



CITY COUNCIL STAFF REPORT

DATE: JULY 3, 2013 CONSENT CALENDAR

SUBJECT: APPROVE AMENDMENT NO. 1 TO THE AGREEMENT WITH WOODRUFF, SPRADLIN & SMART FOR LEGAL SERVICES

FROM: David H. Ready, City Manager

BY: Chief of Staff/City Clerk

SUMMARY

The City Council will consider an amendment to the legal services agreement with Woodruff, Spradlin & Smart, to update rates and charges and provide for a monthly retainer for the City Attorney.

RECOMMENDATION:

1. Approve Amendment No. 1 to Agreement No. A5022 with Woodruff, Spradlin & Smart for Legal Services.
2. Authorize the City Manager to execute the Amendment to the Agreement.

STAFF ANALYSIS:

After an extensive RFP process in late 2004, the firm of Woodruff, Spradlin & Smart was appointed by the City Council in January, 2005, to provide legal services, and Douglas C. Holland was appointed City Attorney. The legal services agreement, nor its contentment fee structure, has not been amended since it was approved by the City Council in 2005.

The proposed amendment to the agreement: 1) updates the rates and charges; 2) provides for an annual cost of living adjustment based on the CPI; and 3) modifies the rate structure for the general services of the City Attorney from an hourly billing charge to a monthly retainer.

The City has requested the City Attorney be on-site at City Hall for a minimum of three days per week. Rather than an hourly charge for the City Attorney's general services while on-site, the contract will be amended to provide a monthly retainer in the amount

of \$25,000. The monthly retainer is more efficient and will provide additional flexibility for the City Attorney's general services. The City Attorney will bill \$200 per hour for all other hours beyond the services covered by the monthly retainer.

All other Attorneys will be billed at a blended hourly rate of \$200 per hour. Legal Assistants will be billed at \$100 per hour, and Paralegal services will be billed at \$135 per hour. Pursuant to the contract, all rates will be billed at the stated rate, no additional hourly changes will incur for litigation and other specialized legal services or specialties. The rates for attorney and related legal services are within the industry standards and competitive with hourly rates paid by other cities in the Coachella Valley.

FISCAL IMPACT:

The annual costs for legal services are not entirely predictable; due to the number and the severity of any claims or litigation filed, and the number and complexity of special projects requested by the City Council or the City Manager, in any given year.

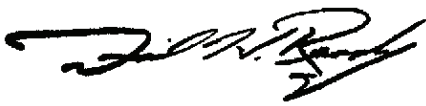
Approving a monthly retainer for the City Attorney rather than an hourly basis, provides operational efficiencies, as opposed to a straight hourly rate.


Funds for general legal services are fully budgeted in the City Attorney Department, along with specific legal services in enterprise budgets outside of the General Fund, and costs of claims and litigation services are budgeted in the Risk Management Fund.

As indicated above, legal costs vary in any given year. For Fiscal Years 2008 to 2011, the City has spent approximately \$900,000 to \$1,200,000 per year for legal services with Woodruff, Spradlin & Smart.



JAMES THOMPSON
Chief of Staff /City Clerk



DAVID H. READY
City Manager 

Attachments:
Proposed Amendment No. 1

AMENDMENT NO. 1 TO LEGAL SERVICES AGREEMENT

BY AND BETWEEN

City of Palm Springs and Woodruff Spradlin & Smart

This Amendment No. 1 to the Professional Services Agreement ("Amendment") is made and entered into this 3rd day of July, 2013, by and between the City of Palm Springs, California, a California Charter City ("City"), and Woodruff, Spradlin & Smart, a professional corporation ("Attorneys").

RECITALS

A. The City Council of the City of Palm Springs and Woodruff, Spradlin & Smart entered into a Professional Services Agreement ("Agreement") dated January 12, 2005.

B. The City and Attorneys are agreeable to modifying certain terms and conditions to the Agreement pursuant to the terms of this Amendment.

AGREEMENT

In consideration of the promises and covenants contained in this Amendment and other good and valuable consideration, the City and Attorneys agree:

SECTION 1. Section 3 of the Agreement (entitled "LEGAL FEES AND BILLING PRACTICES") is amended to read:

3. LEGAL FEES AND BILLING PRACTICES

A. For the services of Douglas C. Holland, City Attorney, the City agrees to pay a monthly retainer in the amount of \$25,000 for on-site transactional and general services. City Attorney shall be required to be on-site a minimum of three (3) days per week, such days to be determined by mutual consent of the City and Attorneys.

For all other services of Douglas C. Holland, City Attorney, outside the scope of the monthly retainer, the City agrees to pay by the hour at the rate of \$200.00 per hour for time spent on City matters.

B. City agrees to pay by the hour at the rate of \$200.00 per hour for all time spent on City's matters by the Attorneys for transactional and litigation services, \$135.00 per hour for all time spent on City's matters by professional Paralegal staff, and \$100.00 per hour for all time spend on City's matters by Legal Assistants.

C. Attorney shall not bill and the City shall not be required to pay for Attorneys travel time to or from the City.

D. Attorneys shall prepare and present detailed monthly statements for services rendered to City for the month preceding the statement, indicating each task performed by Attorneys, the name of the attorney performing each task, and the time involved in each task. City shall pay the statements upon presentation or within a reasonable time thereafter.

E. The rates and charges in this Section shall be adjusted on July 1st of each succeeding year based on the Consumer Price Index for all Urban Consumers as published by the U.S. Bureau of Labor Statistics for the Los Angeles and Riverside areas. The annual adjustment shall not exceed four percent (4%) per year.

SECTION 2. Exhibit A to the Agreement shall be amended as follows:

A. Paragraph entitled "Hourly Rates for Attorney Services (Transactional and Litigation)" is deleted and replaced with the following:

Hourly Rates for Attorney Services (Transactional and Litigation) are stated in Section 3 of this agreement.

B. Paragraph entitled "Annual Adjustment" is deleted in its entirety.

C. Mileage costs shall be restated as follows:

Mileage	IRS Standard Mileage Rate (out of Riverside or Orange County travel)
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SECTION 3. The City and Attorneys agree that the terms of the Agreement, shall remain unchanged and in full force and effect, except as specifically provided in this Amendment.

In witness whereof, the City and Attorneys have executed and entered into this Amendment as of the date first written above.

CITY OF PALM SPRINGS,
A California Charter City

WOODRUFF, SPRADLIN & SMART

David H. Ready, City Manager

Douglas C. Holland

ATTEST:

James Thompson, City Clerk