

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
7	12/9/13	Open	Action	11/21/13

Subject: Third Amendment to Work Order No. 1 to the Contract for Legal Services for Public Sector Pension Plan Reform with Hanson Bridgett, LLP

ISSUE

Whether to approve the Third Amendment to Work Order No. 1 to the Contract for Legal Services with Hanson Bridgett, LLP, for Public Sector Pension Plan Reform.

RECOMMENDED ACTION

Adopt Resolution No. 13-12____, Approving the Third Amendment to Work Order No. 1 to the Contract for Legal Services with Hanson Bridgett, LLP, for Public Sector Pension Plan Reform.

FISCAL IMPACT

Budgeted:	Yes	This FY:	\$30,000
Budget Source:	Operating	Next FY:	\$NA
Funding Source:	State / Federal	Annualized:	\$NA
Cost Cntr/GL Acct(s) or	GL: 630009, CC 41	Total Amount:	\$30,000
Capital Project #:	2012089		
Total Budget:	\$50,000*		

*FY 2014 Budget for Legal Services in Chief Administrative Officer's Cost Center

Third Amendment to Work Order No. 1	
Work Order No. 1:	\$25,000
First Amendment:	\$50,000
Second Amendment:	\$25,000
Third Amendment:	\$30,000
New Total Work Order No. 1:	\$130,000

DISCUSSION

On September 13, 2012, Sacramento Regional Transit District (RT) entered into a Contract with the law firm of Hanson Bridgett, LLP to assist RT in identifying, developing, negotiating, and implementing options for pension reform. Subsequent to RT entering into the Contract, the State of California enacted the Public Employee Pension Reform Act (PEPRA) which resulted in a change in the focus of the work Hanson Bridgett was asked to perform.

To gain a full understanding of how PEPRA affected RT, RT issued Work Order No. 1 on September 26, 2012, directing Hanson Bridgett to analyze the impact of PEPRA on RT and to determine the extent to which PEPRA applied to RT and its employees. On February 13, 2013, RT issued the First Amendment to Work Order No. 1 which expanded the scope of Work Order No. 1 by directing Hanson Bridgett to assist in drafting pension plan amendments required by

Approved:

Presented:

Final 12/03/13

General Manager/CEO

Chief Administrative Officer

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PEPRA and to analyze permissible non-PEPRA mandated pension modifications under applicable state and federal law that RT could propose to negotiate with RT’s bargaining units through the collective bargaining process. The First Amendment also added \$50,000 to the total consideration. On September 5, 2013, RT issued the Second Amendment to Work Order No. 1, which added \$25,000 to the total consideration.

In October 2013, the Governor signed AB 1222 into law providing a temporary exemption for agencies like RT from the provisions of PEPRA. The PEPRA exemption has once again led to a modification in the focus of the work Hanson Bridgett will be performing for RT. Absent the mandate contained in PEPRA, RT must negotiate any changes it wishes to achieve in RT’s existing pension plans through the collective bargaining process with each of the affected unions. Presently, Hanson Bridgett is providing advice and counsel on potential pension changes that RT is negotiating with the ATU, IBEW, AFSCME, and AEA.

Based on the amount of work RT has asked Hanson Bridgett to perform under Work Order No. 1, the total consideration in the Principal Agreement was close to being reached. Because RT has a continuing need for Hanson Bridgett’s services as it continues to pursue pension reform options, the RT Board approved the First Amendment to the Principal Agreement on October 14, 2013. The First Amendment to the Principal Agreement increased the total consideration from \$100,000 to \$200,000. RT has a continuing need of the services set out in Work Order No. 1, but the total consideration of Work Order No. 1 has been reached. Therefore, RT staff requests that the Board approve the Third Amendment to Work Order No. 1 which increases the total consideration by \$30,000, from \$100,000 to \$130,000.

Staff recommends approving the third amendment to Work Order No. 1 with Hanson Bridgett, LLP to increase the total consideration of Work Order No. 1 by \$30,000 from \$100,000 to \$130,000.

RESOLUTION NO. 13-12-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

December 9, 2013

**APPROVING THE THIRD AMENDMENT TO WORK ORDER NO. 1 TO THE
CONTRACT FOR LEGAL SERVICES WITH HANSON BRIDGETT, LLP, FOR PUBLIC
SECTOR PENSION PLAN REFORM**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE
SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Third Amendment to Work Order No. 1 for legal services with Hanson
Bridgett, LLP, related to pension plan reform, whereby the total consideration is increased
by \$30,000 from \$100,000 to \$130,000, is hereby approved

THAT, the General Manager/CEO is hereby authorized to execute the Third
Amendment to Work Order No. 1.

PATRICK HUME, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary