of reasonable attorneys' fees and other costs of collection, with interest, whether incurred in connection with fee arbitration, formal court proceedings or otherwise.

Conflicts of interest can sometimes arise in the course of our legal work. Because of the proliferation of individuals or entities owning interests in multiple entities and the problems this creates for lawyers in identifying potential conflicts of interest, we like to clarify that as a general rule this firm will not regard an affiliate of a client (such as an entity in which the City has an interest) as a client of the firm for any purpose unless a lawyer-client relationship has been established between this firm and that entity by an express understanding with the firm. Therefore, if there is an entity which the City wishes this firm to regard as a client for conflict-of-interest purposes, please let us know.

If the City disagrees with our fees as shown on any statement, please call me immediately, as I will be responsible for overseeing this matter with the firm. We expect to resolve any such disagreements to the satisfaction of both sides with little inconvenience or formality. If we are not able to resolve a fee dispute, you have the right to request arbitration under supervision of the Orange County Bar Association. We agree to participate fully in that process.

From time to time you may wish to ask for estimates of the anticipated fees and costs for work that the City asks us to perform. We will be happy to provide you with such estimates but they will be just that – estimates. In no event will we ever provide a guaranty or "cap" on fees. As complicated legal matters often involve unexpected difficulties which take time and effort to resolve, we are unable to guarantee that the actual fees and costs will not be higher than estimated amounts.

Although our normal procedure is to obtain an initial retainer for work we perform for new clients, we will waive our standard retainer for fees and costs at this time. However, if legal fees and costs are not being paid in a timely manner, we reserve the right to require a retainer to serve as a continuing retainer throughout the course of our representation. A retainer is not an estimation of anticipated fees or costs, but is only a good faith deposit towards fees and costs to be incurred on the City's behalf. Any retainer will be placed in our trust account and applied against billings to the City. Interest will accrue on this account from time to time at the rate paid by the bank with which such account is maintained. Under California law, interest earned on this account is paid to the State Bar of California for the funding of free legal services to indigent persons. Of course, any credit balance remaining in any retainer account at the conclusion of our work will be refunded to the City promptly.

Nothing in this agreement should be construed as a promise or guarantee with respect to the outcome of any matter that we are handling on the City's behalf, as our comments are expressions of opinion only.

Upon ending our active involvement in a particular matter, we will have no further duty to inform the City of future developments or changes in law as may be relevant to that matter. Further, unless the City and we mutually agree in writing to the contrary, we will have no obligation to monitor

performance or renewal deadlines or other dates which may arise from the matters for which we had been retained.

All records and files will be retained and disposed of in compliance with our policy in effect from time to time. Subject to future changes, it is our current policy not to retain records relating to a matter for more than five years from the date the matter is closed. Upon your prior written request, we will return records to you prior to their destruction. It is not administratively feasible for us to advise the City of the disposal of records. Therefore, we recommend that the City maintain your own files for reference or make written request for the City's files at the conclusion of a matter. If you have any questions concerning our records retention policies, please contact us.

This letter contains all terms of the agreement between us applicable to our representation of the City and may not be modified except by a written agreement signed by both of us.

Your acknowledgment and agreement to the foregoing by execution and return of the enclosed copy of this letter is requested and appreciated.

We look forward to working with you.

Very truly yours

GARRETT DEFRENZA STIEPEL LLP,

Henry R. Stiepel
Attachment

cc: John L. Fellows, III (w/attach. via email)

THE FOREGOING IS AGREED TO AND ACCEPTED AS OF THE DATE HEREOF:

CITY OF TORRANCE

By: _____
LeRoy Jackson, City Manager

Dated: 16 Sept, 2008

APPROVED AS TO FORM:

JOHN L. FELLOWS III
City Attorney

By: _____

SCHEDULE OF FEES AND CHARGES
EFFECTIVE MARCH 2008

ATTORNEY/PARALEGAL FEES

Our hourly fees for attorneys currently range between $250 and $375, depending upon the experience level of the attorney working on the matter. Our hourly fees for paralegals currently range between $150 and $175, depending upon the expertise of the paralegal involved.

