



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 8/12/2025

ALL

Item Creation Date: 6/18/2025

LGL-Hicks Johnson PLLC - Increase Maximum Amount

Agenda Item#: 60.

Summary:

AN ORDINANCE AMENDING ORDINANCE NO. 2022-967, AS AMENDED, TO INCREASE THE MAXIMUM CONTRACT AMOUNT TO A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF HOUSTON AND HICKS JOHNSON PLLC FOR REPRESENTATION OF THE CITY IN A LAWSUIT FILED AGAINST THE CITY; CONTAINING PROVISIONS RELATING TO THE SUBJECT; AND DECLARING AN EMERGENCY.

Background:

On December 14, 2022, City Council passed and adopted Ordinance 2022-967, as amended by Ordinance 2024-227, and Ordinance 2025-128 approving and authorizing an agreement (“Agreement”) with Schiffer Hicks Johnson (“Firm”), for professional legal services in defending the lawsuit filed by Houston Waterworks Team (HWT) against the City. This case revolves around multiple payment disputes with the design-builder of the nearly two-billion-dollar Northeast Water Purification Plant Expansion Project, as the design-builder seeks significant funds beyond the amount set in the guaranteed maximum price contract and seeks to avoid the assessment of liquidated damages due to delays in the design-builder’s performance (“HWT litigation”). The firm changed its name to Hicks Johnson PLLC in July 2024.

Litigation costs have unexpectedly increased since Council initially approved the legal services Agreement and ordinances amending the maximum contract amount due to HWT. Motions for reconsideration and a court order finding communications between the City and its water authority partners are not privileged required the City to file a petition for writ of mandamus. In addition, the City has been forced to defend additional discovery motions and defend a motion for reconsideration. These additional, unexpected litigation developments have expanded the scope of the litigation and have resulted in a corresponding cost increase by enlarging the volume of documents in discovery, expanding motions practice, and broadening the scope of the legal issues in the case. Consequently, attorneys fees have increased. On April 17, 2024, City Council passed and adopted Ordinance 2024-227 to increase the maximum contract amount \$3,112,000.00 to \$5,646,750.00. On February 26, 2025, City Council passed and adopted Ordinance 2025-128 to increase the maximum contract amount from \$5,646,750.00 to \$7,148,750.00. Motion practice, a petition for writ of mandamus, and preparation for trial are in progress.

To continue these critical legal services through trial to address new claims in the most recent petition and corresponding expert discovery, the City Attorney, Director of Houston Public Works, and the Chief Procurement Officer recommend increasing the maximum contract amount from \$7,148,750 to \$8,648,750.

The City shares the legal fee costs under the Agreement with four water authorities who contribute to the cost of this Agreement. They pay 84% of the attorney’s fees, which is recouped by the City. The four water authorities fully support this increase.

MWBE Participation:

The MWBE participation goal for this contract is 20%. To date, the Firm is achieving approximately 1.97% participation, met by the designated and certified firm, Al Odom, P.C. The Firm anticipates a significant increase in the MWBE firm’s participation in preparation for and throughout the trial. The Office of Business Opportunity will continue to monitor this contract to ensure maximum MWBE participation.

Fiscal Note: Funding for this item is included in the FY2026 Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

Estimated Spending Authority			
DEPARTMENT	FY2026	OUT YEARS	TOTAL
Houston Public Works Department	\$1,500,000.00	\$0.00	\$1,500,000.00

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Arturo G. Michel, City Attorney

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Randy Macchi, Director, Houston Public Works

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Jedediah Greenfield, Chief Procurement Officer

Prior Council Action:

Ordinance No. 2022-967 (December 14, 2022)

Ordinance No. 2024-227 (April 17, 2024)

Ordinance No. 2025-128 (February 26, 2025)

Amount and Source of Funding:

\$1,500,000.00 – from Water and Sewer System Operating Fund No. 8300

Contact Information:

M. Lucille Anderson..... 832-393-6485

Mary McKerral.....832-393-6422

ATTACHMENTS:

Description	Type
MWSDBE Verification Request Form	Other
Funding Information - Attachment A	Financial Information
COF	Financial Information
FR 300006694	Financial Information