

**M** Management Committee  
For the Metropolitan Council meeting of July 28, 2010

**ADVISORY INFORMATION**

**Date Prepared:** July 19, 2010

**Subject:** Authorization to negotiate and execute contract for Tort and Property Damage defense counsel

**Proposed Action:**

That the Metropolitan Council authorizes the Regional Administrator to negotiate and execute four contracts for legal defense related to tort and property damage claims, in an aggregate amount not to exceed \$1,650,000 over the three year term of the contracts.

**Summary of Committee Discussion / Questions:**

Staff presented the type of service required of the outside defense firms, which is to provide legal defense for the Council related to liability and property damage claims, and the criteria used in evaluating the proposals. There were a total of twelve law firms that submitted proposals, with the evaluation panel ultimately recommending four. These four firms were not only able to meet the requirements of the Request for Proposal and had a great deal of experience, but also had the most competitive rates.

Questions were asked about the number of claims the Council defends and the amount of legal expense historically. The Council sees a total of approximately 1,300 claims annually, of which approximately 65 require outside legal counsel. Legal claim expense has been approximately \$600,000 annually, though this number is trending downwards and is on pace for less than \$500,000 in 2010.

Staff also presented information about the initiatives that are built into the new contracts that will help manage legal expense, while maintaining attorney accountability with a focus on favorable results.

After the presentation and questions were answered, a motion was made by the Management Committee for approval, which was seconded with no further discussion. Motion carried.

# M Management Committee

**Business Item**

Item: 2010-256

**Meeting date: July 14, 2010**

## ADVISORY INFORMATION

**Date:** July 7, 2010  
**Subject:** Authorization to negotiate and execute contract for Tort and Property Damage defense counsel  
**District(s), Member(s):** All  
**Policy/Legal Reference:**  
**Staff Prepared/Presented:** Phil Walljasper (651-602-1787)  
**Division/Department:** Risk Management

### Proposed Action

That the Metropolitan Council authorizes the Regional Administrator to negotiate and execute four contracts for legal defense related to tort and property damage claims, in an aggregate amount not to exceed \$1,650,000 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 counsel is needed for legal proceedings or other legal work. There are currently five law firms that are under contract with the Council to provide this service, but the terms of the contracts, along with the rates, vary. To gain better efficiency, consistency, and more cost effective pricing, Risk Management and the Office of the General Counsel decided to issue a new 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 expense 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 Counsel staff, reviewed a total of twelve 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 following four firms, as it was felt they were most advantageous to the Council:

Law Firm	Requested Contract Amount
Provo-Peterson	\$502,500
Oskie Hamilton	\$465,000
Arthur Chapman	\$240,000
Labore Giluani	\$442,500

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