

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

142



FROM: County Counsel

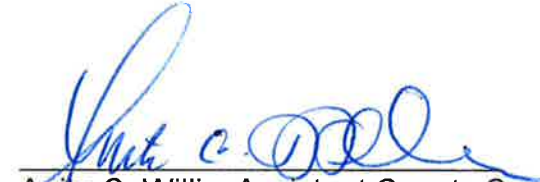
SUBMITTAL DATE:
December 20, 2012

SUBJECT: Approval of Legal Services Agreement with Barth Tozer & Daly LLP

RECOMMENDED MOTION: That the Board of Supervisors, acting in its capacity as Successor Agency to the Redevelopment Agency ratify, approve and authorize the chairman to execute the attached professional agreement with Barth Tozer & Daly LLP to provide legal services to the Successor Agency.

BACKGROUND: Continued on page 2.

Departmental Concurrence


Anita C. Willis, Assistant County Counsel
For Pamela J. Walls, County Counsel

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 150,000.	In Current Year Budget:	YES
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	NO
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2012/13

SOURCE OF FUNDS: Redevelopment Property Tax Trust Fund	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE
BY: 
Denise C. Harden

County Executive Office Signature

- Dept't Recomm.: Consent Policy
- Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.

District:

Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

4-1

The Honorable Board of Supervisors
Subject: Approval of Legal Services Agreement with Barth Tozer & Daly LLP
to Serve as Legal Counsel to the Successor Agency
December 20, 2012
Page 2 of 2

BACKGROUND:

Pursuant to the provisions of ABx1 26 and AB 1484 as codified in the California Health and Safety Code, the Department of Finance (DOF) has oversight and review of the actions of the Successor Agency and the Oversight Board which was established to oversee the dissolution of the redevelopment agency. CA Health & Safety Code §§ 34179-34181 sets forth the duties and responsibilities of the Oversight Board, which oversees the actions of the Successor Agency.

Pursuant to statutory requirements, each six month period (January – June and July – December) the Successor Agency is required to submit a Recognized Obligation Payment Schedule (ROPS). The Successor Agency submitted ROPS for the periods beginning January 2012. In each of those periods, the DOF has denied obligations and projects which the Successor Agency contends are enforceable obligations of the former redevelopment agency (Former RDA) and are legal obligations of the Successor Agency. On December 18, 2012 the DOF denied a significant number of projects that are either completed or underway; which the Successor Agency considers enforceable obligations. These are projects which were legally entered into by the Former RDA. Also, the DOF denied the Successor Agency's request to withhold \$2.5 million in low and moderate income housing funds (LMIHF) to cover the cost of administering the housing programs for the former City of Coachella and Norco redevelopment agencies.

The Successor Agency has pursued all available administrative reviews of the DOF actions in accordance with the provisions of ABx1 26 and AB 1484. The only remaining available avenue of redress is through the courts. Pursuant to statute, the venue for any legal challenge is in the California Superior Court for the County of Sacramento. Thus, County Counsel recommends retaining the firm of Barth Tozer & Daly LLP, located in Sacramento, CA. to represent the Successor Agency in challenging the DOF actions.

Funding for the agreement is listed in the Successor Agency's approved Recognized Obligation Payment Schedule (ROPS). The funding for the agreement in the amount of \$150,000 is anticipated to fund the litigation through trial. County Counsel recommends approval of the agreement.

**AGREEMENT WITH BARTH TOZER & DALY LLP
FOR PROFESSIONAL SERVICES**

THIS AGREEMENT is entered into as of the date written below, and is made by and between THE COUNTY OF RIVERSIDE, in its capacity as Successor Agency to the Redevelopment Agency for the County of Riverside (hereinafter referred to as "COUNTY") and BARTH TOZER & DALY LLP (Law Firm) (hereinafter referred to as "ATTORNEYS"). The Parties hereto agree as follows:

1. TERM. This AGREEMENT shall commence on execution and, unless terminated pursuant to Section 6, shall continue through the end of COUNTY Fiscal Year 2014, or completion of the last work assignment, whichever occurs first.

2. LEGAL SERVICES. ATTORNEYS shall serve as legal counsel to the Successor Agency in initiation of and prosecution of litigation related to ABx1 26 and AB 1484 and the State Department of Finances implementation of those statutes as applicable to the Successor Agency, the County and the Housing Authority of the County of Riverside as housing successor to the former Redevelopment Agency for the County of Riverside. ATTORNEYS, to the extent applicable, shall comply with the Litigation Management Guidelines for the County of Riverside attached to and incorporated in this Agreement as Exhibit C, except that any and all reports shall be submitted to County Counsel.

3. ASSIGNMENT OF PERSONNEL. The Supervising Attorney for this AGREEMENT shall be Thomas W. Barth. The Supervising Attorney shall have full authority to act for ATTORNEYS on all matters encompassed by this AGREEMENT and shall be fully responsible for the quality of the work produced.

