Summary Title: Amendment to Contracts with Renne Sloan Holtzman Sakai LLP for Labor Negotiation Services

Title: Approval of Amendment Number 5 to Contract Number S13149754 to add $85,000 for a Total Amount Not-to-Exceed $421,000 and Amendment Number 3 to Contract Number S15155809 to add $45,000 for a Total Amount Not-to-Exceed $95,000 With Renne Sloan Holtzman Sakai LLP Public Law Group for Labor Negotiations Services and to Extend Both Contract Terms to June 30, 2017

From: City Manager

Lead Department: Human Resources

Recommendation
Staff recommends that the Council approve an amendment extending and adding $85,000 to the existing contract S13149754 with Renne Sloan Holtzman Sakai LLP (RSHS) for labor negotiations consulting services for a total amount not to exceed $421,000 through June 30, 2017; and approve a contract amendment extending and adding $45,000 to the existing contract S15155809 with Renne Sloan Holtzman Sakai LLP for contract for labor negotiations consulting services with Utilities Management Professional Association of Palo Alto (UMPAPA) for a total amount not to exceed $95,000 through June 30, 2017.

Background
Since 2013, the City has engaging in collective bargaining with 7 different labor groups and on 8 different occasions, as a result of which 6 labor contracts were ratified and approved by Council. To fulfill the City’s duty to bargain in good faith, various factors are taken into consideration when proposals are made and accepted. To make the most informed decision and to determine market conditions and trends, the City incorporates, with mindful consideration to the fiscal implications on the City’s approximate $100 million salary and $22 million Benefit funds, a collaborative approach with Renee Sloan Holtzman Sakai LLP in aspects of strategic planning, negotiating, conducting comprehensive classification data surveys and market research.
Such approach has proven to be successful in reaching agreements with three of the City’s larger labor groups: Service Employees International Union, Palo Alto Peace Officers Association and International Association of Fire Fighters 1319. The City is currently bargaining with two labor groups: Fire Chiefs Association (FCA) and Utilities Managers and Professionals Association of Palo Alto (UMPAPA.) With added resources, the City will continue its efforts to successfully negotiate labor agreements with the goal of reaching agreements with all 7 Palo Alto employee groups through 2018.

Discussion
On November 30, 2015 Council approved amendments to contracts S13149754 and S15155809 with Renne Sloan Holtzman Sakai LLP. Staff Report 6366 (attached) provides further background and contract history with the firm.

Contract negotiations have been complex and the duty to bargain in good faith can result in extended timelines to complete the bargaining process. Human Resources did not anticipate that the negotiations with the City’s employee groups would be so lengthy, however, since November 30, 2015 the City has successfully completed negotiations with 4 labor groups: Palo Alto Police Manager’s Association (PAPMA) Palo Alto Peace Officers Association (PAPOA,) International Association of Fire Fighters (IAFF) and Service Employees International Union (SEIU.)

Negotiations with PAPMA, PAPOA, IAFF and SEIU are complete but the City is still actively negotiating with FCA and UMPAPA requiring amendment to contracts and the request for additional funding. During the course of bargaining, the City found it pertinent to review all available resources to successfully reach an agreement. Therefore necessary measures of extensive classification studies, labor strategy meetings and negotiating sessions occurred more often than anticipated.

Resource Impact
Funding for contract S13149754 is budgeted in the Human Resources Department General Fund. $40,000 of the $85,000 amendment is funded in Fiscal Year 2016. The remaining $45,000 will be funded from Fiscal Year 2017. Funding for contract S15155809 is budgeted from existing funds within the Utilities Department’s various enterprise funds. The $45,000 will come from Fiscal Year 2016 funds.

Environmental Review
Approval of the recommended contract amendments is not a project under the California Environmental Quality Act (CEQA) and therefore no environmental review is required.

