

Management Committee

For the Metropolitan Council meeting of August 14, 2013

Subject: Authorization to Enter into a Legal Contract for Risk Management Tort Claims

Proposed Action

That the Metropolitan Council authorizes the Regional Administrator to negotiate and execute three contracts for legal defense related to tort and property damage claims, in an aggregate amount not to exceed \$1,500,000.00 over the three year term of the contracts.

Summary of Committee Discussion/Questions

Committee Member Chavez asked for clarification whether the proposed contract amounts would be a one time payment similar to a retainer agreement or would the proposed law firms bill monthly. The proposed firms will bill for the actual work done on a monthly bases. The Metropolitan Council will pay for the completed work on a monthly bases.

The motion passed unanimously.

Management Committee

Meeting date: July 24, 2013

For the Metropolitan Council meeting of August 14, 2013

Subject: Authorization to Enter into a Legal Contract for Risk Management Tort Claims

District(s), Member(s): All

Policy/Legal Reference:

Staff Prepared/Presented: Dave Larrabee 651-602-1773

Division/Department: Risk Management

Proposed Action

That the Metropolitan Council authorizes the Regional Administrator to negotiate and execute three contracts for legal defense related to tort and property damage claims, in an aggregate amount not to exceed \$1,500,000.00 over the three year term of the contracts.

Background

One of the primary functions of the Risk Management department is to administer the Metropolitan Council's self insured claims. With this claim administration, there are times when defense council is needed for legal proceedings or other legal work. There are currently three law firms that are under contract with the Council to provide this service. To gain better efficiency, consistency, and more cost effective pricing, Risk Management and the Office of the General Counsel decided to issue a Request for Proposal (RFP) to better align the required services with the Council's needs.

Rationale

The RFP was structured so that the Council had greater flexibility and pricing options, on a case by case basis, with the required legal services. There was not only an effort to manage the legal expenses on an hourly or flat fee basis, but also to manage the ultimate outcome of a claim and to hold the attorney accountable.

The RFP evaluation panel, which was comprised of Risk Management and Office of General Council staff, reviewed a total of six proposals. The panel not only looked at pricing, but also experience and the ability to meet the Council's needs in claim defense. Based upon this evaluation, the panel recommends the three firms, as it was felt they were most advantageous to the Council:

<u>Law Firm</u>	<u>Requested Contact Amount</u>
Provo-Petersen and Associates	\$600,000
Oskie Hamilton and Sofio	\$600,000
Arthur Chapman	\$300,000

The three firms selected by the RFP evaluation panel currently hold contracts with Metropolitan Council. The requested figure is approximately 9% less than the previous Tort and Property Damage contracts.

By bringing all of the contracts under the same terms and pricing structure, the Risk Management and Office of General Counsel departments are better positioned to manage legal expense.

Funding

Funded through each Division's operating budget.

Known Support / Opposition

Not applicable.