Upon execution of this AGREEMENT, the Supervising Attorney shall provide to COUNTY the names of other professionals (senior partners, junior partners, associates, paralegals, etc.) who will assist in the provision of services under this AGREEMENT. The Supervising Attorney shall also specify the functions to be performed by each professional and shall ensure that services are performed by the lowest level of personnel (*e.g.*, junior attorneys, associates and paralegals) qualified to perform the service. Any change in personnel assignments shall be made only upon telephonic or written notice to, and written consent by, COUNTY. COUNTY retains the right to approve or disapprove any and all attorney assignments.

4. PRIOR APPROVALS. ATTORNEYS shall obtain the prior written approval of COUNTY before: (i) retaining any consultant; or (ii) commencing travel on behalf of COUNTY outside Sacramento County.

5. PROFESSIONAL CONFLICT OF INTEREST. ATTORNEYS represent and warrant that no COUNTY employee whose position in COUNTY enables him/her to influence the award of this AGREEMENT or any competing agreement, and no spouse or economic dependent of such employee is, or shall be, employed in any capacity by ATTORNEYS, or shall have any direct or indirect financial interest in this AGREEMENT.

It is possible that some of ATTORNEYS' present or future clients will have disputes with COUNTY during the time that ATTORNEYS are representing the COUNTY. Should a situation arise where a client engages ATTORNEYS in any matter adverse to COUNTY, or in which COUNTY'S interest may be adversely affected, ATTORNEYS will notify COUNTY in writing. Upon receipt of such notice, COUNTY may determine that the conflict can be waived or may determine that it is in the COUNTY'S best interest to terminate the services of ATTORNEYS. Should COUNTY determine that it is in COUNTY'S best interest to terminate the services of ATTORNEYS, COUNTY will notify ATTORNEYS in writing. ATTORNEYS may then submit any outstanding invoices for payment up to the date of termination .

6. TERMINATION. Services performed under this AGREEMENT may be terminated by COUNTY, in whole or in part, at any time COUNTY deems termination to be in its best interest. COUNTY shall terminate services by delivering to ATTORNEYS a written Termination Notice executed by COUNTY and specifying the extent to which services are terminated and the effective termination date.

7. EFFECT OF TERMINATION. After receiving a Termination Notice, and unless otherwise directed by COUNTY, ATTORNEYS shall: (i) take all steps necessary to stop services on the date and to the extent specified in the Termination Notice; (ii) complete services not terminated by the Termination Notice; and (iii) submit final billing for terminated services within thirty (30) days from the effective termination date.

8. CLOSING REPORT UPON TERMINATION. ATTORNEYS shall deliver a Closing Report to COUNTY immediately after termination of services under Section 6 which shall include, but not be limited to: (i) a brief description of the status of all matters for which services have been provided; and (ii) a discussion of COUNTY'S exposure and applicable law, if appropriate.

ATTORNEYS shall give COUNTY copies or originals, as appropriate, of all files and attorney work product relating to all matters for which services have been provided. This includes any computerized index, computer programs and document retrieval system created or used for these matters.

9. COMPENSATION. The total amount of compensation paid to ATTORNEYS under the terms of this AGREEMENT shall not exceed One Hundred Fifty Thousand Dollars (\$150,000), unless a written amendment to this AGREEMENT is executed by both parties prior to performance of any additional services. A written amendment shall be a condition precedent to any obligation for payment by COUNTY beyond the approved compensation. ATTORNEYS shall notify COUNTY immediately in writing when ATTORNEYS have expended seventy-five percent (75%) of the total compensation.

10. FEES. The billing rate for all personnel providing services under this AGREEMENT shall be as set forth in Exhibit B, consisting of one (1) page, which is attached hereto and incorporated herein by this reference.

11. EXPENSES. COUNTY shall reimburse ATTORNEYS for their actual out-of-pocket expenses, but without any additional costs for having advanced the funds or for expenses generally considered as overhead already reflected in ATTORNEYS' hourly rates.

Reimbursable ordinary expenses shall include, but not be limited to: (i) postage; (ii) courier service; (iii) title reports; (iii) in-house document reproduction; and (iv) long distance phone calls. If any amount charged shall exceed \$250.00 in any one month, prior approval of the COUNTY shall be obtained.

Reimbursable extraordinary expenses shall include charges for which ATTORNEYS have obtained prior approval of COUNTY. Such expenses shall include, but not be limited to: (i) consultants; (ii) travel outside the County of Sacramento; (iii) investigative services and (iv) any expense item exceeding Two Hundred Fifty Dollars (\$500.00).

Non-reimbursable expenses shall include, but not be limited to: (i) staff time or overtime for performing secretarial, clerical, or word processing functions; (ii) charges for time spent to provide necessary information for COUNTY'S audits or billing inquiries; (iii) and charges for work performed which had not been authorized by COUNTY.

