



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Richard Doyle
City Attorney

SUBJECT: Amendment to Orrick,
Herrington & Sutcliffe Bond
Counsel Agreement

DATE: 5-27-04

RECOMMENDATION

Adoption of a resolution authorizing the City Attorney to negotiate and execute the first amendment to the agreement with Orrick, Herrington & Sutcliffe LLP for bond and disclosure counsel services, to modify the scope of services and to increase the compensation by \$20,000 for a total compensation not to exceed \$270,000.

BACKGROUND

On March 16, 2004, the City Council authorized the City Attorney to negotiate and execute an agreement with Orrick, Herrington & Sutcliffe LLP ("Orrick") for bond and disclosure counsel services related to the issuance of the Series 2004 Airport Revenue Bonds for the Airport Security Projects. The agreement was executed by the City on April 9, 2004.

ANALYSIS

Since execution of the agreement, Airport and Finance staff have advised the City Attorney's Office that the City may elect to invest a portion of the bond proceeds in one or more investment agreements. The terms of the investment agreements will meet the requirements of the City's investment policy. As the IRS Code and regulations require that the City follow certain procedures in the procurement of an investment agreement, it is advisable that bond counsel participate in both the selection of the investment agreement provider and the negotiation of the terms.

When the City and Orrick entered into the agreement for bond and disclosure counsel services, services related to investment agreements were not contemplated. Orrick charges \$5000 per investment agreement, plus any reimbursable expenses. At this point, staff contemplates entering into at least two investment agreements. Accordingly, this Office recommends that the City Attorney be authorized to amend the existing agreement to modify the scope of services and to increase the total compensation

5/27/2004

Subject: Orrick, Herrington Agreement

Page 2

payable to Orrick by \$20,000 in order to provide funds for the additional services and expenses related to the investment agreements.

The compensation to be paid to Orrick for their bond and disclosure counsel services and the services related to the investment agreements is contingent upon the sale of the 2004 Airport Revenue Bonds.

PUBLIC OUTREACH

Not applicable.

RICHARD DOYLE
City Attorney

By _____
DANIELLE KENEALEY
Senior Deputy City Attorney

cc: Del Borgsdorf