

ADVISORY INFORMATION

Date Prepared: November 15, 2010

Subject: Authorization to negotiate and execute contract for Workers' Compensation defense counsel

Proposed Action:

That the Metropolitan Council authorizes the Regional Administrator to negotiate and execute three contracts for legal defense related to workers' compensation claims, in an aggregate amount not to exceed \$1,065,000 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 workers' compensation claims, and the criteria used in evaluating the proposals. There were a total of six law firms that submitted proposals, with the evaluation panel ultimately recommending three. These three firms were not only able to meet the requirements of the Request for Proposal and had a great deal of experience, but also had competitive rates.

A question was asked about the rates of the law firms. The rates range depending on the experience of the attorney, but for the three recommended firms, the rates range from \$131 to \$168 per hour. The rates of the firms not recommended ranged from \$135 to \$180 per hour.

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: 2010-377

Meeting date: November 10, 2010

Metropolitan Council Meeting: December 8, 2010

ADVISORY INFORMATION

Date: November 1, 2010
Subject: Authorization to negotiate and execute contract for Workers' Compensation 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 three contracts for legal defense related to workers' compensation claims, in an aggregate amount not to exceed \$1,065,000 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 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 following three firms, as it was felt they were most advantageous to the Council:

Law Firm	Requested Contract Amount
Heacox Hartman	\$355,000
McCollum Daly	\$355,000
Cousineau McGuire	\$355,000

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