

CITY OF SANTA ROSA  
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL  
FROM: GOLBOU GHASSEMIEH, HUMAN RESOURCES DIRECTOR  
SUBJECT: APPROVAL OF THIRD AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT F001134 WITH RENNE SLOAN HOLTZMAN SAKAI LLP AND AMENDMENT TO THE FISCAL YEAR 2017-18 ADOPTED BUDGET

AGENDA ACTION: RESOLUTION

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RECOMMENDATION

It is recommended that the Council, **by Resolution:** (1) approve the Third Amendment to Professional Services Agreement F001134 with Renne Sloan Holtzman Sakai LLP, Public Law Group, to extend the Agreement for ten months to June 30, 2018 and add additional funding in the amount of \$400,000 for a total Agreement amount not to exceed \$800,000 which includes \$234,833.11 in services performed in excess of the original not to exceed amount of \$400,000 including \$192,423.46 unpaid for the period of April 2017 through June 2017; and (2) amend the fiscal year (FY) 2017-18 General Fund adopted budget in the Human Resources Department to increase appropriations by \$207,577 from the unassigned fund balance within the General Fund.

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EXECUTIVE SUMMARY

In order to continue legal services provided by the firm, it is necessary to amend the agreement to increase the contract cap and extend time of performance through June 30, 2018 under the original Professional Services Agreement with Renne Sloan Holtzman Sakai LLP, Public Law Group (RSHS). This amendment is to provide continued legal advice and support related to labor, mediations, personnel investigations, potential employment litigation matters and disciplinary matters consistent with the existing Scope of Services.

BACKGROUND

On February 11, 2016, by Resolution 28881, the City Council entered into a Professional Services Agreement with the law firm of RSHS to provide labor relations services including legal advice and assistance as requested by the City in connection with all aspects of labor negotiations. The Agreement was amended as follows:

- November 15, 2016: Increased the not-to-exceed amount to \$300,000.
- May 2, 2017: Increased the not-to-exceed amount to \$400,000.

PRIOR CITY COUNCIL REVIEW

As outlined in the Background above.

## ANALYSIS

The City negotiated a Professional Services Agreement for Labor-Related Services with the law firm of RSHS and Council approved the agreement on February 11, 2016. These services have been critically necessary given the volume of work related to contract negotiations and the demand for personnel investigations, mediations and potential employment litigation matters. The Agreement was amended as follows:

- November 15, 2016: Increased the not-to-exceed amount to \$300,000.
- May 2, 2017: Increased the not-to-exceed amount to \$400,000.

Labor negotiations, which is one aspect of the legal advice provided by RSHS, can cost up to \$100,000 per negotiation table. With 11 tables engaged in Memorandum of Understanding (MOU) negotiations over the course of nearly two years, the overall cost of labor negotiations alone could have been \$1,100,000 or more depending on the variables. However, additional legal services related to other complex employment matters including investigations, discipline matters, labor related actions unrelated to MOU negotiations, grievance responses, and a wide variety of other matters has also been provided to the City by RSHS. Therefore, a revised amount of \$800,000 is well within a reasonable cost for labor and employment related legal services. services rendered in thus far and going forward through the contract expiration date, June 30, 2018. In addition, the contract and services include critical knowledge transfer necessary in the absence of an Employee Relations Manager and accounts for transition time for the new Human Resources Director.

Given the complexity of legal issues surrounding modern labor and employment matters, Human Resources Department, City Attorney's Office, and City Manager recommend continuing to retain outside legal services with a firm that has particular expertise in this area of the law.

The City anticipates that the continuation of services under the existing agreement is necessary in order to attend to labor and employment related legal services and therefore, seeks to increase the amount by \$400,000 for a revised not-to-exceed amount of \$800,000.

The original Agreement provided for an amount not to exceed \$400,000. The addition of \$400,000 brings the not to exceed amount to \$800,000. This additional amount includes \$42,409.65 previously paid in excess of the not to exceed amount. In addition, it includes \$192,423.46 in unpaid amounts for services from April 2017 through June 2017 for a total amount obligated of \$234,833.11 above the not to exceed amount of \$400,000. The balance of \$165,166.89 will support these services for FY 2017-18 and is not included in the current budget requiring appropriation of funds.

## FISCAL IMPACT

Funds expended or obligated for services provided in FY 2016-17 will be funded from existing General Fund turnback. Funds for services to be provided in FY 2017-18 in the amount of \$165,167 are not included in the adopted General Fund budget and will be appropriated from the unassigned fund balance.

## ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable

ATTACHMENTS

- Resolution/Exhibit A (Third Amendment to Professional Services Agreement)

CONTACT

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