DISBURSEMENT/EXPENSE	CLIENT CHARGE BASIS
Postage Telephone Calls[1] Fax Transmissions Secretarial Overtime Document Processing	NO CHARGE

COMPUTER/TELECOMMUNICATIONS

Photocopying and Printing[2]	Photocopying at $.10 per page
Color Copies	Cost
Document binding (e.g., for briefs, formal presentation documents, etc.)	Cost
Messenger, Overnight, or Express Courier Service	Cost
Third Party Conference Calls	Cost
Computer Research (e.g., Lexis, Nexis and Westlaw)	All computer research will be charged at 100% of actual cost, plus the hourly rate of the person conducting the research.
Closing binder preparation	Photocopying, indexing, binding and CD Rom disc at $.20 per page. All closing binder preparation will be charged at 100% of actual cost, plus the hourly rate of the person preparing the closing binder.

Any outside costs that are not listed on this sheet but paid by the firm on behalf of the client are charged at 100% of actual cost.

THE FOREGOING FEES AND CHARGES ARE SUBJECT TO CHANGE WITHOUT NOTICE.

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1 Conference call services of outside vendors and international calls are charged at 100% of actual cost.

2 Major photocopying or printing costs may be performed by outside providers; actual cost plus a standard delivery and pick-up charge will be charged for such services.

EXHIBIT B

AMENDMENT TO FEE AGREEMENT FOR LEGAL SERVICES

This Amendment to Fee Agreement for legal services ("Amendment") is made and entered into as of November 1, 2008, by and between the **CITY OF TORRANCE**, a municipal corporation ("CITY"), and **GARRETT DeFRENZA STIEPEL, LLP,** a limited liability partnership ("FIRM").

RECITALS:

A. CITY and FIRM entered into a Fee Agreement for Legal Services ("Fee Agreement") on September 11, 2008, in the amount of $24,000. A copy of that Fee Agreement for Legal Services is attached as Exhibit A (Contract No. C2008-185)

B. FIRM advised that an additional $15,000 is required to fund this matter.

AGREEMENT:

1. Services to be Performed by FIRM.
FIRM will provide the services set forth in the Fee Agreement attached as Exhibit A and incorporated into this Amendment by this reference. FIRM warrants that all services set forth in the Fee Agreement and this Amendment will be performed in a competent, professional and satisfactory manner.

2. FIRM's Fee.
For services rendered pursuant to this Amendment, FIRM will be paid in accordance with the Fee Agreement; provided, however, that in no event will the total amount of money paid the FIRM, for services contemplated by this Amendment, exceed the sum of ***$39,000.00*** unless otherwise first approved in writing by CITY.

3. Conflict of Interest.
FIRM warrants that all necessary conflict clearances have been obtained.

C2008-185

COPY

4. Business License.
FIRM will not be required to obtain a City business license.

CITY OF TORRANCE,
a municipal corporation

By: _____
LeRoy J. Jackson
City manager

APPROVED AS TO FORM:

JOHN L. FELLOWS III
City Attorney

By: _____

GARRETT DeFRENZA STIEPEL LLP
a limited liability partnership

By: _____
Henry R. Stiepel
Attorney at Law

Exhibit A) Fee Agreement

EXHIBIT C

SECOND AMENDMENT TO FEE AGREEMENT FOR LEGAL SERVICES

This Second Amendment to Fee Agreement for legal services ("Amendment") is made and entered into as of May 1, 2009, by and between the **CITY OF TORRANCE**, a municipal corporation ("CITY"), and **GARRETT DeFRENZA STIEPEL, LLP,** a limited liability partnership ("FIRM").

RECITALS:

A. CITY and FIRM entered into a Fee Agreement for Legal Services ("Fee Agreement") on September 11, 2008, in the amount of $24,000. A copy of that Fee Agreement for Legal Services is attached as Exhibit A (Contract No. C2008-185)

B. An Amendment to the Fee Agreement was approved by the City Manager on November 1, 2008, in an amount not to exceed $39,000. A copy of that Amendment is attached as Exhibit B (Contract No. C2008-185).

