Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

AGREEMENT FOR LEGAL SERVICES

29736

THIS AGREEMENT FOR LEGAL SERVICES is made and entered, in duplicate, as of September 12, 2006, for reference purposes only, pursuant to a minute order adopted by the City Council of the City of Long Beach at its meeting held on September 12, 2006, by and between Gibbs, Giden, Locher & Turner, LLP ("Special Counsel") and the CITY OF LONG BEACH, a municipal corporation ("City").

WHEREAS, the City Attorney has identified a need for the legal services of Special Counsel and Special Counsel is willing and able to perform those services; and

WHEREAS, the City and Special Counsel must cooperate to deliver quality legal services in an efficient manner and desire to follow the parameters of this agreement toward that end;

WHEREAS, the estimated expenditure for the Services was expected to be less than One Hundred Thousand Dollars ($100,000.00), Purchase Order BPLW06-07 was issued by City; and

WHEREAS, several factors have caused the estimated expenditures to exceed One Hundred Thousand Dollars ($100,000.00) so that a contract for services is now required by the Municipal Code;

NOW, THEREFORE, in consideration of the mutual terms and conditions contained herein, the parties agree as follows:

1. The term of this Agreement shall commence on June 1, 2006, which is the commencement date of the Purchase Order, provided, however, that City shall have the right to terminate this Agreement without penalty and without cause by giving fifteen (15) days prior notice to Special Counsel.

2. Scope of Services. Special Counsel shall perform all legal services necessary and appropriate to the Matter for which Special Counsel has been engaged, namely: City of Long Beach vs. Abbey Co., Case No. NC037087. The City has engaged

Special Counsel because Special Counsel is uniquely qualified in the area of law required.

3. A. Because the City has engaged Special Counsel due to its expertise and reputation, Special Counsel and the City Attorney or designee will agree on a staffing profile that identifies the partners, associates, and paralegals who are authorized to work on the Matter, including their respective billing rates, which will be attached as Addendum subsequent to execution of this Agreement. Individuals whose names are not included in the staffing profile may not work on the Matter without the prior approval of the City Attorney, or designee. The City reserves the right to refuse to pay for work performed by any individual whose name is not listed or who has not received such prior approval, or whose rate has not been approved.

B. Special Counsel shall not hire or otherwise incur any obligation to pay other counsel, specialists, consultants, or experts for services in connection with the Matter without the prior written approval of the City Attorney or designee.

4. Fee. City shall pay to Special Counsel in due course of payments compensation at the hourly rates identified in the staffing profile and reimbursement of costs as further described herein and in the "Guidelines" also attached hereto, not to exceed Two Hundred Forty Five Thousand Dollars ($245,000.00).

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

for costs incurred by Special Counsel in preparing an invoice, correcting it, or resubmitting it.

E. Special Counsel shall submit invoices no later than the last day of the month following the month in which Services were performed and actual costs incurred. If Special Counsel submits invoices after said date, then the invoice(s) may be subject to a discount of ten percent (10%) for each month or portion thereof that the invoice is not timely submitted.

5. Costs. The City will reimburse Special Counsel for the reasonable costs incurred by Special Counsel as a result of its representation of the City in the Matter, in accordance with the Guidelines. Costs shall be actual, without the addition of administrative or overhead charges, and must be documented. The City will not pay for costs that do not contain supporting documentation satisfactory to the City Attorney, or designee.

6. Term. The term of this Agreement shall begin at 12:01 a.m., on June 1, 2006 and shall end when the Matter is concluded or on fifteen (15) days' prior notice from the City to Special Counsel.

7. Insurance. As a condition precedent to the effectiveness of this Agreement, Special Counsel shall procure and maintain at its expense for the duration of this Agreement from insurance companies admitted to write insurance in California or from authorized non-admitted insurance companies that have ratings of or equivalent to A:VIII by A.M. Best Company professional liability or errors and omissions liability insurance in an amount not less than One Million Dollars ($1,000,000) per claim.

Any self-insurance program, self-insured retention or deductible must be separately approved in writing by the City's Risk Manager or designee and shall protect the City, its officials, employees and agents in the same manner and to the same extent as they would have been protected had the policy or policies not contained retention or deductible provisions. Each insurance policy shall be endorsed to state that coverage shall not be reduced, non-renewed, or canceled except after thirty (30) days prior

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

written notice to the City, and shall be primary and not contributing to any other insurance or self-insurance maintained by the City, its officials and employees. Special Counsel shall notify the City in writing within five (5) days after any insurance required herein has been voided by the insurer or canceled by the insured.

