



City of Rochester Hills  
AGENDA SUMMARY  
FINANCIAL ITEMS

1000 Rochester Hills Dr.  
Rochester Hills, MI 48309  
248.656.4630  
[www.rochesterhills.org](http://www.rochesterhills.org)

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Legislative File No: 2013-0015

**TO:** Mayor and City Council Members

**FROM:** Pamela M. Gordon, Human Resources, ext. 2521

**DATE:** January 14, 2013

**SUBJECT:** Labor and Employment Legal Services

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**REQUEST:**

Purchase authorization is requested for labor and employment legal services to be allocated primarily to Keller Thoma, P. C., Detroit, Michigan with additional support services to Kemp Klein Law Firm, Troy, Michigan in an amount not-to-exceed \$260,000.00 through January 31, 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 and Kemp Klein Law Firm, Troy, Michigan. It was determined that both firms would be utilized during a transitional period to the Keller Thoma firm. Based on the City's satisfaction with the Keller Thoma law firm and identifying the need to maintain a relationship with the Kemp Klein law firm, a three year extension to the existing contracts is requested.

During the past three years Dennis DuBay, a principal with the Keller Thoma firm and one of the preeminent labor attorneys in the State of Michigan, represented management in labor relations, negotiations, arbitrations and general employment matters with positive success, while helping to keep total costs well under budget each year. As a result, the current request has been reduced from the previous three-year request of \$395,000.

Tom Boyer's 35 years of historical and institutional knowledge has additionally proven to be very valuable to the City. The services of Kemp Klein will continue to be utilized as needed to supplement the Keller Thoma law firm in providing historical perspectives for the City on employment and labor matters.

We face a number of significant labor and employment legal issues over the next few years; including preparation and hearings for Public Act 312 arbitration with Fire Fighter Local 3472, scheduled for April 2013; and contract negotiations with our two AFSCME locals, beginning later in the year. Collective bargaining impacts and other implementation issues relative to the Affordable Care Act (PPACA), Public Act 152 and Michigan's new Right to Work Law also present legal challenges.

The Keller Thoma hourly rate for principal/lead attorneys will remain at \$165/hour, and has not increased since 2010. Tom Boyer, the principal/lead attorney for the Kemp Klein Law Firm has maintained a rate of \$155/hour. Both firms guarantee rate changes of no more than a 3% increase in any single year.

Human Resources will continue to monitor actual billable expenses closely in an effort to stay within budget. However, depending on whether it is possible to settle with Local 3472 prior to arbitration hearings, and the success of upcoming negotiations with the AFSCME unions, an amendment to the total labor and employment legal budgets within any of the next three years may be necessary.

**PROCESS:**

**Vendor Name and Address:**

Keller Thoma, P.C.  
440 East Congress, 5<sup>th</sup> Floor  
Detroit, Michigan 48226-2918

Kemp, Klein Law Firm  
201 Big Beaver Road, Suite 600  
Troy, MI 48084

**Reason for Selection:**

Qualifications Based

**Method of Purchase:**

Blanket Purchase Order

**BUDGET:**

Funds are provided as part of the FY 2013 Adopted Budget, as well as part of the FY 2014-2015 Projected Budgets

<b>Fund Name</b>	<b>Department Account No</b>	<b>Account No. Description</b>	<b>2013-15 Budget</b>	<b>2013-15 Cost</b>	<b>Remaining Budget</b>
General	210.805002	Legal Fees: Labor & Other	\$30,000.00	\$3,000.00	\$0
Fire	206.805002	Legal Fees: Labor & Other	\$100,000.00	\$100,000.00	\$0
Sewer	510.805002	Legal Fees: Labor & Other	\$65,000.00	\$65,000.00	\$0
Water	530.805002	Legal Fees: Labor & Other	\$65,000.00	\$65,000.00	\$0
		Citywide Three-Year Total	\$260,000.00	\$260,000.00	\$0

**RECOMMENDATION:**

It is recommended that the Rochester Hills City Council authorize the purchase of labor and employment legal services to be allocated primarily to Keller Thoma, P. C., Detroit, Michigan, with additional support services to Kemp Klein Law Firm, Troy, Michigan in the total amount not-to-exceed \$260,000.00 through January 31, 2016.

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<b>APPROVALS:</b>	<b>SIGNATURE</b>	<b>DATE</b>
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
City Council Liaison		