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Title: CONSIDER APPROVAL OF AMENDMENT NO. 4 TO CONTRACT SERVICES AGREEMENT WITH DABBAH HADDAD SULEIMAN, A PROFESSIONAL CORPORATION, (CONTRACT NO. C-18-078) FOR WORKERS' COMPENSATION DEFENSE ATTORNEY SERVICES (CITY COUNCIL)

Sponsors:

Indexes:

Code sections:

Attachments: 1. DHS 2018 Agreement.pdf, 2. DHS Amendment No. 1.pdf, 3. DHS Amendment No. 2.pdf, 4. DHS Amendment No. 3.pdf, 5. DHS Amendment No. 4.pdf

Date	Ver.	Action By	Action	Result
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Report to Mayor and City Council

Tuesday, February 21, 2023

Consent

SUBJECT:

CONSIDER APPROVAL OF AMENDMENT NO. 4 TO CONTRACT SERVICES AGREEMENT WITH DABBAH HADDAD SULEIMAN, A PROFESSIONAL CORPORATION, (CONTRACT NO. C-18-078) FOR WORKERS' COMPENSATION DEFENSE ATTORNEY SERVICES (CITY COUNCIL)

I. SUMMARY

The City is self-insured for its Workers' Compensation Program and contracts with a third-party administrator ("TPA") to administer the claims. The City contracts separately with a law firm to defend against litigated claims.

On May 1, 2018, City Council awarded a three-year contract ("2018 Agreement") to the law firm now known as Dabbah Haddad Suleiman, APC ("DHS") (Exhibit No. 1). The 2018 Agreement was for the period of May 2, 2018 through May 1, 2021, for a total contract sum of \$360,000, with options of City to extend the contract term for up to two one-year extension periods thereafter. It was subsequently determined that the City and DHS had significantly underestimated the amount of litigation services that would be needed. Accordingly, on March 17, 2020, City Council approved Amendment No. 1 to the 2018 Agreement, adding \$400,000 to the contract sum. On March 2, 2021, City Council approved Amendment No. 2 to the 2018 Agreement, correcting a discrepancy in the

firm's name, exercising the City's first one-year option to extend the term (through May 1, 2022), and adding \$200,000 to the contract sum for the extension period. On March 15, 2022, City Council approved Amendment No. 3 to the 2018 Agreement, exercising the second one-year extension and adding \$200,000 for the second extension period.

Staff is now asking the City Council to approve Amendment No. 4 to the 2018 Agreement to (i) add \$70,000 to the contract sum for the current term (scheduled to expire on May 2, 2023), (ii) extend the contract term for another three years, until May 2, 2026, with City options to extend the term for up to two one-year extension periods thereafter, and (iii) add \$1,050,000 to the contract sum to provide funding for the new 3-year term.

II. RECOMMENDATION

TAKE all of the following actions:

1. APPROVE the proposed Amendment No. 4 to Agreement for Contract Services with Dabbah Haddad Suleiman, a Professional Corporation (Exhibit No. 5) ("Amendment No. 4"); AND
2. AUTHORIZE the Mayor to execute Amendment No. 4 following approval as to form by the City Attorney.

III. ALTERNATIVES

TAKE another action City Council deems appropriate.

IV. BACKGROUND

On May 1, 2018, City Council awarded a three-year contract ("2018 Agreement") to the Law Offices of Dabbah, Haddad & Suleiman ("DHS") (Exhibit No. 1). The 2018 Agreement covered the period of May 2, 2018 through May 1, 2021 with two (2) optional one-year contract extensions, for a total contract sum of \$360,000.

On March 17, 2020, City Council approved Amendment No. 1 to the 2018 Agreement, increasing the total contract sum to \$760,000.

On March 2, 2021, City Council approved Amendment No. 2 to the 2018 Agreement, correcting a discrepancy in the firm's name, exercising the option to extend the term by one year through May 1, 2022, and adding \$200,000 to the 2018 Agreement, thereby increasing the total contract sum to \$960,000.

On March 15, 2022, City Council approved Amendment No. 3 to the 2018 Agreement, exercising the second of the two one-year options to extend the term (through May 1, 2023), revising the firm's hourly rates, and adding \$200,000 to the contract sum for the extended term, thereby increasing the total contract sum to \$1,160,000.

Staff is now asking the City Council to approve Amendment No. 4 to the 2018 Agreement, adding \$70,000 to the contract sum for the current term, extending the contract for another three years until May 2, 2026, with two optional one year extensions thereafter, and adding \$1,050,000 funding for the new 3-year term. New hourly billing rates for DHS are also included in Amendment No. 4 for the contract term extension period commencing on May 2, 2023, and per Amendment No. 4, such rates would remain the same for not only the initial three-year period following said date, but also for the two one-year extension periods thereafter if exercised by the City (i.e., to May 2, 2028).

When DHS took over the account in May 2018, they were assigned a litigated inventory of 51 open claims. City staff directed DHS to resolve as many of the old, complex cases as possible. These cases, which dated back to 2002, involved complex medical, legal and employment issues, requiring substantial efforts to litigate and/or negotiate favorable settlement terms. Because of their diligence, the litigated inventory is down to 14 active cases, with only 1 legacy case remaining from the original inventory of 51. DHS has achieved these positive results by aggressively working each litigated case to a satisfactory conclusion while protecting the interests of the City.

Carson Municipal Code Section 2611 (Exceptions to Bidding Requirements for Purchases Other Than for Public Projects) provides that purchase of certain services shall not require compliance with the bidding requirements of the Carson Municipal Code, including, in subsection (i)(4), “the purchase of the following items shall not require compliance with the bidding provisions of this Chapter, so long as funds have been properly appropriated and such purchases conform with all other requirements of this Chapter . . . insurance, insurance adjusting, legal, and related services.”

V. FISCAL IMPACT

There is no impact to the fiscal budget. The cost of legal services is included in the annual self-insured workers compensation reserve budget, which is actuarially forecasted and is not changing at this time.

VI. EXHIBITS

1. Haddad & Suleiman, APC (2018 Agreement) (pages: 4 - 32)
2. Amendment No.1 to 2018 Agreement (pages: 33 - 37)
3. Amendment No. 2 to 2018 Agreement (pages: 38 - 43)
4. Amendment No. 3 to 2018 Agreement (pages: 44 - 49)
5. Amendment No. 4 to 2018 Agreement (pages: 50 - 56)

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