



Thursday, August 31, 2006

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Law
RECOMMENDATION FOR COUNCIL ACTION

ITEM No. 8

Subject: Approve a legal services agreement with George and Brothers, L.L.P., continuing legal services begun with that firm under its old firm name of George and Donaldson, L.L.P., regarding Allissa M. Chambers v. Josie Valdez d/b/a Valdez Remodeling and the City of Austin; Cause No. 97-08030 in the 53rd Judicial District, Travis County, Texas, in an amount not to exceed \$15,000, for a total contract amount under both contracts not to exceed \$177,000.

Amount and Source of Funding: Funding in the amount of \$15,000 is available in the Fiscal Year 2005-2006 Approved Operating Budget of the Liability Reserve Fund.

For More Information:

Prior Council Action: The Law Department contracted with Gary Lewis of George and Donaldson, L.L.P., currently dba George and Brothers, L.L.P., on March 21, 2000. The original contract amount was \$20,000 under administrative authority. On March 30, 2000, Council authorized an amendment of \$50,000, for a not to exceed amount of \$70,000. On October 5, 2000, Council authorized an additional amount of \$40,000 to bring the total amount not to exceed to \$110,000. On April 11, 2002, Council authorized an additional amount of \$40,000 to bring the total amount not to exceed to \$150,000. On June 26, 2002, the contract was increased again for an additional amount of \$12,000 to bring the total amount not to exceed to \$162,000. This current amendment of \$15,000 increases the amount of the contract with George and Donaldson, L.L.P., currently dba George and Brothers, L.L.P., for legal services concerning the Allissa M. Chambers v. Josie Valdez, dba Valdez Remodeling & the COA. The increase will result in a total contract amount not to exceed \$177,000. This lawsuit has a protracted history. It concerns an individual who purchased a house in 1995. She applied for, and received, a forgivable loan of \$17,000 from Community Development Block Grant funds to bring the house up to code. The city and Ms. Chambers selected a contractor (Valdez Remodeling) to work on the house. Almost immediately, Ms Chambers was dissatisfied with the contractor. In 1997 she sued the contractor for breach of contract. She sued the city, but only to prevent it from paying the contractor (about \$7500 for the work completed). At some point after litigation began, Plaintiff learned that the contractor had used a mechanical sander to sand a portion of the exterior of the house. Plaintiff got new lawyers and added allegations, including that the mechanical sanding violated federal regulations regarding lead based paint. (Although her son has been tested many times, he has no elevation of lead levels.) The suit has been up on appeal twice. The only claims remaining against the city at this point are a claim for quiet title (we have filed records with the county clerk to disclaim title, so that should not be a problem), and a breach of contract for not having paid the contractor (which is what the original suit against the city had requested.) The case has lingered since 2003. It resurrected when the contractor's lawyer sought to have it dismissed. The judge sent the case

Additional Backup Material

(click to open)

No Attachments Available

to mediation, which was unsuccessful. We will reurge the motion to dismiss, will pursue a motion for summary judgment which is already on file, and if all else fails, try the suit.
