



5

**OFFICE OF THE
CITY ATTORNEY**

SHARON SIEDORF CARDENAS
CITY ATTORNEY

THEODORE H. KOBAY, JR.
ASSISTANT CITY ATTORNEY

SR. DEPUTY CITY ATTORNEYS:
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CITY OF SACRAMENTO
CALIFORNIA

April 30, 1991

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**Joint Budget & Finance/Transportation &
Community Development Committee
Sacramento, California**

Honorable Members in Session:

**SUBJECT: PROPOSED MODIFICATION TO THE ALTERNATIVES TO DIRECT
HAUL SELECTION PROCESS, PROCUREMENT AND SELECTION
OF EXPERIENCED OUTSIDE COUNSEL FOR ASSISTANCE IN
PREPARATION OF CONTRACT.**

SUMMARY

It is recommended that the Joint Committee recommend to the City Council that the City Manager execute the attached agreement with Hawkins, Delafield & Wood to perform contract attorney services pertaining to the Materials Recovery Processing and Solid Waste Transfer Facility.

BACKGROUND

Over a year ago, staff embarked on a Request for Proposals process to solicit private alternatives to the post-landfill closure plan of hauling municipally generated solid waste directly from the end of City routes to the County Landfill. The impetus driving the solicitation at that time was both the high cost and the potential harmful environmental effects of such an action. At approximately the same time, an EIR was commenced studying the environmental effects of the proposed action, for the Landfill was projected to reach capacity in the near future and no alternative plan for disposal of municipally generated solid waste could be implemented without prior CEQA compliance.

After the RFP process was initiated by staff, AB 939 was adopted by the State Legislature mandating that the City implement programs that would achieve 25% landfill avoidance by 1995 and 50% landfill avoidance by the year 2000. Failure to achieve these goals could result, under the law, in \$10,000 dollar per day fines on the City. This new statute in effect mandated that the City of Sacramento could not continue with its original plan of simply hauling municipally

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FOR ASSISTANCE IN PREPARATION OF CONTRACT.

April 30, 1991

Page 2

generated solid waste directly to a landfill, as that process allows for no diversion of recyclables. AB 939 goals could not be met under this plan.

In addition, the City Council adopted even more ambitious goals of landfill avoidance of 30% by 1992, 40% by 1995, and 70% by 1999. This also, in effect, made infeasible the Direct Haul Plan for more than the immediate future. In addition, uncertainties have arisen regarding the remaining life of the County Landfill, due to wetlands issues. However, it is imperative that the City certify the EIR and adopt the project as modified in the EIR so that the City can gear up for the interim need for having somewhere to dispose of its waste upon closure of the landfill. Staff has determined that it is highly unlikely that a proposer chosen under the concurrent RFP process could site a facility, perform necessary environmental analysis, build and test the facility in the time before the City Landfill will reach capacity under the current fill operations. If the City does not adopt the environmental clearance for the Direct Haul Project now, the City will bear all of the considerable risk of not being able to ensure public health and safety be maintained by the uninterrupted collection of municipally generated solid waste.

In December, 1990, the selection committee met for a preliminary discussion and evaluation of the three proponents remaining in the selection process. It was determined that the information required in the proposal documents intended to provide a basis for comparison among the firms had either not been completed by the firms, or were completed in so nebulous a manner as to destroy their usefulness. Proposals left certain key business points to negotiation after selection. These business points had the potential to change a top-ranking firm in terms of competitiveness to a bottom-rank. The Selection Committee found it impossible to rank the proposals as presented.

In response to the difficulties experienced by the selection committee, staff researched situations in other jurisdictions that have private/public partnerships in the solid waste collection and disposal area. This research, along with discussions with our consultant Brown, Vence and Associates, as well as the City Treasurer has brought staff to the conclusion that the City would be best served by making necessary policy decisions up front regarding what the City required to comply with AB 939. These policies would be reflected in a proposed contract presented to the proposers to respond to by exception only. This formal contract would cover in an explicit and unambiguous manner all of the key business points involved in the proposed complex and long-term arrangement. The newly formed interdepartment policy group comprised of representatives from the Treasurer's office, the City Manager's office and the Finance and Public Works Departments, with legal advice from the City Attorney's office, would make the policy decisions to be reflected in this document.

