



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
248.656.4630
www.rochesterhills.org

Legislative File No: 2016-0051

TO: Mayor and City Council Members

FROM: Pamela Gordon, Director of Human Resources

DATE: March 14, 2016

SUBJECT: Labor and Employment Legal Services—Postponed from February 22, 2016

REQUEST:

City Council is requested to authorize a blanket purchase order/contract for labor and employment legal services to Keller Thoma, P.C., Detroit, Michigan in an amount not-to-exceed \$220,000 through January 31, 2019. This request was originally presented on February 22, 2016.

REASON FOR PURCHASE:

Request for Proposals for labor and employment legal services was solicited and awarded in 2010 to Keller Thoma, P.C., Detroit, Michigan. City Council appointed Keller Thoma, P.C., as the City's attorney pursuant to Section 8.7 of the City Charter. The City's labor attorney provides legal services related to employment and labor matters to the City, including representation with union negotiations, union contract review, consultation, legal opinions, etc.

The Keller Thoma, P.C., rate of \$165 per hour will increase by \$5.00 per hour to \$170, effective March 1, 2016 and \$5.00 per hour to \$175, effective July 1, 2017.

At the request of Council, this item was postponed pending a survey of current contracted labor attorney hourly rates. Rates for 11 communities surveyed range from \$160 to \$190 per hour for a lead attorney, with an average rate of \$170 per hour. Note that three of the communities surveyed will be subject to rate increases in 2017, and one will be subject to 3% increases in 2018 and 2019 as well. In addition to survey results, according to a 2014 report published by the State Bar of Michigan, the 25th percentile for attorneys in Oakland County was \$200 in 2013.

When Keller Thoma was selected to represent the City of Rochester Hills in 2010, their proposal included 3% increases in 2012 and 2014. Had those increases actually been implemented, their rate would currently be \$175. Instead, their rate has remained \$165. The requested \$5 per hour increase would be the first change since 2010, despite a 2013 contract extension with the City.

During their six-years as labor counsel for the City, Keller Thoma's monthly billings have been reasonable and prudent with respect to the volume of work provided, which included at least eight sets of union contract negotiations and a pre-arbitration settlement. Furthermore, the three-year blanket purchase authorizations have been reduced at each requested renewal based on adjustments for actual expenses in the prior term, from \$395,000 in 2010 to \$260,000 in 2013, and presently, to \$220,000 for 2016 through 2018.

Stability in labor relations counsel is important to any community, especially when the attorney or firm is viewed as operating in the best interest of the community and consistent with the vision and values of City administration. Dennis DuBay, Richard Fanning and the legal staff of Keller Thoma have consistently provided sound legal advice and demonstrated fiscal constraint, making them a valued professional partner in contract negotiations and other labor and employment related matters for the City of Rochester Hills.

Your further consideration in approving this item as requested on February 22, 2016 is greatly appreciated.

PROCESS:

Vendor Name and Address:

Keller Thoma, P.C.
 440 East Congress, 5th Floor
 Detroit, MI 48226-2918

Reason for Selection:

Qualifications Based

Method of Purchase:

Blanket Purchase Order/Contract

BUDGET:

Funding is included in the FY 2016 Adopted Budget and FY 2017-2018 Projected Budgets.

Fund Name	Department Account No	Account No. Description	3-Year Budget Amount	3-Year Cost	3-Year Remaining Budget
General	210.805002	Legal Fees - Labor	\$90,000	\$90,000	\$0
Fire	206.805002	Legal Fees - Labor	\$130,000	\$130,000	\$0
		TOTAL	\$220,000	\$220,000	\$0

RECOMMENDATION:

It is recommended that the Rochester Hills City Council authorize the purchase of labor and employment legal services to Keller Thoma, P.C., Detroit, Michigan, in the total amount not-to-exceed \$220,000 through January 31, 2019.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
Deputy Clerk		