



AGENDA REPORT

Meeting Date: February 3, 2011

Item Number: F-8

To: Honorable Mayor & City Council

From: Scott Miller, Director of Administrative Services and CFO
Noel Marquis, Assistant Director of Administrative Services - Finance

Subject: **APPROVALS RELATED TO VARIOUS CITY PURCHASING AND BUDGET TRANSACTIONS AS DESCRIBED HEREIN**

Attachments: None

Item A. APPROVAL OF A CHANGE ORDER IN THE AMOUNT OF \$100,000 FOR A PURCHASE ORDER TO HANSON BRIDGETT LLP FOR SPECIAL COUNSEL FOR A TOTAL NOT TO EXCEED AMOUNT OF \$160,000

RECOMMENDATION

For Fiscal Year 2010/2011, purchase order #11201085 was approved by the City Council in the amount of \$60,000. Staff recommends that the City Council approve an additional \$100,000 be added to this existing purchase order in a total not-to-exceed amount of \$160,000 for special counsel services.

INTRODUCTION

On March 11, 2009, Amendment no. 2 to Agreement no. 94-09 was approved by Council for Hanson Bridgett LLP to continue to provide special counsel services in connection with the City's benefit programs. The amendment continues the current agreement at the same rates and has also set the consideration to a not-to-exceed amount set forth in annual City purchase orders.

DISCUSSION

Hanson Bridgett LLP has assisted the city in the implementation of the Alternative Retiree Medical Plan (ARMP) as well as conducting various compliance reviews, audits and providing specialized legal counsel. With the City's focus on increasing efficiencies and containing employee costs, the need for these services are ongoing and are anticipated to increase through Fiscal Year 2010/2011.

Furthermore, \$71,791.57 of the \$100,000 requested can be directly attributed to delayed invoices for services rendered in Fiscal Year 2009/2010. As a result, \$100,000 of funds designated for this vendor were carried over from the previous Fiscal Year in anticipation of these delayed invoices, which have only recently been received by the City.

Finally, the Chief Financial Officer was successful in negotiating a 25% discount in the legal costs from Hanson Bridgett LLP for Fiscal Year 2009/2010 from \$95,722.09 to \$71,791.57. This reduction of service costs is reflected in the requested increase. With all of these considerations, staff is requesting an additional \$100,000 to fund the rest of the Fiscal Year.

The amount requested will bring the total of the purchase order to \$160,000.

FISCAL IMPACT

The additional expenses related to special counsel services will not exceed \$100,000. Furthermore, this money has been budgeted in the Legal Fees account of the Administrative Services Department for the current fiscal year.



Noel Marquis
Finance Approval



Scott G. Miller
Approved By