The City Attorney's Office determined that outside legal expertise in preparing this contract document was required for the following reasons. The City Attorney's office has had no experience in drafting a specialized contract such as that envisioned. This contract could potentially bind the City up to 20 years and commit several million dollars over the life of the contract. The City Attorney's office could conceivably develop the expertise to some extent and search nationally and world-wide for similar contracts, but the time required to bring the office up to speed would be considerable. In addition, the beneficial economics of such an action would be questionable, as

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TO DIRECT HAUL SELECTION PROCESS, PROCUREMENT
AND SELECTION OF EXPERIENCED OUTSIDE COUNSEL
FOR ASSISTANCE IN PREPARATION OF CONTRACT.

April 30, 1991

Page 3

attorney work currently being done in-house would have to be farmed out at considerable expense to the City, and as the City would be only entering into one of these contracts in the foreseeable future this extensive outlay of time and research would not be able to be utilized by the City on a regular basis so as to make it cost-effective. On the other hand, the utilization of an outside legal specialist in this area would enable the City to immediately proceed with the drafting of the contract, taking advantage of already existing expertise. Also there was added benefit of securing outside counsel who had not only negotiated previous contracts similar to that envisioned here, but who had actual previous experience with the proposers involved here, and who had been involved in contract interpretation of executed contracts so that the contract would conceivably already be "tested".

The policy committee, with the City Attorney's office acting as lead, interviewed two firms with proven expertise in this relatively new field. Hawkins, Delafield and Wood, a New York based firm with offices in Los Angeles was chosen over Orrick, Herrington and Sutcliffe, based in San Francisco for the following reasons: greater demonstrated expertise in subject area, client base comprised solely of government agencies, with no potential client conflicts, clearly defined goals, objectives and ideas regarding its role as assistance to the City. Attached is the proposed contract, along with a synopsis of the firm's expertise in the area of concern. In addition, it was determined that Orrick Herrington would be retained by the City as bond counsel on the project, thereby ensuring that both legal areas of the project be given adequate time and attention.

The addition of an outside counsel prepared contract to the proposal process at this point would provide the following benefits to the City:

1. Allow the City to put forth the terms and conditions necessary for ensured compliance with AB 939, and the City Council's even more ambitious goals. Up to this point the process allowed no City input as to preferred format. This will enable the proposers to see exactly what the City deems necessary to comply with the law in the City's current circumstances, and fine tune their proposals accordingly.
2. Allow the selection committee to ascertain more precisely what each proposer is proposing and would also allow for comparison among the proposals to better determine which proposal would most benefit the City.
3. Key business terms will be established in a competitive environment. The City will be able to negotiate a better contract for its ratepayers if it is able to evaluate at the outset a proponent's position regarding key elements that could mean substantial increase in cost of service at a later date.
4. Enable the City to tap into the already proven expertise of a law firm known nationally for its exceptional ability to draft fair, legally and technically adequate contracts between public agencies and private companies for Materials Recovery

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TO DIRECT HAUL SELECTION PROCESS, PROCUREMENT
AND SELECTION OF EXPERIENCED OUTSIDE COUNSEL
FOR ASSISTANCE IN PREPARATION OF CONTRACT.

April 30, 1991

Page 4

Facilities. The process would not have to be put into hiatus the required time to enable this office to gear up and obtain the requisite research, in order to draft a contract that would provide the best legal protection to ensure the City would get what it bargained for.

As has been said before, although the modification to the process at this point would extend the date upon which a proponent is selected, it should not extend the date to start-of-use date of the facility, should a proponent be selected. The increased time for contractor selection will be offset by time saved in the negotiation process. This office would not recommend the commencement of the environmental analysis process prior to award of the contract as a recent court case has held a county possibly liable for costs incurred in EIR preparation by Browning Ferris Industries in a circumstance that could be construed as similar to the City's. Therefore, if the negotiating proposer were allowed to commence the environmental process prior to award, the possibility of being required to reimburse all costs of the EIR to the unsuccessful negotiating proposer would certainly place a restraint on the City being able to terminate negotiations with the 1st proposer and initiate negotiation with the second or third. In light of this risk, this office would not advise concurrent preparation of the CEQA document. Therefore, time would not be saved in the environmental process if the City were to select now and negotiate later.

Staff recognizes that the above suggested change in direction is coming rather late in the process. However, both the political and regulatory arenas have been undergoing drastic changes in the solid waste area during this same period of time. Because of the complexity of this issue and its potential long-term impacts on the City's integrated waste management and our ratepayers, it is deemed imperative that we take the time necessary to make prudent recommendations directed towards putting the City in the best possible position in this process.