Attachments:
- Attachment14.a: Attachment A: Contract S13149754 Amendment No. 5 (PDF)
- Attachment14.b: Attachment B: Contract S15155809 Amendment No. 3 (PDF)
- Attachment14.c: Attachment C: Staff Report 6366 (PDF)
AMENDMENT NO. 5 TO CONTRACT NO. S13149754
BETWEEN THE CITY OF PALO ALTO AND
RENNE SLOAN HOLTZMAN SAKAI, LLP

This Amendment No. 5 to Contract No. S13149754 (“Contract”) is entered into June 27, 2016 by and between the CITY OF PALO ALTO, a California chartered municipal corporation (“CITY”), and RENNE SLOAN HOLTZMAN SAKAI, LLP, a California Limited Liability Partnership, located at 350 Sansome Street, Suite 300, San Francisco, California, 94104, Telephone (415) 678-3800 (“CONSULTANT”).

RECIPIENTS:

WHEREAS, the Contract was entered into between the parties for the provision of labor negotiation services between CITY and labor unions; and

WHEREAS, CITY intends to extend the term and increase the compensation From $336,000.00 by $85,000.00 to $421,000.00 for continuation of services as specified in Exhibit “A” Scope of Services; and

WHEREAS, the parties wish to amend the Contract;

NOW, THEREFORE, in consideration of the covenants, terms, conditions, and provisions of this Amendment, the parties agree:

SECTION 1. Section 2 is hereby amended to read as follows:

“SECTION 2. TERM.
The term of this Agreement shall be from the date of its full execution through June 30, 2017 unless terminated earlier pursuant to Section 19 of this Agreement.”

SECTION 2. Section 4 is hereby amended to read as follows:

“SECTION 4. NOT TO EXCEED COMPENSATION. The compensation to be paid to CONSULTANT for performance of the Services described in Exhibit “A”, including both payment for professional services and reimbursable expenses, shall not exceed Four Hundred Twenty One Thousand Dollars ($421,000.00). The applicable rates and schedule of payment are set out in Exhibit “C-1”, entitled “HOURLY RATE SCHEDULE,” which is attached to and made a part of this Agreement.

Additional Services, if any, shall be authorized in accordance with and subject to the provisions of Exhibit “C”. CONSULTANT shall not receive any compensation for Additional Services performed without the prior written authorization of CITY. Additional Services shall mean any work that is determined by CITY to be necessary for the proper completion of the Project, but which is not included within the Scope of Services described in Exhibit “A”.”
SECTION 3. The following exhibit(s) to the Contract is/are hereby amended to read as set forth in the attachment(s) to this Amendment, which are incorporated in full by this reference:

a. Exhibit “C” entitled “COMPENSATION”.

SECTION 4. Except as herein modified, all other provisions of the Contract, including any exhibits and subsequent amendments thereto, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have by their duly authorized representatives executed this Amendment on the date first above written.

CITY OF PALO ALTO

RENNE SLOAN HOLTZMAN SAKAI, LLP

APPROVED AS TO FORM:

Charles Sakai
Managing Partner

Attachments:
EXHIBIT "C": COMPENSATION
EXHIBIT “C”
COMPENSATION

The CITY agrees to compensate the CONSULTANT for professional services performed in accordance with the terms and conditions of this Agreement based on the hourly rate schedule attached as Exhibit C-1.

The compensation to be paid to CONSULTANT under this Agreement for all services described in Exhibit “A” (“Scope of Services”) and reimbursable expenses shall not exceed $421,000.00. CONSULTANT agrees to complete all Services, including reimbursable expenses, within this amount. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to the CITY.

REIMBURSABLE EXPENSES

The administrative, overhead, secretarial time or secretarial overtime, word processing, photocopying, in-house printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses. CITY shall reimburse CONSULTANT for the following reimbursable expenses at cost. Expenses for which CONSULTANT shall be reimbursed are: None

ADDITIONAL SERVICES

The CONSULTANT shall provide additional services only by advanced, written authorization from the CITY. The CONSULTANT, at the CITY’s project manager’s request, shall submit a detailed written proposal including a description of the scope of services, schedule, level of effort, and CONSULTANT’s proposed maximum compensation, including reimbursable expenses, for such services based on the rates set forth in Exhibit C-1. The additional services scope, schedule and maximum compensation shall be negotiated and agreed to in writing by the CITY’s Project Manager and CONSULTANT prior to commencement of the services. Payment for additional services is subject to all requirements and restrictions in this Agreement.
**Certificate Of Completion**