12. PAYMENT. ATTORNEYS shall submit its billing statement monthly, in arrears, no later than the last day of the month following the month(s) for which services were rendered. The original billing statement(s) and one copy shall be submitted to:

Lisa Brandl, Managing Director/EDA
County of Riverside Economic Development Agency
3403 10th Street, Suite 500
Riverside, CA 92501

With copy to:

Anita C. Willis, Assistant County Counsel
Office of Riverside County Counsel
3960 Orange Street, Suite 500
Riverside, CA 92501

The Supervising Attorney shall certify that the work referenced in each billing statement was performed and each billing statement shall be itemized to include: (i) staffing level(s), hourly rates and specific activities for each professional; (ii) a listing of each activity as a line item in a time reporting format acceptable to COUNTY with a description of specific activities for each professional; (iii) total current period fees and total cumulative fees billed for each staffing level; and (iv) current period expenses and total cumulative expenses billed in itemized categories, including all invoices for disbursements paid to others.

ATTORNEYS shall have and maintain all backup documentation to support all entries included in the monthly billing statement. Such documentation shall be in a form subject to audit and in accordance with generally accepted accounting principles. ATTORNEYS shall make such documentation available to auditors upon request and at such reasonable times and locations as may be agreed to by COUNTY and ATTORNEYS.

COUNTY shall make payment(s) for services rendered under this AGREEMENT monthly in arrears based on the itemized billing statement(s) submitted by ATTORNEYS. Payment shall be made by COUNTY within thirty (30) days after receipt of billing from ATTORNEYS. COUNTY shall not pay interest or finance charges on any outstanding balance(s).

13. SUPERVISION OF AGREEMENT. The COUNTY Assistant Executive Officer/EDA or his/her designee, in consultation with County Counsel, shall have full authority to act for COUNTY on all matters encompassed by this AGREEMENT.

14. CONFIDENTIALITY. ATTORNEYS shall maintain the confidentiality of all information that it may acquire, arising out of or connected with, its provision of services under this AGREEMENT. The maintenance of confidentiality shall be in accordance with all applicable Federal, State and local laws, regulations, ordinances and directives relating to confidentiality, including the Code of Professional Responsibility. ATTORNEYS shall inform all personnel providing services of the confidentiality provisions of this AGREEMENT. These confidentiality obligations shall survive the termination or expiration of this AGREEMENT.

15. COMMUNICATIONS WITH COUNTY. ATTORNEYS recognize that their relationship with COUNTY and its agents, employees, officers and/or representatives is subject to the attorney-client privilege and that any information acquired during the term of this AGREEMENT from or through COUNTY is confidential and privileged. ATTORNEYS warrant that they shall not disclose or use in any manner whatsoever any of the information obtained from COUNTY and its agents, employees, officers and/or representatives in connection with said relationships or proceedings. ATTORNEYS understand that the Office of County Counsel is the empowered legal representative of COUNTY and ATTORNEYS shall not without specific direction from the Office of County Counsel communicate with, advise or represent COUNTY'S legislative or appointive bodies.

16. INSURANCE. Without limiting or diminishing ATTORNEYS' obligation to indemnify or hold COUNTY harmless, ATTORNEYS shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage during the term of this AGREEMENT.

A. Workers' Compensation:

Statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California, if ATTORNEYS have employees as defined by the State. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in favor of COUNTY, and, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.

B. Commercial General Liability:

Commercial General Liability insurance coverage, including but not limited to, premises liability, contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of ATTORNEYS' performance of its obligations hereunder.

Policy shall name COUNTY, its Board of Supervisors, Agencies, Districts, Special Districts, and Departments and their respective elected or appointed officials, directors, officers, employees, agents or representatives as Additional Insureds. The policy's limit of liability shall not be less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this AGREEMENT or be no less than two (2) times the occurrence limit.

C. Vehicle Liability:

If vehicles or mobile equipment are used in the performance of the obligations under this AGREEMENT, then ATTORNEYS shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this AGREEMENT or be no less than two (2) times the occurrence limit. Policy shall name COUNTY, its Board of Supervisors, its Agencies, Districts, Special Districts, and Departments and their respective elected or appointed officials directors, officers, employees, agents or representatives as Additional Insureds.

D. Professional Liability:

ATTORNEYS shall maintain Professional Liability Insurance providing coverage for services included within this AGREEMENT, with a limit of liability of not less than \$1,000,000 per occurrence and \$1,000,000 annual aggregate. If ATTORNEYS' Professional Liability Insurance is written on a claims made basis rather than an occurrence basis, such insurance shall continue through the term of this AGREEMENT. Upon termination of this AGREEMENT or the expiration or cancellation of the claims made insurance policy, ATTORNEYS shall purchase at its sole expense either: 1) an Extended Reporting Endorsement (also known as Tail Coverage); or 2) Prior Dates Coverage from a new insurer with a retroactive date back to the date of, or prior to, the inception of this AGREEMENT; or 3) demonstrate through Certificates of Insurance that ATTORNEYS have maintained continuous coverage with the same or original insurer. Coverage provided under items; 1), 2) or 3) will continue for a period of five (5) years beyond the termination of this AGREEMENT.

E. General Insurance Provisions - All lines:

1) Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A M BEST rating of not less than A: VIII (A:8) unless such requirements are waived, in writing, by COUNTY'S Risk Manager. If COUNTY'S Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.

