

STAFF REPORT



MEETING DATE:	June 19, 2018
SUBJECT:	Amend Technical Services Agreement (TSA) with Kenny & Norine
AGENDA ITEM:	5-6
STAFF CONTACT:	Monika Long, Chief Fiscal Officer

STAFF RECOMMENDATION:

It is recommended that the board of directors amend the Technical Services Agreement (Contract #2016-09) with Kenny & Norine to allow for a fee escalation factor, as outlined in Attachment B.

DISCUSSION:

SRTA has contracted with Kenny & Norine (formerly Kenny, Snowden & Norine) for legal services since 2009 without a raise in rates. The most current contract was approved on July 13, 2016 and is set to expire on June 30, 2021. The consultant has requested a 9% average increase in billing rates over 2016 contract levels as follows:

	Existing	Requested
John Kenny, or Partner	\$160.00 per hour	\$175.00 per hour
Associate	\$145.00 per hour	\$160.00 per hour
Paralegal	\$80.00 per hour	\$85.00 per hour

Rather than the increase requested, staff recommends Amendment #1 which allows a maximum cumulative 3% escalation in consultant fees annually, beginning with the contract's second year (2017). This has been customary in other SRTA agreements. The fee increase must be requested in writing by the consultant and approved by the executive director. This provision would allow a fee increase of 6% by July 13, 2018, and fees could be raised an additional 3% on July 13, 2019, to meet the requested rate noted above. Subsequent fee increases could be approved by the executive director through the contract term.

ALTERNATIVES:

The board of directors may choose to leave the rates frozen at the current contract levels or increase the base or escalation rates to accommodate the consultants request of a 9% increase immediately.

FISCAL IMPACT:

There is no impact to the contract budget with this action, as the total maximum compensation of \$150,000 over the term of the contract does not increase.

A handwritten signature in blue ink, appearing to read "Daniel S. Little", is written over a horizontal line.

Daniel S. Little, AICP, Executive Director

Attachment: Amendment #1 to Contract No. 2016-09
Kenny & Norine TSA: Attachment B
Letter from Kenny & Norine RE: Fee Increase

**FIRST AMENDMENT TO THE TECHNICAL SERVICES AGREEMENT (CONTRACT #2016-09)
BETWEEN THE SHASTA REGIONAL TRANSPORTATION AGENCY AND KENNY & NORINE FOR LEGAL COUNSEL
SERVICES**

The Board of Directors of the Shasta Regional Transportation Agency hereby resolves that the technical services agreement (Contract #2016-09) between the Shasta Regional Transportation Agency (SRTA) and Kenny & Norine (Consultant—formerly Kenny, Snowden, & Norine), dated July 13, 2016, is amended by revising Attachment B to add the following language below the consultant base rates:

“The contract shall allow for a cumulative fee escalation factor, not to exceed 3% annually beginning with the second year. The fee increase must be requested in writing by consultant and approved by the executive director.”

BE IT FURTHER RESOLVED that this amendment will be operative on the date last signed below.

Shasta Regional Transportation Agency

Date: _____

Daniel S. Little, AICP
Executive Director

Kenny, Snowden, & Norine

Date: _____

John Sullivan Kenny, Senior Partner
Tax I.D.#: 94-2672591

Attachment B
BUDGET/FEE SCHEDULE

Consultant shall be paid at the hourly rate for the hours actually expended and for expenses actually incurred for services as identified below. Maximum Compensation: up to \$150,000.00 for the period July 1, 2016 through June 30, 2021.

Consultant services will be provided at the following billing rates:

Partner	-	\$160.00 per hour
Associate	-	\$145.00 per hour
Paralegal	-	\$ 80.00 per hour

SRTA shall reimburse Consultant for its actual out-of-pocket expenses but without any additional costs for having advanced the funds.

1. Reimbursable ordinary expenses shall include, but not be limited to:
 - (a) Deposition fees
 - (b) Transcript fees
 - (c) Messenger service
 - (d) Process service
 - (e) Document reproduction by an outside vendor
2. Reimbursable extraordinary expenses shall include charges for which Consultant has obtained SRTA's prior approval. Such expenses shall include, but not be limited to:
 - (a) Other consultants' fees
 - (b) Expert witnesses' fees
 - (c) Expenses for travel outside the counties of Shasta and the county in which the case is filed
 - (d) Investigative services costs
 - (e) Other expenses approved in advance by SRTA
3. Non-reimbursable expenses shall include, but not be limited to:
 - (a) Staff time or overtime for performing secretarial, clerical, or word processing functions
 - (b) Charges for time spent to provide necessary information for SRTA audits or billing inquiries
 - (c) Charges for work performed which had not been authorized by SRTA. Such work shall be a gratuitous effort by Consultant.

JOHN SULLIVAN KENNY
JONZ NORINE*
LINDA R. SCHAAP

KENNY & NORINE

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April 25, 2018

Dan Little, Director
Shasta Regional Transportation Agency
1255 East Street, Suite 202
Redding, CA 96001

Re: Fee Increase

Dear Mr. Little:

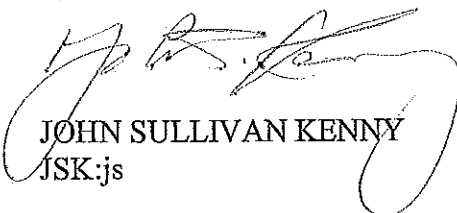
Our fees for services for the Shasta Regional Transportation Agency have remained unchanged since 2009. The cost of expenses to run our operation, like yours, has escalated through the years requiring an increase in fees for services.

We propose effective June 1, 2018, to increase our fees as follows: \$175.00 per hour for services performed by myself or by another partner, \$160.00 per hour for an associate's time and \$85.00 per hour for a paralegal's time rendered.

If you have any questions or concerns regarding the above, please do not hesitate to contact me.

Very truly yours,

KENNY & NORINE


JOHN SULLIVAN KENNY
JSK:js

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APR 27 2018
SHASTA REGIONAL
TRANSPORTATION AGENCY