FINANCIAL DATA

The recommended agreement with Hawkins, Delafield & Wood shall not exceed \$60,000. The Capital Improvement Budget must be amended to appropriate \$60,000 from the Solid Waste Contingency Reserve Fund 415-710-7012-4999 to the Direct Haul EIR\Transfer Station Construction CIP. (CIP #YA11.) The fund had a balance of \$1,633,000 as of the mid-year review.

POLICY CONSIDERATIONS

The recommended action is in compliance with City Code Section 59.102 regarding contracts for professional services.

MBE/WBE EFFORTS

Hawkins, Delafield & Wood is not an MBE/WBE firm; however, it maintains an affirmative action program that has been attached hereto as Attachment C.

Joint Budget & Finance/Transportation & Community Development Committee
SUBJECT: PROPOSED MODIFICATION TO THE ALTERNATIVES
TO DIRECT HAUL SELECTION PROCESS, PROCUREMENT
AND SELECTION OF EXPERIENCED OUTSIDE COUNSEL
FOR ASSISTANCE IN PREPARATION OF CONTRACT.

April 30, 1991
Page 5

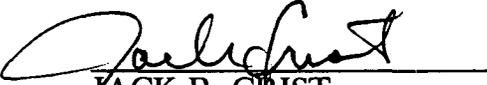
RECOMMENDATION

It is recommended that the Joint Committee approve and recommend adoption by the City Council of the attached proposed Resolution, which authorizes the City Manager and City Clerk to execute a supplemental agreement with Hawkins, Delafield & Wood in an amount not to exceed \$60,000.

Respectfully submitted,


SHARON SIEDORF CARDENAS
City Attorney

RECOMMENDATION APPROVED:


JACK R. CRIST
Deputy City Manager

Contact Person:

Sabrina M. Thompson
Deputy City Attorney
449-5346

April 30, 1991
All Districts

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**A RESOLUTION AUTHORIZING THE CITY MANAGER
TO EXECUTE AGREEMENT WITH DELAFIELD,
HAWKINS & WOOD IN THE AMOUNT OF \$60,000
AND APPROPRIATE FUNDS**

IT IS HEREBY RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:

1. The City Manager is authorized to execute the attached contract with Hawkins, Delafield & Wood, in an amount not to exceed \$60,000, to perform contract attorney services pertaining to the Materials Recovery and Solid Waste Transfer Facility.
2. That the Capital Improvement Budget be amended to appropriate \$60,000 from the Solid Waste Contingency Reserve Fund 415-710-7012-4999 to the Direct Haul EIR/Transfer Station Construction CIP. (415-500-YA11-4251)

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

RETAINER AGREEMENT

THIS RETAINER AGREEMENT, made and entered into as of March 20, 1991, by and between the City of Sacramento, California (the "City"), and Hawkins, Delafield & Wood, a New York general partnership (the "Firm"),

WITNESSETH:

WHEREAS, the City intends to develop and implement a program for the disposal of municipal solid waste through the operation of a solid waste management facility to be designed, constructed and operated by a private vendor; and

WHEREAS, the Firm has a national reputation for expertise in the field of public finance and solid waste facility procurements and contract negotiations; and

WHEREAS, the City is authorized by law to employ attorneys and to fix their compensation, and desires to retain the services of the Firm in connection with its solid waste management program; and

WHEREAS, the Firm has determined to accept the retainer and provide to the City the services described herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

Section 1. Retainer. The City hereby retains the Firm to render legal advice and assistance to the City in the procurement and negotiation of a full service municipal solid waste facility construction and operation agreement and the development and implementation of its solid waste management program on the terms and conditions set forth herein. The Firm hereby accepts the City's retainer and agrees to provide such advice and assistance.