2) ATTORNEYS' insurance carrier(s) must declare its insurance self-insured retentions. If such self-insured retentions exceed \$500,000 per occurrence such

retentions shall have the prior written consent of COUNTY'S Risk Manager before the commencement of operations under this AGREEMENT. Upon notification of self-insured retention unacceptable to COUNTY, and at the election of COUNTY'S Risk Manager, ATTORNEYS' carriers shall either: 1) reduce or eliminate such self-insured retention as respects this AGREEMENT with COUNTY, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

3) ATTORNEYS shall cause ATTORNEYS' insurance carrier(s) to furnish COUNTY with either: 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, and 2) if requested to do so orally or in writing by COUNTY'S Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to COUNTY prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, this AGREEMENT shall terminate forthwith, unless COUNTY receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverages set forth herein and that the insurance required herein is in full force and effect. ATTORNEYS shall not commence services until the COUNTY has been furnished original Certificate (s) of Insurance and certified original copies of endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance.

4) It is understood and agreed to by the parties hereto that ATTORNEYS' insurance shall be construed as primary insurance, and COUNTY'S insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.

5) If, during the term of this AGREEMENT or any extension thereof, there is a material change in the scope of services; or, there is a material change in the equipment to be used in the performance of the scope of services which will add additional exposures (such as the use of aircraft, watercraft, cranes, etc.); or, the term of this AGREEMENT, including any extensions thereof, exceeds five (5) years COUNTY reserves the right to adjust the types of insurance required under this AGREEMENT and the monetary limits of liability for the insurance coverages currently required herein, if, in COUNTY Risk Manager's reasonable judgment, the amount or type of insurance carried by ATTORNEYS has become inadequate.

6) ATTORNEYS shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this AGREEMENT.

7) The insurance requirements contained in this AGREEMENT may be met with a program(s) of self-insurance acceptable to the COUNTY.

8) ATTORNEYS agree to notify COUNTY of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this AGREEMENT.

17. INDEMNIFICATION. ATTORNEYS shall indemnify and hold harmless COUNTY, its Board of Supervisors, Agencies, Districts, Special Districts and Departments and their respective elected and appointed officials, directors, officers, employees, agents and representatives (hereinafter referred to as "Indemnified Parties") from any liability whatsoever including but not limited to, property damage, bodily injury, or death, based or asserted upon any services of ATTORNEYS, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this AGREEMENT. ATTORNEYS shall defend, at its sole expense, and pay all costs and fees including, but not limited, to attorney fees, cost of investigation, defense and settlements or awards, on behalf of the Indemnified Parties in any claim or action based upon such liability.

With respect to any action or claim subject to indemnification herein by ATTORNEYS, ATTORNEYS shall, at its sole cost, have the right to use counsel of its own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of COUNTY; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes ATTORNEYS' indemnification to Indemnified Parties as set forth herein.

ATTORNEYS' obligation hereunder shall be satisfied when ATTORNEYS have provided to COUNTY the appropriate form of dismissal relieving COUNTY from any liability for the action or claim involved.

The specified insurance limits required in this AGREEMENT shall in no way limit or circumscribe ATTORNEYS' obligations to indemnify and hold harmless the Indemnified Parties herein from third party claims.

18. NOTICES. All notices and required reports shall be written and hand-delivered or mailed by first class, postage prepaid, addressed to COUNTY or ATTORNEYS at the addresses below, or at any other address COUNTY or ATTORNEYS shall provide in writing to each other:

If to COUNTY:

Assistant County Executive Officer/EDA
County of Riverside Economic Development Agency
3403 10th Street, Suite 500
Riverside, CA 92501

With copy to:

County Counsel
3960 Orange Street, Suite 500
Riverside, CA 92501

If to ATTORNEYS:

Thomas W. Barth, Partner
Barth Tozer & Daly LLP
431 I Street, Suite 201
Riverside, CA 95814

19. ASSIGNMENT. No part of this AGREEMENT or any right or obligation arising from it is assignable without the written consent of COUNTY. Any attempt by ATTORNEYS to assign or subcontract services relating to this AGREEMENT without the consent of COUNTY shall constitute a material breach of this AGREEMENT. However, ATTORNEYS may retain consultants and experts as ATTORNEYS deem appropriate after receiving the written approval of COUNTY.

20. COMPLETE AGREEMENT. This AGREEMENT, including exhibits A, B & C shall constitute the complete and exclusive statement of understanding between COUNTY and ATTORNEYS which supersedes all previous written or oral agreements, and all prior communications between COUNTY and ATTORNEYS relating to the subject matter of this AGREEMENT.

