

Amendment 1 to Contract with Olson Remcho LLP for General Counsel and Other Legal Services

Finance Committee
Agenda Item 6
March 25, 2024



Background

- August 2020: Board adopts resolution to appoint an independent counsel to represent the JPB.
- November 2020: Board approves recommendation from JPB Governance Process Ad Hoc Committee on General Counsel Selection for procurement of a law firm to manage the provision of legal services to the JPB.

Contract Award

- December 2020: Request for Proposals issued. Staff received responses from three firms.
- May 2021: Contract awarded to **Olson Remcho LLP** to provide general counsel legal services.
- Contract Details
 - Three-year base term, \$6M capacity
 - Two one-year options, \$2M each

Contract Status

Additional contract capacity is needed to sufficiently cover and more accurately reflect the JPB's legal needs. Staff recommends adding \$1M to the base contract amount (from \$6M to \$7M).

Expense Category	Legal Expenses by Contract Year			Totals Since Contract Inception
	Year 1 (5/10/21 – 5/9/22)	Year 2 (5/10/22 – 5/9/23)	Year 3 (5/10/23 – Present)	
Operations & Board Support	\$ 917,549	\$ 1,407,609	\$ 1,084,344	\$ 3,409,501
Capital Projects	\$ 235,074	\$ 407,735	\$ 467,454	\$ 1,110,262
Governance	\$ 446,757	\$ 193,496	\$ 151,156	\$ 791,408
Litigation	\$ 112,650	\$ 210,833	\$ 333,666	\$ 657,148
Third Party Costs ¹	\$ 220,356	\$ 20,501	\$ 54,362	\$ 295,219
Total	\$ 1,932,385	\$ 2,240,173	\$ 2,090,981	\$ 6,263,539

1. Third Party Costs reflect specialty legal services in areas such as environmental law, retirement law, etc. for which Olson Remcho engages external firms to provide requisite subject matter expertise.



Proposed Fee Increase

Olson Remcho has proposed an adjustment to their hourly fees, effective May 10, 2024 at the start of the new contract period.

Position/Title	Current Contract Rate	Proposed Renewal Rate	Percentage Increase
Partner	\$475	\$490	3%
Sr. Attorney	\$475	\$490	3%
Sr. Associates	\$400	\$415	4%
Associates	\$325	\$340	5%
Law Clerks	\$160	\$175	9%
Sr. Paralegals	\$160	\$175	9%
Paralegal	\$135	\$150	11%

Hourly fees have remained level during the first 3 contract years.

Contract Options

- To ensure uninterrupted provision of legal services, staff recommends exercising the two one-year option terms to extend Olson Remcho's contract through May 9, 2026.
- Given recent trends in JPB legal costs, staff also recommends adding \$500,000 in capacity to each \$2M option term for a new total of \$5M over 2 years (\$2.5M per year).

Staff Recommendation

- 1. Authorize** Amendment No. 1 to Agreement 21-J-P-020 for General Counsel and Other Legal Services to increase the capacity amount by \$2,000,000, from \$10,000,000 to a new not-to-exceed total amount of \$12,000,000.
- 2. Exercise** both of the two one-year option terms under the contract for continued provision of legal services through May 9, 2026.
- 3. Authorize** any unused funds from the base term to rollover to the option terms.
- 4. Authorize** the Executive Director or designee to execute the contract amendment with Olson Remcho LLP in a form approved by legal counsel.



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