Section 2. General Scope of Services. The City shall have the right in its sole discretion to determine the particular services to be provided by the Firm from time to time under this Agreement. These services may include the following, as and to the extent directed by the City:

(a) Research and examination of applicable law, and preparing memoranda and rendering opinions in connection therewith;

(b) Advice, consultation and assistance in the development of the program and of a plan of financing for the City's solid waste management facility;

(c) Drafting and assistance in the revision of the City's request for proposals from private vendors for the design, construction and operation of the facility, including the establishment of contract principles reflecting to the City's policy objectives and the drafting of a construction and service agreement to be included in the revised RFP for use in vendor negotiations;

(d) Review and evaluation of proposals received in response to the RFP;

(e) Attention to matters of federal tax law with a bearing on the program, including factors relating to the federal tax ownership of the facility by the system vendors;

(f) Preparation, drafting and review of memoranda, contracts, resolutions, landfill agreements, construction and operation contracts, grant agreements, trust indentures, and other documents necessary in connection with structuring the program and financing the facility;

(g) Review, analysis and application of environmental and other regulatory law as it applies to the procurement;

(h) Drafting and review of any legislation and regulations appropriate to the program, including contract authority and flow control implementing legislation;

(i) Representation of the City in the negotiation and execution of contracts with the system vendor and other parties to the program;

(j) Participation in meetings, personal conferences, telephone conferences, discussions and other communications and proceedings held in furtherance of the program;

(k) Consultation concerning and attendance at administrative, legislative and judicial forums where proceedings are conducted in regard to the facility, its financing and related matters; and

(l) Counselling and coordination with the City, its project manager, staff, financial advisors, investment banker, accountants, local legal counsel, technical consultants and other participants in the program to develop the financial, legal and technical structure of the program.

Services under this agreement shall be performed under the direction of the project manager designated by the City. In light of the variability of the time and complexity of the issues

involved in effectuating solid waste management projects, the Firm and the City agree to consult regularly, at least monthly, as to the level of effort which is appropriate in carrying out of services hereunder.

Section 3. Specific Work Tasks. (A) The Firm shall, at the discretion of the City as provided in Section 2, perform the following tasks in connection with the procurement, negotiation and implementation of a construction, operation and service agreement on a full-service basis with a private vendor. These elements of work are offered on an estimated fee basis, predicated on the number of attorney hours estimated as set forth below and assuming an overall attorney blended rate of \$215 per hour. Attorneys will be billed at the hourly rate level indicated in Section 4. The City may apportion time and fees from one task to another by written or verbal instruction to the Firm at any time in a manner which, in the City's opinion, will further the development of the project.

<u>Task</u>	<u>Estimated Attorney Hours</u>	<u>Estimated Fee</u>
Task 1: <u>RFP Review and Revision</u> -Review RFP -Assist in Final Revisions (<u>Timeframe</u> : March-April, 1991)	50	10,000
Task 2: <u>Draft Proposed Service Agreement</u> -Consult with client -Provide first draft of agreement -Discuss draft with client, team -Redraft proposed agreement (<u>Timeframe</u> : April-May, 1991)	150	30,000
Task 3: <u>Review Proposals</u> -Review proposals -Discuss proposals with client, team -Prepare summary and evaluation of contract and business terms of proposals -Review and comment on the team's evaluation report (<u>Timeframe</u> : March-May, 1991)	50	10,000

<u>Task</u>	<u>Estimated Attorney Hours</u>	<u>Estimated Fee</u>
Task 4: <u>Conduct Preliminary Negotiations</u> -Participate in selection of vendors for preliminary negotiations -Provide written questions seeking proposal clarification -Conduct preliminary negotiations with selected vendors to strengthen the leading proposals -Revise draft agreement as appropriate -Review revised proposer submissions -Consult with client, team on application of RFP selection criteria -Update evaluation report -Assist in selection of vendor for final negotiations (<u>Timeframe</u> : May-June, 1991)	(To be determined)	
Task 5: <u>Conduct Final Negotiations</u> -Conduct meetings and negotiations to finalize contract with selected vendor -Consult with client, team on negotiation strategy and goals -Draft contract appendices -Redraft contract -Finalize evaluation report -Prepare final agreement -Present summary of contract and business deal to elected officials -Prepare City resolution authorizing agreement -Supervise execution	(To be determined)	

<u>Task</u>	<u>Estimated Attorney Hours</u>	<u>Estimated Fee</u>
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of final agreement
(Timeframe: July-September, 1991)

In addition, the following services or elements thereof ancillary to direct services in negotiating the vendor agreement may be appropriate as the transaction proceeds.