Dated: _____

COUNTY OF RIVERSIDE in its Capacity as
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE
COUNTY OF RIVERSIDE

ATTEST:

By: _____

John J. Benoit
Chairperson, Board of Supervisors

Kecia Harper-Ihem, Clerk of the Board

By: _____
Deputy

Dated: _____

BARTH TOZER & DALY LLP

By: _____

Thomas W. Barth, Partner

Exhibits

Exhibit A – Scope of Services

Exhibit B – Billing Rate for Personnel Providing Services under this AGREEMENT

Exhibit C - Litigation Management Guidelines for the County of Riverside

EXHIBIT A

Scope of Services

ATTORNEYS will provide legal services reasonably required to represent the Successor Agency and related entities, as necessary, in litigation with the State of California and other necessary parties in reference to the State Department of Finance actions in denying certain enforceable obligations of the former Redevelopment Agency for the County of Riverside, as well as other actions of the State which affect the Successor Agency and the Housing Authority of the County of Riverside as successor housing entity to the redevelopment agency pursuant to ABx1 26 and AB 1484 as codified in California Health & Safety Code sections 33500 et seq. These services shall include all services as necessary and directed by County Counsel in protection of these rights.

EXHIBIT B

Fee Schedule

PERSONNEL	HOURLY RATES
Partners and Associates	\$250.00

EXHIBIT C

Litigation Management Guidelines for the County of Riverside

County of Riverside, Risk Management Division

Litigation Management Guidelines

Claims Philosophy

Our claims philosophy is to identify, on a timely basis, those claims for which there is liability and to make settlement offers promptly. The County of Riverside will generally not settle claims on a nuisance value basis as a matter of policy. The County of Riverside, hereinafter referred to as County, policy is to defend all claims where there is no liability or where liability is questionable. Thorough, early investigation and rigorous development of the legal defense issues will identify the strengths and weaknesses of a case and allow us to develop a negotiating or trial strategy properly which is reflective of the case's value. It is always appropriate for counsel to provide us with settlement or trial recommendations.

I. DEFENSE COUNSEL

- A. Selection. Defense counsel for each case shall be selected by the County Risk Management Division. The selection shall be based on the nature and complexity of the case, the experience and ability of the attorney, as well as other relevant factors.
- B. Terms. Upon appointment in any litigation, defense counsel shall provide the following to the County:
1. The names of other professionals (partners, associates, law clerks, paralegals, etc.) who will assist in the defense of the case. The functions to be performed by each professional shall also be provided. We request no junior attorney be assigned our files. A junior attorney may be utilized for research, minor discovery and court appearances with the senior attorney being fully responsible for the quality of the work product. We also request no more than two (2) senior attorneys in the firm handle our files for each line of coverage i.e., general liability, auto liability and medical malpractice; any exceptions must be approved in writing by the Risk Management Division. See Use of Appropriate Personnel. The County of Riverside Risk Management Division retains the right to approve or disapprove of any and all attorney assignments.

II. CASE ANALYSIS, STRATEGY AND BUDGET

- A. Development of an effective and strategically sound legal defense is the responsibility of counsel and includes the following:
1. Identifying and developing all liability issues.
 2. Bringing viable third-party actions and/or cross actions against co-defendants.
 3. Developing the defense of contributory or comparative negligence.

4. Raising causation issues to ascertain whether there is a nexus between the County's alleged act(s) and the actual damages sustained.
 5. Critically analyzing the basis for all damages claimed.
- B. Within ninety (90) days following receipt of a case, defense counsel shall prepare and send to County Risk Management Division, a **Case Evaluation Plan** (see **Exhibit B**) and as follows:
1. Analysis. (a comprehensive written analysis of the case). This analysis shall provide an initial evaluation of the case, including a brief synopsis of the facts of the case, an analysis of plaintiff's injuries, damages and exposures in the case, and identification of the strengths and weaknesses of the case. Counsel shall also provide an initial impression of liability and identify the pertinent statutes and/or case law that may affect the outcome of the litigation.
 2. Investigation. We require investigations be done timely. This includes but is not limited to:
 - a. Identification of and taking statements of witnesses.
 - b. Accident reconstruction (including photographs, diagrams, measurements, etc.).
 - c. Production of documents.
 - d. Purchase order/contracts/lease agreements.
 - e. Internal statements, memos, and correspondence
 - f. Inspections, etc.
 - g. Blue prints, if applicable.

Defense counsel shall identify any additional information or documentation that is needed to disprove the plaintiff's claims or to establish defenses in the action. Where it is believed further investigation is necessary, please discuss this with Risk Management prior to it being initiated.
 3. Strategy. Defense counsel shall define the strategy to be used in defending each lawsuit, including, but not limited to:
 - a. The anticipated course of action to be taken and prospect for success (i.e. motion to dismiss, motion for summary judgment, negotiated settlement, trial, etc.).
 - b. The facts or elements which must be proved or disproved and the discovery necessary to establish these defenses or proof.
 - c. The timing of the discovery, filing of motions, negotiations or other objectives.
 - d. A description of how the work will be distributed among those who will be working on the case.
 - e. The tactics to be used in defending the case and the advantages to be gained by use of these tactics.
 - f. When appropriate, bifurcation of liability from damages' issues should be considered.

- C. Budget. Defense counsel will also provide an estimate of the anticipated cost of each significant aspect of the litigation, pursuant to the attached Budget Guidelines Attachment C. These guidelines may change from time to time and you should always familiarize yourself with all changes.

III. COMMUNICATION

- A. Correspondence and pleadings. Copies of all pertinent correspondence, investigations, and summaries of depositions, interrogatories and pertinent pleadings shall be promptly provided by defense counsel to Risk Management and the excess and/or reinsurance carrier when the case meets the excess reporting criteria. Defense counsel will promptly respond to all letters or phone calls and will keep County Risk Management Division fully advised of the progress in each case.
- B. Depositions and hearings. We require timely notification of all scheduled depositions, deposition preparations, mediations, MSC, VSC, arbitrations, trials, etc. We consider timely notification to be not less than 2 weeks in advance with 3-4 weeks advanced notice being preferable. Notice of all hearings shall be sent by defense counsel to the County Risk Management Division and to the excess carrier when the case meets excess reporting requirements to allow them to attend the hearing. It is required that within 10 days of any County employee's deposition being taken, defense counsel will meet with the county employee for the purpose of preparing the employee for their depositions and for trials in which they will serve as witnesses and/or experts. There are to be no telephone preparations (See VII Trials and Reports).
- C. Evaluations. We request evaluations as to liability and settlement value issues as early in the case as possible. Upon request, and at such other times as deemed necessary, defense counsel shall provide written or oral evaluations of the litigation. These evaluations shall disclose any weaknesses or strengths that have been discovered, any changes in applicable statutes or case law, any increase or decrease in anticipated costs, and (if possible) the potential liability and settlement value of the case. These evaluations should be as straight-forward and as objective as possible to allow the County Risk Management Division to meaningfully analyze the case and to determine the course of action to be taken.

IV. UPDATES

It is the responsibility of counsel to update any item of information contained in the initial status report, including judgments and opinions of counsel, promptly when a change occurs. All updates shall also be concise. If six months elapse since the initial report or the last previous update and no changes have occurred, counsel shall advise the County Risk Management Division of that fact in a written update. Consequently, no six-month period shall expire without written communication from counsel to the County Risk Management Division.

V. SETTLEMENT AUTHORITY

Defense counsel shall not settle any lawsuit or make a settlement offer in any amount or make any representation as to settlement possibilities without prior authorization of the County Risk Management Division and/or Board of Supervisors approval when necessary.

VI. LEGAL BILLINGS

- A. All bills for legal services and costs shall be submitted at least quarterly. Fees and costs shall be billed at the rates previously agreed upon. All bills shall state with particularity the legal work performed, the hours expended to perform the work and the costs incurred. Attorneys submitting the bills for payment are responsible for the content of the bills and will work with the County Risk Management Division to resolve problems or answer questions.

Legal fees will not be paid unless submitted in the following format:

1. Each legal activity will be dated and itemized (multiple daily descriptive explanations of activities with a single time entry is not acceptable).
2. We require all billings be itemized to indicate the following:
 - a. The attorney doing the work.
 - b. Hours spent for each specific task.
 - c. Hourly rate.
 - d. Work being done by paralegals or law clerks should be identified.

Please advise if research time and/or overtime is billed and how it is indicated on the billing.
3. The amount of time to complete the task must be broken down into tenths of hours. Block time billing is not acceptable; therefore, not reimbursable.
4. The rates charged by each attorney working on the case must be summarized with the amount of hours to depict a cost per attorney.
5. Where expenses have been incurred for others, such as copy service, court reporters, experts, etc, please submit bills directly to Risk Management Division after approving them for payment. If you inadvertently paid a bill, please submit the itemized invoice you have paid along with your billing requesting reimbursement.
6. We understand the need to pay for unusual expenses incurred by you on behalf of Riverside County, however, we should not be asked to pay for ordinary overhead expenses, which we believe includes:
 - a. Ordinary postage.
 - b. Local telephone calls and faxes.
 - c. Ordinary word processing.
 - d. Time to prepare and review billings.
 - e. Local travel (30 miles or less, round trip.)
 - f. Meals when involved in local (in-town) cases.
7. If overpayments are/have been made by the County, the attorney firm must remit a reimbursement payment to the County of Riverside, Risk Management Division, within 30 days. No credit balances will be acceptable.

B. We will gladly pay for unusual charges which we believe include:

1. Long distance telephone calls - these should be itemized whenever possible.
2. Express mail when deemed necessary.
3. Long distance fax charges.
4. Photocopy charges - must include itemization, showing the number of pages and the cost per page which must not be excessive nor above industry standards. Where expense has been extensive, we would appreciate an explanation.
5. Travel time - if you are required to fly to another destination, reimbursable time begins at the airport you are departing from and ends at the arriving destination airport. Other out of town travel is reimbursable from your office location to your destination utilizing the most direct or quickest route.
6. Out of town travel – you must obtain prior authorization for any out of town travel. We ask that you do not fly first class or business class nor stay in a hotel whose rates are expensive or above the average daily rate of \$159.00, or \$239.00 in high cost cities such as San Francisco, New York, Washington D.C., etc (averages may vary by locale). We do not reimburse alcoholic beverage consumption. Food consumption should be reasonable and not excessive. Meals must be itemized as to food, beverages and tips. Itemization of all travel expenses by each person incurring those expenses must be made. This includes airfare, hotel, food, ground travel and any other major costs. Arrangements must be made to use a local court reporter or any other local service you believe is necessary as we will not authorize travel expenses for these services. Car rentals should be compact to mid-size vehicles and not in the luxury class.