C. An additional $30,000 is required to negotiate and complete the purchase and sale agreement.

C2008-185

AGREEMENT:

1. Services to be Performed by FIRM.
FIRM will provide the services set forth in the Fee Agreement attached as Exhibit A and incorporated into this Amendment by this reference. FIRM warrants that all services set forth in the Fee Agreement and this Amendment will be performed in a competent, professional and satisfactory manner.

2. FIRM's Fee.
For services rendered pursuant to this Amendment, FIRM will be paid in accordance with the Fee Agreement and its Amendments; provided, however, that in no event will the total amount of money paid the FIRM, for services contemplated by this Amendment, exceed the sum of ***$69,000.00*** unless otherwise first approved in writing by CITY.

COPY

3. Conflict of Interest.
FIRM warrants that all necessary conflict clearances have been obtained.

4. Business License.
FIRM will not be required to obtain a City business license.

CITY OF TORRANCE,
a municipal corporation

By: _____
Frank Scotto
Mayor

GARRETT DeFRENZA STIEPEL LLP
a limited liability partnership

By: _____
Henry R. Stiepel
Attorney at Law

ATTEST;

_____
Sue Herbers, City Clerk

APPROVED AS TO FORM:

JOHN L. FELLOWS III
City Attorney

By: _____

Exhibit A) First Amendment to Fee Agreement

EXHIBIT D

THIRD AMENDMENT TO FEE AGREEMENT FOR LEGAL SERVICES

This Third Amendment to Fee Agreement for legal services ("Amendment") is made and entered into as of October 1, 2009, by and between the **CITY OF TORRANCE**, a municipal corporation ("CITY"), and **GARRETT DeFRENZA STIEPEL, LLP,** a limited liability partnership ("FIRM").

RECITALS:

A. CITY and FIRM entered into a Fee Agreement for Legal Services ("Fee Agreement") on September 11, 2008, in the amount of $24,000. A copy of that Fee Agreement for Legal Services is attached as Exhibit A (Contract No. C2008-185)

B. An Amendment to the Fee Agreement was approved by the City Manager on November 1, 2008, for an additional $15,000 in an amount not to exceed $39,000. A copy of that Amendment is attached as Exhibit B.

C. On June 2, 2009, the City council approved a Second Amendment to the Fee Agreement for an additional $30,000 for a not to exceed total amount of $69,000. A copy of that Amendment is attached as Exhibit C.

D. An additional $20,000 is required to negotiate and complete the purchase and sale agreement.

C2008-185

AGREEMENT:

1. Services to be Performed by FIRM.
FIRM will provide the services set forth in the Fee Agreement attached as Exhibit A and incorporated into this Amendment by this reference. FIRM warrants that all services set forth in the Fee Agreement and this Amendment will be performed in a competent, professional and satisfactory manner.

ORIGINAL COPY

2. FIRM's Fee.
For services rendered pursuant to this Amendment, FIRM will be paid in accordance with the Fee Agreement and its Amendments; provided, however, that in no event will the total amount of money paid the FIRM, for services contemplated by this Amendment, exceed the sum of ***$89,000.00*** unless otherwise first approved in writing by CITY.

3. Conflict of Interest.
FIRM warrants that all necessary conflict clearances have been obtained.

4. Business License.
FIRM will not be required to obtain a City business license.

5. In all other respects, the Agreement dated September 11, 2008, the First Amendment dated November 1, 2008 and Second Amendment dated May 1, 2009 is ratified and reaffirmed and is in full force and effect.

CITY OF TORRANCE,
a municipal corporation

By: _____
Frank Scotto
Mayor

GARRETT DeFRENZA STIEPEL LLP
a limited liability partnership

By: _____
Henry R. Stiepel
Attorney at Law

ATTEST;

_____
Sue Herbers, City Clerk

APPROVED AS TO FORM:

JOHN L. FELLOWS III
City Attorney

By: _____

Exhibit A) Fee Agreement
Exhibit B) First Amendment to Fee Agreement
Exhibit C) Second Amendment to Fee Agreement