

Meeting Date: 5/27/2014

Report Type: Consent

Report ID: 2014-00402

Title: Agreement: Labor Relations Consulting Services

Location: Citywide

Recommendation: Pass a Motion increasing the agreement for consulting services provided by Renne Sloan Holtzman Sakai LLP by \$346,000 to cover on-going labor relations consulting services, resulting in a not-to-exceed contract amount of \$621,000.

Contact: Geri Hamby, Director, (916) 808-7173; Shelley Banks-Robinson, Labor Relations Manager, (916) 808-5541, Department of Human Resources

Presenter: None

Department: Human Resources

Division: Labor Relations

Dept ID: 08001511

Attachments:

1-Description/Analysis

2-Supplemental Agreement

City Attorney Review

Approved as to Form

Brett Witter

5/19/2014 3:05:13 PM

Approvals/Acknowledgements

Department Director or Designee: Geri Hamby - 5/14/2014 4:20:58 PM

Description/Analysis

Issue Detail: In January 2011, the City first retained Renne Sloan Holtzman Sakai, LLP (RSHS) to assist with labor strategy and conduct concession negotiations with recognized bargaining representatives. In March 2013, the City entered into a contract with RSHS to engage in negotiating successor agreements with all of the City's bargaining units for which Memoranda of Understanding (MOU) were soon to expire. A total of eight MOUs were expiring. In addition, RSHS provides legal advice and services related to labor relations matters. The current not-to-exceed amount of the agreement is \$275,000. While the City has reached agreement on successor MOUs with five of the eight bargaining units for which the contract was originally entered, there is still no agreement on contract terms with either of the Sacramento Police Officers Association, Local 39 or the Sacramento Area Firefighters Union, Local 522. The original contract did not anticipate or address services for protracted mediation and arbitration processes, or the costs and fees associated with RSHS's representation in the City's petition to compel arbitration or in defending the SPOA's writ petition and complaint, which sought a declaration that the City had engaged in unfair labor practices. Given the extensive additional work performed, and work left to be completed both in bargaining with the SPOA and Local 522, it is now necessary to increase the amount of the RSHS contract. The increase in the contracting amount is based upon estimates by RSHS to complete both the mediation and arbitration processes with SPOA, and to continue, but not complete, the negotiations with Local 522. The amended contract also includes the cost of retaining necessary experts for the mediation and arbitration processes. If agreement with the SPOA can be reached without the necessity of interest arbitration, those estimates would be reduced significantly.

Policy Considerations: Approval of this action by the City Council is consistent with the City's legal obligations under the Meyers-Milias-Brown Act, adheres to the City's positive labor-management relations concept, and provides labor stability.

Economic Impacts: None

Environmental Considerations: This report concerns administrative activities that will not have a significant effect on the environment and that do not constitute a "project" as defined by the California Environmental Quality Act (CEQA) Guidelines Sections 15061(b)(3) and 15378(b)(2).

Sustainability: Not applicable

Commission/Committee Action: Not applicable

Rationale for Recommendation: Staff recommends the execution of a supplemental agreement with Renne Sloan Holtzman Sakai, LLP to utilize the firm's expertise in the area of labor relations and permit continuity and stability through this period of ongoing bargaining with several labor groups.

Financial Considerations: The recommended contract supplemental agreement increases the not-to-exceed amount by \$346,000 for a total of \$621,000. Funding for the additional consulting services for labor negotiations is available in the Citywide Strategic Planning Project (I02000400).

Local Business Enterprise (LBE): Not applicable

SUPPLEMENTAL AGREEMENT

Project Title and Job Number: Labor Strategy
Purchase Order #:

Date: May 2, 2014
Supplemental Agreement No.: 3

The City of Sacramento ("City") and Renne Sloan Holtzman Sakai LLP ("Consultant"), as parties to that certain Legal Services Agreement designated as Agreement Number 2013-0119, including any and all prior supplemental agreements modifying said agreement (said agreement and supplemental agreements are hereafter collectively referred to as the "Agreement"), hereby supplement and modify the Agreement as follows:

1. The scope of Services specified in Exhibit A of the Agreement is amended as follows:

Scope of Services

- A. Consultant shall represent the City of Sacramento in labor contract negotiations scheduled to occur during 2014 with the Sacramento Police Officers' Association and/or Sacramento Area Firefighters Union, Local 522, including any mediation or interest arbitration with the Sacramento Police Officers' Association. Work to be performed by Consultant shall include: preparing and meeting with negotiating teams; developing and drafting of proposals; conducting and coordinating labor contract negotiations with concurrent negotiation tables with multiple unions; retaining and directing the efficient use of any consultants necessary for the negotiations process, including any impasse proceedings; attending City Council and other meetings as needed; communicating with the City Council at the direction of the City Manager; communicating with City Staff, unions, and the public as needed as directed by the City; and representing the City in any related impasse proceedings. Additional work includes advising and representing the City on other labor relations/labor law matters and to provide other labor relations consulting services as requested by the City.
- B. Consultant shall discuss with City representatives, upon request, with respect to matters of employer/employee relations not covered by Paragraph A.

2. The Time of Performance specified in Exhibit A to the Agreement is extended to July 31, 2014, unless sooner terminated as provided in Exhibit C of the Agreement.

3. In consideration of the additional and/or revised services described in section 1, above, the maximum not-to-exceed amount that is specified in Exhibit B of the Agreement for payment of Consultant's fees and expenses is increased as follows:

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|---|------------------|
| Agreement's original not-to-exceed amount: | \$150,000 |
| Net change by previous supplemental agreements: | \$125,000 |
| Not-to-exceed amount prior to this supplemental agreement: | \$275,000 |
| Increase/decrease by this supplemental agreement: | \$346,000 |
| New not-to exceed amount including all supplemental agreements: | \$621,000 |

4. The fee schedule provided in Exhibit B of the Agreement is amended as follows:

Special Provisions

- A. Travel time, mileage, and parking are not chargeable.
- B. The first one hour, per billing week, of telephone consulting services shall be at no charge.

SUPPLEMENTAL AGREEMENT

5. Consultant agrees that the amount of increase or decrease in the not-to-exceed amount specified in section 2, above, shall constitute full compensation for the additional and/or revised services specified in section 1, above, and shall fully compensate Consultant for any and all direct and indirect costs that may be incurred by Consultant in connection with such additional and/or revised services, including costs associated with any changes and/or delays in work schedules or in the performance of other services or work by Consultant.
6. Consultant warrants and represents that the person or persons executing this supplemental agreement on behalf of Consultant has or have been duly authorized by Consultant to sign this supplemental agreement and bind Consultant to the terms hereof.
7. Except as specifically revised herein, all terms and conditions of the Agreement shall remain in full force and effect, and Consultant shall perform all of the services, duties, obligations, and conditions required under the Agreement, as supplemented and modified by this supplemental agreement.

Attorney:

Jeff Sloan, Partner
Renne Sloan Holtzman Sakai, LLP

Attorney:

James Sanchez, City Attorney
City of Sacramento

Attested By:

City Clerk