C. Use of Appropriate Personnel

Within a law firm, research and minor discovery work should be performed by the lowest level of personnel (e.g. junior attorneys, paralegals) capable of performing a given task. Responsibility for the quality of the work product remains with the assigned trial attorney.

D. Multiple Attorney Conferences/Attendance

1. We will not pay for attendance by more than one representative of a law firm at meetings, court appearances, conferences, etc. without our prior approval.
2. Attorney office conference time must be itemized and is subject to review and may be disallowed.

E. Research

1. We will not pay for extensive research of relatively routine matters which should otherwise be within the knowledge of experienced practitioners.

2. We will only pay for review and revision of prior research; we will not pay each time as if previous research was conducted de novo.

F. Copy Service

We prefer to use one copy service wherever possible so that we can participate in volume discounts. We may establish and provide a panel of copy service vendors for your reference. Until you receive this panel, please continue using your current copy service making the effort to negotiate volume discounts. We want to utilize one court reporter whenever possible for the same reason - volume discount. Please provide us names and telephone numbers of court reporters you use by area (i.e., Riverside, Indio, Blythe, etc).

G. Audit

ATTORNEYS shall have and maintain all backup documentation to support all entries included in the monthly billing statement. Such documentation shall be in a form subject to audit and in accordance with generally accepted accounting principles. ATTORNEYS shall make such documentation available to auditors upon request and at such reasonable times and locations as may be agreed to between COUNTY and ATTORNEYS.

The County of Riverside retains the right to have legal billings audited.

VII. TRIALS AND REPORTING

- A. Within ten (10) to thirty (30) days prior to trial, defense counsel will meet with County employees who will be called as witnesses.
- B. Within thirty (30) days of the conclusion of all trials, a brief summary trial report should be directed to the County Risk Management Division outlining the trial results.

VIII. FINAL REPORTS

- A. At the conclusion of the case, a short summary report should be directed to the County Risk Management Division. Original closing papers and the final billing should be attached.
- B. Within ninety (90) days following the termination of each lawsuit, the County Risk Management Division will review the file to determine compliance with the County's guidelines and the strategy and budget developed by defense counsel for the case. If appropriate, a meeting will be arranged to discuss perceived problems and/or ways to improve defense of the County's claims.

IX. Electronic Communication/Data Storage/Presentation

- A. The County of Riverside strongly suggests all attorneys handling County files have the ability to communicate individually via electronic mail (E-Mail).
- B. The County of Riverside Superior Courts has equipment that is available for presenting evidence electronically (photo's, text, animation, etc.) via the use of an Elmo and a computer. The Courts also have a large screen which is used to

project the electronic evidence and information onto so that all jurors can easily view the evidence presented. The County of Riverside believes that jurors will retain 80%-90% of what they hear if they see it simultaneously. In addition, the management and storage of data on CD-ROM is beneficial to the success of the presentations of most of our cases. Therefore, the County of Riverside strongly suggests all attorneys handling cases on behalf of the County become proficient in managing and presenting cases via electronic medium.

X. Miscellaneous

There may be additional reporting requirements required by County Risk Management. You will be notified in writing of any additional requirements which we deem necessary.

The foregoing is not meant to be burdensome - it is meant to control and manage our costs as well as to be knowledgeable and involved with each of our cases.

Addendum #1

Attachment A

III. Communication

- D. Any demand, settlement, or judgment that includes or requests a “non-monetary” remedy from the court will be immediately communicated to the director(s) of the involved agency (ies), district(s), or department(s). Non-monetary remedies can include, but is not limited to injunctions (mandatory or prohibitory), remedies with policy implications, including labor relations, and/or any other non-monetary remedies. Such communication will include a request for either approval or rejection of the proposed remedy.

- E. Insofar as the non-monetary remedies may require approval of the Board of Supervisors, defense counsel shall communicate to Risk Management the nature and effect of the proposed remedy for determination by Risk Management as to any Board involvement.

