



STAFF REPORT

DATE: September 14, 2020

TO: Sacramento Regional Transit Board of Directors

FROM: Brent Bernegger, VP, Finance/CFO

SUBJ: AWARDING CONTRACTS FOR LEGAL SERVICES FOR WORKERS' COMPENSATION AND APPROVING WORK ORDER NO. 1 TO THE CONTRACT FOR LEGAL SERVICES FOR WORKERS COMPENSATION WITH LENAHAN, SLATER, PEARSE & MAJERNIK

RECOMMENDATION

Adopt the Attached Resolutions.

RESULT OF RECOMMENDED ACTION

Approving the contracts will allow SacRT, when needed, to refer workers' compensation cases to outside legal counsel, if the services of SacRT's contracted third-party administrator are insufficient to resolve the claim. Approving contracts with multiple firms will provide the widest range of options for SacRT in claims handling.

FISCAL IMPACT

The costs for the contracts will be paid from the SacRT Insurance Fund.

The proposed five-year not-to-exceed amount for the contract with Lenahan, Slater, Pearse & Majernik, LLP is \$1,000,000. Lenahan is the firm that currently handles SacRT's workers' compensation litigation and that was highest-ranked in the evaluation process. A Work Order in the amount of \$325,000 is also needed to ensure that Lenahan continues to handle open workers' compensation claims currently assigned to the firm.

Staff is proposing a five-year not-to-exceed amount of \$200,000 per firm for the contracts with Albert & Mackenzie, LLP; Coleman Chavez and Associates, LLP; and Llarena, Murdock, Lopez and Azizad, APC.

DISCUSSION

SacRT needs to retain the services of a panel of firms with expertise in the area of workers' compensation law. The attorney firms will be issued Work Orders on an as-needed basis. The firms will provide advice, counsel, and assistance on workers' compensation matters. Claims may be referred to outside counsel when the employee is represented by counsel. Factors influencing a referral to outside counsel include:

1. Complexity of the legal issues involved.

2. Likelihood that the case will go to trial.
3. Cases involving, or potentially involving, multiple employers (codefendants).
4. Need for the deposition of the injured worker or other parties, consideration being given to making the referral to the attorney only for the purpose of the deposition.
5. Claims for the same injured worker filed subsequent to files already referred to defense counsel in which litigation on those claims is unresolved. This may simply be an informational referral so that the defense counsel has all information which may be relevant to the litigated cases.

Staff released a Request for Proposals (RFP) on June 2, 2020 and received four responsive proposals on July 7, 2020 from the following firms: Albert & Mackenzie, LLP; Coleman, Chavez & Associates, LLP; Lenahan, Slater, Pearse & Majernik, LLP; and Llarena, Murdock, Lopez & Azizad, APC. All four firms have excellent qualifications, staffing and experience. After scoring of the written proposals and application of Small Business Enterprise and Local Business Enterprise preference points, the selection committee deemed all four firms qualified for selection to SacRT's Workers' Compensation Legal Services panel, with Lenahan, Slater, Pearse & Majernik as the highest-ranked firm.

The services will be contracted over five years. The General Manager/CEO, or his designee, will approve Work Orders that do not to exceed \$150,000. Work Orders exceeding \$150,000 will require Board approval.

The independent cost estimate for the five-year contracts is \$2,000,000. This cost estimate is based on historical information, which has been adjusted for cost of living and inflation. The hourly rates of all four firms are comparable and have been deemed fair and reasonable.

Lenahan, Slater, Pearse & Majernik, LLP has been the attorney firm working on SacRT's litigated claims for many years, and has a number of active cases; assigning these cases to a new firm would be inefficient and undesirable. To continue and complete work on those cases, Lenahan's not-to-exceed amount is set higher than the not-to-exceed amounts for the other awarded firms. A Work Order in the amount of \$325,000 is also needed to ensure that Lenahan continues to handle open workers' compensation claims currently assigned to the firm. Assignment of new cases will rotate among the four firms and will take into consideration each firms area of expertise.

RESOLUTION NO. 20-09-0093

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

September 14, 2020

APPROVING A CONTRACT FOR LEGAL SERVICES FOR WORKERS' COMPENSATION TO LENAHAN, SLATER, PEARSE & MAJERNIK, LLP

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

THAT, the Contract between Sacramento Regional Transit District, therein referred to as "SacRT," and Lenahan, Slater, Pearse & Majernik, LLP., therein referred to as "Consultant," whereby Consultant agrees to provide Legal Services for Workers' Compensation, as specified, for an amount not to exceed \$1,000,000 for a five-year term, is hereby approved.

THAT, the Chair and General Manager/CEO are hereby authorized and directed to execute the foregoing Contract.

STEVE HANSEN, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary

RESOLUTION NO. 20-09-0094

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

September 14, 2020

APPROVING A CONTRACT FOR LEGAL SERVICES FOR WORKERS' COMPENSATION WITH ALBERT & MACKENZIE, LLP

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

THAT, the Contract between Sacramento Regional Transit District, therein referred to as "SacRT," and Albert & Mackenzie, LLP, therein referred to as "Consultant," whereby Consultant agrees to provide Legal Services for Workers' Compensation, as specified, for an amount not to exceed \$200,000 for a five-year term, is hereby approved.

THAT, the Chair and General Manager/CEO are hereby authorized and directed to execute the foregoing Contract.

STEVE HANSEN, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary

RESOLUTION NO. 20-09-0095

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

September 14, 2020

APPROVING A CONTRACT FOR LEGAL SERVICES FOR WORKERS' COMPENSATION WITH COLEMAN, CHAVEZ & ASSOCIATES

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

THAT, the Contract between Sacramento Regional Transit District, therein referred to as "SacRT," and Coleman, Chavez & Associates, therein referred to as "Consultant," whereby Consultant agrees to provide Legal Services for Workers' Compensation, as specified, for an amount not to exceed \$200,000 for a five-year term, is hereby approved.

THAT, the Chair and General Manager/CEO are hereby authorized and directed to execute the foregoing Contract.

STEVE HANSEN, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary

RESOLUTION NO. 20-09-0096

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

September 14, 2020

AWARDING A CONTRACT FOR LEGAL SERVICES FOR WORKERS' COMPENSATION TO LLARENA, MURDOCK, LOPEZ & AZIZAD, APC

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

THAT, the Contract between Sacramento Regional Transit District, therein referred to as "SacRT," and Llarena, Murdock, Lopez & Azizad, APC, therein referred to as "Consultant," whereby Consultant agrees to provide Legal Services for Workers' Compensation, as specified, for an amount not to exceed \$200,000 for a five-year term, is hereby approved.

THAT, the Chair and General Manager/CEO are hereby authorized and directed to execute the foregoing Contract.

STEVE HANSEN, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary

RESOLUTION NO. 20-09-0097

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

September 14, 2020

APPROVE WORK ORDER NO. 1 TO THE CONTRACT FOR LEGAL SERVICES FOR WORKERS' COMPENSATION WITH LENAHAN, SLATER, PEARSE & MAJERNIK, LLP

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

THAT, Work Order No. 1 to the Contract for Legal Services for Workers' Compensation for Lenahan, Slater, Pearse & Majernik, LLP., in an amount of \$325,000, is hereby approved.

THAT, the Board delegates authority to the General Manager/CEO to execute the foregoing Work Order.

STEVE HANSEN, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary