



**TO:** Elizabeth Pauli, City Manager  
**FROM:** William Fosbre, City Attorney, City Attorney’s Office  
**COPY:** City Council and City Clerk  
**SUBJECT:** Resolution – Authorizing Amendment No. 1 to the Agreement with K&L Gates for legal services related to the Click! Network – September 26, 2017  
**DATE:** September 12, 2017

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**SUMMARY:**

Authorizing the execution of Amendment No. 1 to the Agreement for Legal Services with the law firm of K&L Gates LLP, in the amount of \$200,000, for a cumulative total of \$400,000, for ongoing legal services relating to the Click! Network in the matter of Edward E. (Ted) Coates, et al. v. City of Tacoma.

**STRATEGIC POLICY PRIORITY:**

- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

**BACKGROUND:**

On February 21, 2017, the City received a Claim for Damages from Edward E. (Ted) Coates; Michael Crowley; Mark Bubenik and Margaret Bubenik d/b/a Steele Manor Apartments; Thomas H. Oldfield; and Industrial Customers of Northwest Utilities, alleging an unlawful expenditure of utility funds. On June 22, 2017, the claimants filed a lawsuit in Pierce County Superior Court (Cause No. 17-2-08907-4), seeking declaratory, injunctive, and mandamus relief.

On March 10, 2017, the City entered into a Legal Services Agreement with K&L Gates LLP, in the amount of \$200,000, to provide legal services and advice to the City at the claim stage; the law firm is now representing the City in the subsequent lawsuit. It is necessary to increase the agreement in the amount of \$200,000, for a cumulative total of \$400,000, to allow the law firm to continue representing the City in this matter. Ongoing costs include payment of fees, processing extensive document requests by plaintiffs in the discovery process, and the hire of necessary outside experts.

**ISSUE:**

The City currently has a legal services agreement with K&L Gates LLP to provide legal advice, services, and representation in the matter of Edward E. (Ted) Coates, et al. v. City of Tacoma. It is necessary to increase the maximum compensation for the agreement in the amount of \$200,000, for a cumulative total of \$400,000, to allow the law firm to continue representing the City in this matter.

**ALTERNATIVES:**

If the contract is not increased, the law firm would reduce its level of services and likely would be forced to withdraw as counsel for the City; the City Attorney’s Office would take over sole representation of the City in this matter.

**RECOMMENDATION:**

The City Attorney’s Office is recommending that the proposed amendment be authorized to allow the law firm to continue providing legal services and representation to the City in this matter.



**FISCAL IMPACT:**

**EXPENDITURES:**

<b>FUND NUMBER &amp; FUND NAME *</b>	<b>COST OBJECT (CC/WBS/ORDER)</b>	<b>COST ELEMENT</b>	<b>TOTAL AMOUNT</b>
Internal Services Fund, 5800	598100	5311300	\$100,000
Power Fund, 4700	561000	5311300	\$100,000
<b>TOTAL</b>			<b>\$200,000</b>

\* General Fund: Include Department

**FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$200,000**

**ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes.**

**IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.**

N/A