Name of Firm _____

Name of Signatory
(print & sign) _____

Date _____

Exhibit B continued

CASE STATUS REPORT GUIDELINE

To be completed by Firm's Supervising Attorney

1. FIRM NAME:

CASE NAME:

COURT CASE #:
COUNTY FILE #:

INCIDENT DATE:
CLAIM DATE:
COMPLAINT FILED DATE:
2. STATUS OF DISCOVERY (since last status report). List depositions taken.
3. INTERROGATORIES SENT/RECEIVED (list names):
4. REQUESTS FOR MEDICAL EXAMS:
5. STATUS OF EXPERT WITNESS/CONSULTANT INVESTIGATIONS:
6. RESULTS OF MOTIONS (describe all Motions and indicate outcome):
7. SIGNIFICANT DEVELOPMENTS WHICH MAY INCREASE OR DECREASE COUNTY'S EXPOSURE/LIABILITY:
8. RECOMMENDED CASE STRATEGY (state clearly changes from previously agreed to strategy):
9. SIGNIFICANT EVENTS:
Trial Setting Conference Date:
Arbitration Date:
Voluntary Settlement Conference Date:
Mandatory Settlement Conference Date:
Department
Jury ___ Non-Jury ___ (check one)
10. Please update Attachment C - Cost Estimates and Budget Guidelines.

Approved by: _____ Date: _____
(Firm's Supervising Attorney)

ATTORNEY PRE-TRIAL STATUS REPORT GUIDELINE

TO: CASE NAME:
FROM: COUNTY FILE NO.:
DATE:
EXPECTED TRIAL DATE: VENUE:

I. DEFENDANT

- A. Effectiveness of each anticipated witness; rate (from excellent to poor) his/her demeanor, general credibility, memory and particular tendencies as a witness.
- B. Other Insurance Coverage - type of policy, policy number and/or claim number, carrier name, address and phone number, claims person, type of other insurance clause (excess, escape or proratal), limits, deductible, known coverage defenses and/or reservation of rights (attach copy if available).

II. PLAINTIFF

- A. Name, address, age, marital status and occupation. If plaintiff is a business, provide a description.
- B. Dependants, if any; their names, ages, and relationships..
- C. Effectiveness as a witness - rate (from excellent to poor) his/her demeanor, general credibility, memory and particular tendencies as a witness.
- D. Name of plaintiff attorney and his/her ability. You may also want to include any comments as to his/her success on high profile or high value cases. High values cases would be those above \$750,000.00.

III. SUMMARY OF FACTS WHICH ENGENDERED THIS CLAIM

IV. CO-DEFENDANTS AND/OR THIRD PARTY DEFENDANTS

- A. Identity of parties.
- B. Respective attorneys - Names, business address, telephone numbers.
- C. Factual and legal basis for plaintiff's/cross-complainant's claims against other parties.
- D. Brief summary of probable exposure.
- E. Other Insurance Coverage - type of policy, policy number, claim number, carrier name, address and phone number, name of claims person, type of other insurance clause (excess, escape, etc), limits, deductible, known coverage defenses and/or reservation of rights (attach copy if available).

V. WITNESSES

- A. Name, address, age and occupation.
- B. Event they perceived.
- C. Effectiveness as a witness - rate (from excellent to poor) his/her demeanor, general credibility, memory and particular tendencies as a witness.

VI. ANALYSIS OF CLAIM: LIABILITY AND DAMAGES

- A. Plaintiff's theories.
- B. Defense theories.
- C. Co-defendants and/or third-party defendant theories.
- D. Strengths and weaknesses of subsections A, B, and C above.
- E. Chance of defense verdict for County, co-defendant and/or third party defendant (discuss each separately).
- F. If the County, co-defendant and/or third-party defendant settle, the probability of success of the non-settling defendant(s) in obtaining indemnity against the settling defendant (discuss each separately).
- G. Causation issues, i.e., was the County's alleged negligence a cause in fact of the damages claimed.
- H. Probable damages (compensatory) if case is lost.
- I. Punitive damage exposure? Will Plaintiff's attorney's fees be recoverable?
- J. Probability of contributory negligence finding (i.e., defense verdict) or probable percentage of comparative negligence (i.e., plaintiff's percentage of fault).
- K. Probable apportionment of fault among defendants (assign percentages).
- L. Net exposure (state a dollar amount) to County after all apportionment and based on probable damages.
- M. Settlement value and basis for evaluation.
- N. Should case be tried? Explain risks.
- O. Brief summary of probable outcome as to both liability and damage issues, indicating whether you consider this a case of liability and why.

VII. SETTLEMENT DISCUSSIONS

- A. What is the demand?
 - (a) Original amount and date.

(b) Present amount and date.

- B. What, if anything, has the County offered? If a definite offer has not been made, but an indicator or range has been discussed, so state, listing each indicator or range figure discussed.
- C. What, in your opinion, can the case be settled for at this time?
- D. Do you recommend that we settle? Why?

VIII. FUTURE HANDLING

- A. In your opinion, is the investigation of this case complete?
- B. If not complete, what further investigation do you suggest and what would it cost?
- C. What further discovery is needed; what would it cost to conclude the discovery and when do you expect discovery to be completed?
- D. Experts - explain need, their field, the number, probable testimony, cost of each, and whether plaintiff has experts (if so, who and how effective is he/she?).

IX. LEGAL EXPENSES

- A. What are the total legal expenses to date?
- B. If the is case is tried, what would be the approximate cost of defense through trial excluding IX.A. above (include the expense described in VIII.D.)?