



Legislation Details (With Text)

File #: 2020-0559
Type: Consent Calendar Item **Status:** Agenda Ready
File created: 5/26/2020 **In control:** County Counsel
On agenda: 6/9/2020 **Final action:**
Title: Amendment to Legal Services Agreement with Hanson Bridgett LLP
Sponsors: Human Resources, County Counsel
Indexes:
Attachments: 1. Summary Report.pdf, 2. Attachment A: Proposed Amendment to Legal Service Agreement.pdf

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

To: Board of Supervisors
Department or Agency Name(s): County Counsel and Human Resources
Staff Name and Phone Number: Kara Abelson, (707) 565-4244
Vote Requirement: 4/5th
Supervisorial District(s): All

Title:
Amendment to Legal Services Agreement with Hanson Bridgett LLP

Recommended Action:

Authorize County Counsel to execute an amendment to the legal services agreement with the law firm of Hanson Bridgett LLP to increase the contract limit for legal services related to the presentation of the County's reimbursement claim to CSAC Excess Insurance Authority. (4/5th Vote Required)

Executive Summary:

This action would amend the existing legal services contract with the law firm of Hanson Bridgett LLP to increase the maximum contract amount from \$500,000 to \$637,815.73 to account for payment of legal services rendered related to the presentation of the County's reimbursement claim to CSAC Excess Insurance Authority (CSAC-EIA).

Discussion:

The County and Hanson Bridgett LLP entered into a Legal Services Agreement, dated April 23, 2010 ("SCARE Agreement") for legal representation of the County in regards to *Sonoma County Association of Retired Employees ("SCARE") v. Sonoma County* (Case No. CV 09-4432 in the United States District Court for the Northern District of California, Oakland Division) ("SCARE Lawsuit") and related matters. On December 6, 2016, the Board of Supervisors approved a Settlement Agreement with SCARE and on April 19, 2017, the District Court approved the Settlement Agreement and a Final Judgment was entered. Thereafter, your Board authorized counsel to present a claim for reimbursement to the County's excess insurer, CSAC Excess Insurance Authority (CSAC-EIA), pursuant to the General Liability Memorandum of Coverage for defense costs and settlement payments associated with the SCARE Lawsuit and to proceed with non-binding arbitration regarding CSAC-EIA's denial of the County's reimbursement claim.

In addition to the SCARE-related legal services, your Board has authorized previous agreements with Hanson Bridgett LLP to provide specialized legal advice, analysis, and consultation in the area of public agency taxation related to the administration of employee and retiree health and welfare benefits, compensation, retirement and pension plan law. An initial agreement for the term February 15, 2014 through February 14, 2015 was previously executed ("Benefits Agreement"), followed by a First Amendment to the Benefits Agreement extending the term through February 14, 2016 and a Second Amendment extending the term through June 30, 2017 and increasing the contract maximum to \$150,000.

On July 18, 2017, your Board authorized an amendment to consolidate the Benefits Agreement and SCARE Agreement, and to extend and revise the terms ("Consolidated Agreement"). With respect to the SCARE Agreement, the amendment expanded the scope of services to include legal services related to the presentation of the County's reimbursement claim to CSAC-EIA, updated the designation of attorneys and related rates, included a term limit to expire on June 30, 2020, and set a contract maximum of \$500,000 for legal services related to the insurance coverage issue. With respect to the Benefits Agreement, the amendment extended the contract term through June 30, 2018.

The County has a need to revise the Consolidated Agreement to increase the contract maximum for legal services related to the insurance coverage issue to \$637,815.73, which constitutes the total amount paid to Hanson Bridgett LLP for legal services related to the CSAC-EIA reimbursement claim from August 2017 through August 2019. Staff recently discovered that payment to Hanson Bridgett, LLP for services rendered had exceeded the previously approved maximum contract amount. This error was not discovered prior to exceeding the contract amount, as the accounting fund used to pay for these services - the Medical Retiree Clearing Trust - did not utilize purchase orders which is a mechanism used to control costs. This fund has subsequently been converted into an internal service fund, which will prevent this type of error in the future.

Prior Board Actions:

November 17, 2009: Authorized County Counsel to execute the SCARE Agreement with Hanson Bridgett LLP for representation in the SCARE Lawsuit.

February 15, 2014: Authorized County Counsel to execute the initial Benefits Agreement with Hanson Bridgett LLP.

October 5, 2015: Authorized County Counsel to execute a First Amendment to the Benefits Agreement with Hanson Bridgett LLP, extending the term to February 15, 2016.

March 8, 2016: Authorized County Counsel to execute a Second Amendment to the Benefits Agreement, extending the term and increasing contract maximum.

July 18, 2017: Authorized County Counsel to execute amendments to the Benefits Agreement and the SCARE Agreement to consolidate the two agreements, expand the scope of services to include legal services related to the presentation of the County's reimbursement claim to CSAC-EIA and set a contract maximum of \$500,000 for related legal services, update the designation of attorneys and related rates, and include a contract limit to expire on June 30, 2020 ("Consolidated Agreement").

January 8, 2019: Authorized County Counsel to execute an amendment to the Consolidated Agreement with respect to the benefits-related legal services, extending the term and increasing the contract maximum from \$150,000 to \$200,000 for benefits-related legal services.

FISCAL SUMMARY

Expenditures	FY 19-20 Adopted	FY20-21 Projected	FY 21-22 Projected
Budgeted Expenses	\$200,000		
Additional Appropriation Requested			
Total Expenditures	\$200,000		
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other	\$200,000		
Use of Fund Balance			
Contingencies			
Total Sources	\$200,000		

Narrative Explanation of Fiscal Impacts:

Legal services related to the CSAC-EIA reimbursement claim were paid out of Retiree Medical Clearing Trust until July 23, 2018 when the County implemented Government Accounting Standard Statement 74 and the Medical Retiree Clearing Trust was converted into the Other Post-Employment Benefits (OPEB) Internal Services Fund. All invoices for legal services regarding the CSAC-EIA reimbursement claim have been paid so there is no ongoing fiscal impact.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

None.

Attachments:

Attachment A: Proposed Amendment to Legal Service Agreement

Related Items "On File" with the Clerk of the Board:

None