



BRIEFING: MAY 10, 2016 BOARD MEETING AGENDA ITEM #6

TO: Chairman Richard and Board Members

FROM: Tom Fellenz, Chief Counsel

DATE: May 10, 2016

RE: Consider Extending the Legal Services Contract with Nossaman LLP for Time Only

Background and Summary of Requested Action

As the California High-Speed Rail Authority (Authority) has expanded in size and the delivery of the high-speed rail system has advanced from planning to implementation, the Authority's legal service needs have expanded. The Authority is currently utilizing a combination of state staff (seven in-house attorneys plus legal support staff), State outside counsel (Attorney General's office and Caltrans legal department), and private outside counsel to address legal issues.

Private outside counsel has only been used for legal topic areas where the State does not have sufficient capacity and/or technical expertise – for example, federal railroad law and jurisdiction by the Federal Surface Transportation Board and specialty environmental permitting.

The development of procurement documents for the high-speed electric trainsets is another example of this type of specialty legal services. These are complex, large (in terms of dollars) and technically-specific documents that have not previously been developed by State attorneys, and thus the Authority must turn to outside legal experts for assistance.

Nossaman LLP attorneys have been instrumental in assisting the Authority with this procurement. Nossaman's current contract expires June 30, 2016 and the trainset procurement would occur after that date. Accordingly, the Authority would best be served by extending this contract within the previously-approved budget.

In addition, until 2015 Nossaman was the primary provider of legal advice regarding specialty environmental permitting legal issues. Since then, those attorneys have been available to ensure effective transfer of historical knowledge regarding these environmental issues. While that transfer is mostly complete, extending the contract for the trainset-procurement will have the collateral benefit of ensuring continued knowledge transfer.

History and Prior Board Action

Nossaman has been assisting the Authority since 2009. More recently, Board approvals in 2012, 2013 and 2014 amended the Nossaman contract to its current end date of June 30, 2016, and its contract amount total of \$19 million. There is presently approximately \$1 million left in the overall budget.

Recommendation

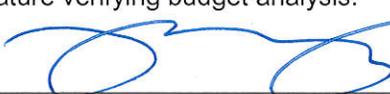
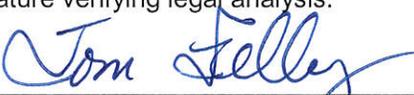
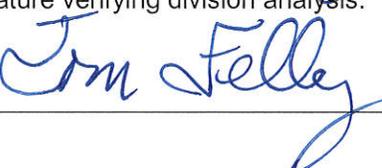
Staff recommends that the Nossaman contract be amended for time only (up to two years) to ensure completion of ongoing work (primary trainset procurement), program consistency and retention of institutional knowledge. To facilitate that, staff recommends that the Board adopt a Resolution authorizing the CEO or his designee to amend the Nossaman LLP contract for time only for up to two years.

Legal Approval

Chief Counsel, who is presenting this action item, approves the requested contract amendment and affirms the Authority’s ability to do so under state contracting law.

Budget Implications

There are no funds associated with this request, and therefore, there are no budget implications related to this action item.

REVIEWER INFORMATION	
Reviewer Name and Title: Russell Fong, CFO	Signature verifying budget analysis: 
Reviewer Name and Title: Tom Fellenz, Chief Counsel	Signature verifying legal analysis: 
Reviewer Name and Title: Tom Fellenz, Chief Counsel	Signature verifying division analysis: 

Attachment

– Draft Resolution #HSRA 16-16