



# City of Rialto

## Legislation Text

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For City Council Meeting [January 26, 2021]

TO: Honorable Mayor and City Council

APPROVAL: Sean Grayson, Acting City Manager

FROM: Angela McCray, Director of Human Resources & Risk Management

Request City Council to Approve Professional Service Agreements with Hanna, Brophy, MacLean, McAleer & Jensen, LLP and Gale, Sutow, & Associates in Order to Establish Centralized Attorney Services Related to Investigation Services and Worker's Compensation Matters within the Human Resources/Risk Management Department.

**(ACTION)**

**BACKGROUND**

The Human Resources/Risk Management Department was charged with the task to procure and establish a pooled environment of attorneys to assist the Human Resources/Risk Management Department with matters related to investigative services associated with Employee Relations as well as Worker's Compensation. The City's Human Resources/Risk Management Department conducted a Request for Information process cooperatively with the Purchasing Division (Finance Department) seeking pricing, terms, and nature of legal experience from legal firms willing to assist the city with legal representation and support relative to Worker's Compensation administration. The city currently contracts with Kuntz & Busi and will continue services here, but wishes to expand their reach of expertise, support, and services relative to this area of business and operations. Moving into a pooled environment, will allow the City to engage specific representation based upon background and experience relative to caseload and case specifics to best represent the city. As a result of the Request for Information, the city received four (4) proposal to evaluate. A selection committee consisting of Stephen Erlandson, Chief Mark Kling, Angela McCray, Brian Park, and Kenitra Warner, oversaw by Shanita Simmons of the Purchasing Division evaluated the proposals based on the qualifications and experience, project approach/methodology, and cost. The committee then conducted interviews (via Zoom) and heard presentations from the four respondents. The committee unanimously selected two firms; Hanna, Brophy, MacLean, McAleer & Jensen, LLP as well as Gale, Sutow & Associates to become part of the pooled legal services environment to meet the City's legal service needs at a reasonable pricing structure and with familiarity with government operations. Throughout the evaluation process, staff considered the specialized abilities, background and skills required to fulfill and meet the specialized needs associated with the City of Rialto.

Either of these firms will provide outstanding services to the City related legal administration and operations relative to Worker's Compensation needs. To date, in preparing to establish this relationship, both agencies have been responsive and eager to begin working with the City of Rialto.

## **ANALYSIS/DISCUSSION**

City Council requested that management develop an Attorney pooling system in order to work with several attorney's relative to the city's Worker's Compensation cases in an attempt to diversify our resources and improve efficiencies of the program. Moving through the Request for Information process, the Human Resources/Risk Management Team along with the review committee find we have identified and selected the best firms to achieve this goal. The program will greatly assist in mitigating timelines and longevity associated with managing and administering Worker's Compensation Claims.

The Human Resources/Risk Management Department will manage these contracts and ensure compliance with all laws, rules and regulations. In addition to the current needs, the contractual amount provides the option to engage the legal firms, as needed. The City will only utilize budgeted dollars when utilizing these services. Services would include legal representation relative to these matters includes; support and representation before the Worker's Compensation Appeals Board and Office of Administrative Hearing, providing advisory legal opinions on both litigate an non-litigated matters, as well as coordination and handling of worker's compensation claims - relative to Labor Code §132(a), and Industrial Disability Retirement claims as needed.

The City is currently administering approximately 165 open Worker's Compensation Claims, typically receiving 7 new claims on a monthly basis. Of current claims, 31 are litigated requiring legal support and administration.

## **ENVIRONMENTAL IMPACT**

This request is not a Project as defined by Section 15378 of the California Environmental Quality Act (CEQA) Guidelines. A "Project" means the whole of an action, 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 Section 15378 (b) (5) a project does not include organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

## **GENERAL PLAN CONSISTENCY**

This action is consistent with Guiding Principle 3A in the General Plan:

Our City government will lead by example, and will operate in an open, transparent, and responsible manner that meets the needs of the citizens and is a good place to do business.

## **LEGAL REVIEW**

The City Attorney has reviewed and approved this staff report and the attachments associated with said staff report.

## **FINANCIAL IMPACT**

### **Operating Budget Impact**

There is not a new fiscal impact associated with this request. Services and contract management is administered through the Worker's Compensation Claims process, meaning, service fees are generated through the claim and paid through our 3<sup>rd</sup>-party Administrator. This service is already budgeted within the Claims Administration program. In the previous calendar year, the City of Rialto

has expended \$204,257 towards attorney fees specific to Worker's Compensation claims administration.

Capital Budget Impact:

This action has no impact on the Capital Fund Budget.

**RECOMMENDATION**

Staff recommends that the City Council approve the professional services agreement between the City of Rialto and Hanna, Brophy, MacLean, McAleer and Jensen, LLP and Gale, Sutow & Associates to serve as additional legal firm representatives associated with Worker's Compensation Administration and Operations as required.