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- chris.anastole@cityofpaloalto.org
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chris.anastole@cityofpaloalto.org
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**COPIED**
AMENDMENT NO. 3 TO CONTRACT NO. S15155809
BETWEEN THE CITY OF PALO ALTO AND
RENNIE SLOAN HOLTZMAN SAKAI, LLP

This Amendment No. 3 to Contract No. S15155809 ("Contract") is entered into 27th day of June, 2016, by and between the CITY OF PALO ALTO, a California chartered municipal corporation ("CITY"), and RENNIE SLOAN HOLTZMAN SAKAI, LLP, a California Limited Liability Partnership, located at 350 Sansome Street, Suite 300, San Francisco, California, 94104, Telephone (415) 678-3800 ("CONSULTANT").

RECATALS

A. The Contract was entered into between the parties for the provision of labor consulting services for the Utilities Management and Professional Association ("UMPAPA").

B. CITY intends to extend the term and increase the compensation from $50,000.00 by $45,000.00 to $95,000.00 for continuation of services per EXHIBIT "A” Scope of Services.

C. The parties wish to amend the Contract.

NOW, THEREFORE, in consideration of the covenants, terms, conditions, and provisions of this Amendment, the parties agree:

SECTION 1. Section 2 is hereby amended to read as follows:

“SECTION 2. TERM. The term of this Agreement shall be from the date of its full execution through June 30, 2017 unless terminated earlier pursuant to Section 19 of this Agreement.”

SECTION 2. Section 4 is hereby amended to read as follows:

“SECTION 4. NOT TO EXCEED COMPENSATION. The compensation to be paid to CONSULTANT for performance of the Services described in Exhibit “A”, including both payment for professional services and reimbursable expenses, shall not exceed Ninety Five Thousand Dollars ($95,000.00). The applicable rates and schedule of payment are set out in Exhibit “C-1”, entitled “HOURLY RATE SCHEDULE,” which is attached to and made a part of this Agreement.

Additional Services, if any, shall be authorized in accordance with and subject to the provisions of Exhibit “C”. CONSULTANT shall not receive any compensation for Additional Services performed without the prior written authorization of CITY. Additional Services shall mean any work that is determined by CITY to be necessary for the proper completion of the Project, but which is not included within the Scope of Services described in Exhibit “A”.”

SECTION 3. The following exhibit(s) to the Contract is/are hereby amended to read as set forth in the attachment(s) to this Amendment, which are incorporated in full by this reference:
a. Exhibit “C” entitled “COMPENSATION”.

SECTION 4. Except as herein modified, all other provisions of the Contract, including any exhibits and subsequent amendments thereto, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have by their duly authorized representatives executed this Amendment on the date first above written.

CITY OF PALO ALTO

RENNIE SLOAN HOLTZMAN SAKAI, LLP

APPROVED AS TO FORM:

Managing Partner

Attachments:

EXHIBIT "C": COMPENSATION
EXHIBIT “C”
COMPENSATION

The CITY agrees to compensate the CONSULTANT for professional services performed in accordance with the terms and conditions of this Agreement based on the hourly rate schedule attached as Exhibit C-1.

The compensation to be paid to CONSULTANT under this Agreement for all services described in Exhibit “A” (“Services”) and reimbursable expenses shall not exceed $95,000.00. CONSULTANT agrees to complete all Services, including reimbursable expenses, within this amount. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to the CITY.

REIMBURSABLE EXPENSES

The administrative, overhead, secretarial time or secretarial overtime, word processing, photocopying, in-house printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses. CITY shall reimburse CONSULTANT for the following reimbursable expenses at cost. Expenses for which CONSULTANT shall be reimbursed are: None

All requests for payment of expenses shall be accompanied by appropriate backup information. Any expense anticipated to be more than $0.00 shall be approved in advance by the CITY’s project manager.

