



Chandler • Arizona
Where Values Make The Difference

#20
JUN 23 2016

MEMORANDUM

Airport Memo No. AI16-032

DATE: JUNE 23, 2016

TO: MAYOR AND COUNCIL

THRU: MARSHA REED, CITY MANAGER *MR*

FROM: CHRIS ANDRES, AIRPORT ADMINISTRATOR *CA*

SUBJECT: APPROVAL OF AMENDMENT NO. 2 TO THE AGREEMENT WITH THE LAW FIRM OF KAPLAN KIRSCH & ROCKWELL, LLP

RECOMMENDATION

Staff recommends City Council approve Amendment No. 2 to the Agreement with the law firm of Kaplan Kirsch & Rockwell, LLP, in the amount of \$27,000 for a revised not to exceed amount of \$127,000 for its continued provision of legal services regarding a Part 16 complaint filed by Chandler Air Service.

BACKGROUND

On September 12, 2013, City Council approved Agreement Amendment No. 1 with the law firm of Kaplan Kirsch & Rockwell, LLP, in the amount of \$100,000 for legal services impacting the Chandler Municipal Airport.

On February 9, 2016, the City received a very favorable determination from the FAA; however, the agency requested follow-up information to be provided within a short timeframe, specifically relating to the City's action plan on aviation fuel sales taxes. A final, conclusive ruling has not been made by the FAA and the legal process regarding this Complaint continues, although staff expects a favorable conclusion and minimal additional work.

To see this matter through to a final decision, a Second Amendment is required, with a new, not to exceed amount of \$127,000. This includes \$108,343.21 paid to date which is within the 10% allowance on the \$100,000 contract, current invoices for legal services of \$12,726.75, plus a contingency for additional services of \$5,930.04.

FINANCIAL IMPLICATIONS

Payments for services rendered will come from the Airport Operating Fund, Account 635.4100.5215 (Legal Expenses).

AI Memo 16-
June 23, 2016
Page 2

PROPOSED MOTION

Move City Council approve Amendment No. 2 to the agreement with the law firm of Kaplan Kirsch & Rockwell, LLP, in the amount of \$27,000 for a revised not to exceed amount of \$127,000 for its continued provision of legal services regarding a Part 16 complaint filed by Chandler Air Service.

Attachment: Agreement Amendment No. 2



KAPLAN KIRSCH ROCKWELL

RECEIVED
JUN 13 2016
LAW DEPARTMENT

June 10, 2016

VIA E-MAIL

Kay Bigelow, City Attorney
Chandler City Attorney's Office
P.O. Box 4008
MS 602
Chandler, AZ 85244-4008

Re: Second Amendment to Engagement for Legal Services

Dear Ms. Bigelow:

The purpose of this letter is to modify the terms by which the Firm has committed to provide legal services to the City of Chandler, as documented in our engagement letter dated July 25, 2013, as amended by letter dated September 4, 2013.

By this letter, the Firm commits that it will not charge the City for fees or costs in excess of \$127,000, without further authorization. This amount reflects an increase from the September 4, 2013 agreement, which contained a not-to-exceed limit of \$100,000. All of the other terms of the July 25 engagement letter, as amended, remain in place.

We appreciate the confidence and trust the City has placed in the Firm and look forward to continuing to work with you and City staff.

If the terms described above are satisfactory, please so indicate by signing this letter and returning one signed copy to me.

Sincerely,

By: W. Eric Pilsk

ACCEPTED AND AGREED ON BEHALF OF
City of Chandler - Chandler Municipal Airport

By:

Kay Bigelow, City Attorney