Special Counsel shall deliver to the City certificates of insurance and original endorsements for approval as to sufficiency and form prior to the start of performance hereunder. The certificate and endorsements for each insurance policy shall contain the original signature of a person authorized by that insurer to bind coverage on its behalf. The procuring or existence of insurance shall not be deemed or construed as a limitation on Special Counsel's liability or as performance of or compliance with any indemnity provisions herein. City reserves the right to require complete certified copies of all policies at any time. Special Counsel shall make

meeting, conference call or similar event (unless approved in advance by the City); opening, closing or organizing files; or other similar tasks.

7. Vague billing which does not contain sufficient information to allow the City's reviewer of the invoice to determine the nature of the task, the reason for the task and the individual performing the task is subject to reduction by the City. Examples of vague billing include but are not limited to the following: Attention to Matter, Review case and issues, Conference, Review correspondence, Arrangements, Telephone call, Discovery, Trial Preparation, Meeting, Update strategy, Motion work, Work on case or project, Pleadings, Work on file or discovery, Prepare for "xxxx", Review documents, Legal Research or analysis.

8. All Services billed by attorneys and paralegals must be actual legal services requiring the expertise of a legal provider. The City will not pay for more than eight (8) hours of Services per day without a detailed explanation of the need for time over eight hours and may reduce the invoice if the explanation is unsatisfactory, in the City's sole discretion.

9. The City will reimburse for facsimiles sent by but not received by Special Counsel and photocopies made at a rate not to exceed $.12 per page; the number of pages of facsimiles and to whom they were sent, and the number of pages of photocopies made must appear on the invoice. Special Counsel shall limit the making of photocopies and the sending of facsimiles. The City will reimburse actual costs for computerized legal research if it is reasonable and necessary; however, these charges are subject to review by the City.

10. The City will not reimburse for overtime, word processing (document production), supplies, anything identified on an invoice as "miscellaneous", or any other unidentified charges.

11. Special Counsel shall normally use the U.S. Mail and regular attorney services to send and to file papers and other materials. The City reserves the right to reduce excessive charges for messengers and Federal Express or other similar

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

services which are not fully explained or which are not necessary, in the City's determination.

12. A. The City will reimburse travel costs of Special Counsel only as described herein. Travel costs not addressed in these Guidelines are not reimbursable. Travel costs must be reasonable. The City will not reimburse for travel by more than one person of Special Counsel, unless approved in writing by the City Attorney or designee in advance of such travel. The City will not reimburse for excess costs caused by an indirect route chosen for Special Counsel's personal reasons

B. As used in these Guidelines, "local travel" means travel that is 100 miles or less from the office of Special Counsel or from his/her home. "Extended travel" means travel that is more than 100 miles from the office of Special Counsel or from his/her home.

C. The City will not reimburse for local travel. However, the City will reimburse for the actual cost of parking that is necessitated by local travel. The City will not reimburse for meals in connection with local travel. While Special Counsel is on local travel, the City will pay fifty percent (50%) of the hourly rate of Special Counsel.

D. The City must approve all extended travel in advance. The City will reimburse fifty percent (50%) of the actual costs of extended travel, unless Special Counsel can substantiate the need for full reimbursement. Special Counsel shall use its best efforts to make airline reservations far enough in advance to take advantage of reduced air fares and shall take advantage of other promotional air fares that reduce costs. In any case, travel by air shall be at economy, coach, or other lower fare. The City will not reimburse for travel insurance.

Special Counsel should use a rental car while on extended travel only when necessary and when the cost of a rental car will be less than other forms of ground transportation. If the use of a rental car meets the preceding criteria, then the City will reimburse for a compact vehicle for one person, a mid-sized vehicle for two persons, and a standard size vehicle for three or more persons. The City will not

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

reimburse for luxury vehicles, vans, or 4x4 vehicles.

The City will reimburse Special Counsel, while on extended travel, for the reasonable, actual costs for meals, excluding the cost of alcoholic beverages, and for lodging at hotels which are moderately priced for the locale, but will not reimburse for laundry or movies.

E. Special Counsel shall submit a travel expense report on the City's form after completing extended travel. Special Counsel shall submit receipts or other evidence of payment relating to each item for which Special Counsel seeks reimbursement.

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

DFG:billingguidelines/PO(8/27/99)