ADDITIONAL SERVICES

The CONSULTANT shall provide additional services only by advanced, written authorization from the CITY. The CONSULTANT, at the CITY’s project manager’s request, shall submit a detailed written proposal including a description of the scope of services, schedule, level of effort, and CONSULTANT’s proposed maximum compensation, including reimbursable expenses, for such services based on the rates set forth in Exhibit C-1. The additional services scope, schedule and maximum compensation shall be negotiated and agreed to in writing by the CITY’s Project Manager and CONSULTANT prior to commencement of the services. Payment for additional services is subject to all requirements and restrictions in this Agreement.
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Frank.Lee@CityofPaloAlto.org
Senior Human Resources Administrator
City of Palo Alto
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Sr. Management Analyst
City of Palo Alto
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Summary Title: Amendment to Contract S13149754 with Renne Sloan Hotlzman Sakai LLP

Title: Approval of Amendment Number Four to Contract Number S13149754 to Add $120,000 for a Total Amount Not to Exceed $336,000 and Amendment Number Two to Contract Number S15155809 to Add $25,000 for a Total Amount Not to Exceed $50,000 with Renne Sloan Holtzman Sakai LLP Public Law Group for Labor Negotiations Services and to Extend both Contract Terms to June 30, 2016

From: City Manager

Lead Department: Human Resources

Recommendation
Staff recommends that the Council approve an amendment adding $120,000 to the existing contract S13149754 with Renne Sloan Holtzman Sakai LLP for labor negotiations consulting services with the Service Employees’ International Union (SEIU) and the public safety groups, International Association of Fire Fighters, Local 1319 (IAFF) and Palo Alto Police Officer’s Association (PAPOA) for a total amount not to exceed $336,000 through June 30, 2016; and approve a contract amendment adding $25,000 to the existing contract S15155809 with Renne Sloan Holtzman Sakai LLP for contract for labor negotiations consulting services with Utilities Management Professional Association of Palo Alto (UMPAPA), for a total amount not to exceed $50,000 through June 30, 2016.

Background
In April 2013, the City entered into an agreement with Renne Sloan Holtzman Sakai LLP (RSHS) to provide labor negotiation services for a focused bargaining process with the Palo Alto Police Managers’ Association (PMA) for $30,000 through December 31, 2014. Following a successful process with PMA, the City amended the contract in August 2013 through June 30, 2014 for RSHS to provide labor strategy and bargaining services for the City’s 2013-2014 negotiations with SEIU for $60,000. In May 2014, the contract with RSHS was amended a second time for additional bargaining support in the City’s negotiations with the two public safety labor groups, IAFF and PAPOA for $90,000. In June 2015, the City Council approved an additional amendment...
by adding $36,000 and extending the contract through December 2015 for ongoing labor negotiations with the IAFF and PAPOA.

In addition to negotiations with SEIU, PAPOA and IAFF, in August 2014, under the City Manager’s authority level, entered into a specific contract with RSHS to provide labor negotiations services for UMPAPA in the amount of $25,000.

Discussion
Negotiations with SEIU, UMPAPA, IAFF and PAPOA continue with the utilization of RSHS. Given RSHS’s previous negotiations and their effective and practical labor strategy advice, continuing the City’s contracts will provide important continuity in the bargaining process. RSHS is familiar with labor issues in the City and the issues on the bargaining table with Palo Alto’s labor groups.

Resource Impact
Costs associated with contract S13149754, for negotiations with SEIU and public safety are estimated to equal $120,000 ($60,000 for SEIU and $60,000 for both public safety groups). Amending the current contract will increase the total not to exceed to $336,000. No additional funding is need at this time, as the funding is budgeted in the Human Resources Department General Fund and Human Resources Contingency allocations. However, should the negotiation process of with any bargaining unit reach the mediation or fact finding stages, staff may have to return with additional contract amendments and funding requests to the City Council.

Contract S15155809 with RSHS for Utilities Management Professional Association negotiations will also be increased. The current not to exceed amount for this contract is $25,000. Staff recommends an additional $25,000 for a new not to exceed amount of $50,000. No additional funding is needed, as this contract will be funded from existing funds within the Utilities Department’s various enterprise funds.

Attachments:
- Attachment A: S13149754 Contract Amendment No. 4  (PDF)
- Attachment B: S15155809 Contract Amendment No. 2  (PDF)