

# Executive Summary

Board of Governors Meeting, September 22, 2021

## Legal Services Agreement with Lydecker, LLP

Citizens is requesting approval for \$800,000 in additional contract spend under a current contract for legal services with Lydecker, LLP. Approval is also requested for a new two (2) year contract with Lydecker for continued representation in the matter for which Lydecker was engaged. The current contract expires in February 2022.

### History

Citizens selects law firms under two methods. We have procured counsel in the past by specific subject matter areas via competitive solicitations. Additionally, Florida law exempts legal services from competitive solicitation requirements pursuant to s. 287.057 (3) (e) and s. 627.351 (6), F.S.

Citizens executed this legal services contract with Lydecker in February 2019. The contract was procured pursuant to the statutory exemption from competitive solicitations for legal services contracts. The contract includes a three (3) year term and expires in February 2022.

Citizens engaged Lydecker to assist in the investigation of water claims involving the Stremms Law Firm and other related entities. The investigation led to the filing of a six count, seven co-defendant complaint alleging violations of Federal and Florida RICO (Racketeer Influenced and Corrupt Organization) Act, Negligent Misrepresentation, and Fraud. The Complaint was later amended to add a claim under the Unfair and Deceptive Trade Practices Act. Although initially filed in Tallahassee, the case was transferred to Dade County per order of Judge Charles Dodson on April 23, 2020. The lawsuit is currently pending in the Complex Business Litigation Section in Dade County before Judge Hanzman. Citizens recently prevailed in the hearing on the Defendants' motions to dismiss. Answers have been filed, the jury trial is set to begin on May 22, 2023, and discovery is ongoing.

The Board approved the contract in September 2019 for an amount not to exceed \$400,000. This spend limit was recently exceeded with total contract spend estimated at \$682,000 through July 2021. This Action Item seeks approval for this additional spend and further anticipated spend, for a total approved amount not to exceed \$1,200,000.

Approval is also requested for a new contract with Lydecker for continued representation in the ongoing Dade County case. This approval is requested given Lydecker's familiarity with this litigation and the related investigations. Approval is requested for a total spend not to exceed \$1,200,000 across the current expiring contract and the new proposed contract.

### Recommendation

Staff proposes that the Board of Governors:

- a) Approve additional spend of \$800,000 under the current Legal Services Agreement with Lydecker, LLP, for a total contract spend not to exceed \$1,200,000, as set forth in this Action Item;

# Executive Summary

Board of Governors Meeting, September 22, 2021

- b) Authorize staff to enter into a new Legal Services Agreement with Lydecker, LLP for continued representation in the matter for which Lydecker was engaged, for a two (2) year term and for an amount not to exceed \$1,200,000 across the current expiring contract and this proposed new contract; and,
- c) Authorize staff to take any appropriate or necessary action consistent with this Action Item.

**ACTION ITEM** **New Contract** **Contract Amendment** **Other\_Existing Contract\_\_\_\_\_** **CONSENT ITEM** **Contract Amendment** **Existing Contract Extension** **Existing Contract Additional Spend** **Previous Board Approval\_\_\_\_\_** **Other\_\_\_\_\_**

**Action Items:** Items requiring detailed explanation to the Board. When a requested action item is a day-to-day operational item or unanimously passed through committee it may be moved forward to the board on the Consent Index.

- Move forward as Consent:** This Action item is a day-to-day operational item, unanimously passed through committee or qualifies to be moved forward on the Consent Index.

**Consent Items:** Items not requiring detailed explanation to the Board of Governors. Consent items are contract extensions, amendments or additional spending authorities for items previously approved by the Board.

Item Description	Legal Services Agreement with Lydecker, LLP
<p><b>Purpose/Scope</b></p>	<p><b>Purpose:</b> This Action Item seeks Board approval for \$800,000 in additional contract spend under a current contract for legal services with Lydecker, LLP.</p> <p>This Action Item also requests approval for a new contract with Lydecker for continued representation in the matter for which Lydecker was engaged. Approval is requested for a total spend not to exceed \$1,200,000 across the current expiring contract and this proposed new contract.</p> <p><b>Scope:</b> Citizens entered into a contract with Lydecker in February, 2019 for specialized legal advice and strategy in support of Citizens' Special Investigations Unit operations. The contract was approved by the Board in September 2019 for an amount not to exceed \$400,000. The spend limit was recently exceeded with total contract spend estimated at \$682,000 through July 2021. This Action Item seeks approval for this additional spend and further anticipated spend, for a total approved amount not to exceed \$1,200,000. Further, the current contract expires on February 14, 2022. A new two (2) year contract with Lydecker will likely be needed for continued representation in the matter for which Lydecker was engaged.</p>
<p><b>Contract ID</b></p>	<p>Legal Services Agreement Contract Number, 19-19-5001-00 Lydecker, LLP</p>

<b>Budgeted Item</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Procurement Method</b>	This law firm has been selected to provide specialized legal advice and strategy in support of Citizens' Special Investigations Unit, and for this reason the statutory exemption from competitive solicitation under s. 287.057 (3) (e) and s. 627.351 (6), F. S. was utilized.
<b>Contract Amount</b>	Not to exceed \$1,200,000.
<b>Contract Terms</b>	The current contract with Lydecker includes a three (3) year term that expires February 14, 2022. Approval for an additional two (2) year contract with Lydecker is also requested for continued representation in the matter for which Lydecker was engaged.
<b>Board Recommendation</b>	<p>Staff proposes that the Board of Governors:</p> <ul style="list-style-type: none"> <li>a) Approve additional spend of \$800,000 under the current Legal Services Agreement with Lydecker, LLP, for a total contract spend not to exceed \$1,200,000, as set forth in this Action Item;</li> <li>b) Authorize staff to enter into a new Legal Services Agreement with Lydecker, LLP for continued representation in the matter for which Lydecker was engaged, for a two (2) year term and for an amount not to exceed \$1,200,000 across the current expiring contract and this proposed new contract; and,</li> <li>c) Authorize staff to take any appropriate or necessary action consistent with this Action Item;</li> </ul>
<b>Item Qualifies for Consent Index</b>	This _____ item is a day-to-day operational item, has unanimously passed through the _____ Committee or otherwise qualifies to be moved forward on the Consent Index.
<b>Contact</b>	Tim Cerio, General Counsel and Chief Legal Officer