Task 6: General Legal Services
Related to the Service
Agreement (To be determined)

- General research and examination of Law and regulations
- Review of OSHA, worker safety issues
- Review of product liability issues
- Preparation of legal memoranda
- Planning and strategy reviews with client, team
- Assistance to local counsel in siting, flow control, planning and land use matters
- Coordination with financial and technical consultants
- Administration of retainer agreement
- Establishing and coordinating schedules, timetables and workplans
- (Timeframe: March-September, 1991)

Task 7: Special Contract Counsel
Services Related to
Financing the Project (To be determined)

- Assistance in formulating the financing plan
- Assuring the integration of the service agreement with the financing structure
- Review of financing documents (trust indenture, loan agreement, mortgage, security agreement, official

<u>Task</u>	<u>Estimated Attorney Hours</u>	<u>Estimated Fee</u>
statement, bond purchase agreement) -General bond and tax advice prior to the direct engagement of bond counsel -Representation of the City in credit structure negotiations with the underwriter -Rendering legal opinion as to validity of service agreement at closing of the financing (<u>Timeframe</u> : October-December 1991)		
Task 8: Special Contract Counsel Services Related to Environmental Matters <u>(Optional)</u> -Review applicable environmental law and regulations -Review of environmental impact report -Assistance in permit application (<u>Timeframe</u> : July-December, 1991)		(To be determined)
Task 9: Special Contract Counsel Services Related to Real Estate Matters (If site is leased to vendor) <u>(Optional)</u> -Draft or review site lease agreement (<u>Timeframe</u> : June-December, 1991)		(To be determined)
Task 10: Reimbursement for <u>Disbursements</u> -Telephone/Fax -Mail/messengers/federal express -Document reproduction -Word processing -Travel/lodging/meals (Assumes 8 attorney trips in 1991)	---	10,000

<u>Task</u>	<u>Estimated Attorney Hours</u>	<u>Estimated Fee</u>
-Client-requested overtime		
-Other out-of- pocket disbursements		
(<u>Timeframe</u> : March-August, 1991)		
Total		50,000
Disbursements (Task 10)		10,000

(B) This Agreement has been legislatively authorized by the City and provides a framework under which the City may request special contract counsel and other legal services from the Firm as the City may determine to be necessary from time to time as this project develops. The City has appropriated or otherwise duly authorized the payment of an amount up to \$60,000 to be paid to the Firm upon performance of the legal services set forth in Section 3 at the direction of the City. The City shall not be obligated to pay the Firm amounts in excess of such initially appropriated sum unless the City, by subsequent appropriation or other duly authorized action, makes additional amounts available for the performance of additional legal services hereunder. In the event of any such subsequent appropriation or other duly authorized action, such additional services may be performed and the Firm compensated up to the authorized limits without the necessity of amending or modifying this Agreement or executing any additional agreement.

Section 4. Compensation. (A) The City agrees to pay the Firm for services rendered hereunder according to the schedule of hourly fees for attorneys and paralegals set forth below:

<u>Associates</u>	<u>Hourly Rate</u>
Class of 1990	\$140
Class of 1989	150
Class of 1988	160
Class of 1987	170
Class of 1986	180
Class of 1985	190
Class of 1984	200
Class of 1983	210
 <u>Partners</u>	
Eric S. Petersen	\$275
Bruce Van Dusen	275
Arthur Cohen	275
James R. Eustis	275
Arto C. Becker	250
Ronald G. Grosser	230

The Firm will endeavor to keep the City currently advised as to the level of attorney hours and client services reasonably attributable to the various work tasks identified in Section 3. Attorney travel time not devoted to the performance of client services under this retainer agreement shall not be charged to the City.

(B) The City further agrees to reimburse the Firm, in accordance with the procedures set forth in Section 4(A) above, for telephone, fax, mail, messengers, federal express deliveries, document reproduction, computer word processing, travel, lodging and meals, client-requested clerical overtime, and similar out-of-pocket expenses charged by the Firm as a standard practice to its clients generally. In any billing for disbursements, the Firm shall provide the City with a statement breaking down the amounts by category of expense.

(C) The detailed individual time and disbursement records customarily maintained by the Firm for billing evaluation and review purposes shall be made available to the City in support of bills rendered by the Firm.

(D) The Firm agrees to forward to the City a statement of account for each one month period of services under this agreement, and the City agrees to compensate the Firm on this basis. The Firm will consult regularly with the City as to the number of attorney hours and client disbursements which have been incurred to date under this agreement, and as to future expected levels of hours and disbursements.

Section 5. Termination. This agreement may be terminated (1) at any time by mutual consent of both parties or (2) by either party in its discretion effective on written notice to the other.

IN WITNESS WHEREOF, the parties have executed this agreement as of the date first set forth above.

CITY OF SACRAMENTO

BY _____

HAWKINS, DELAFIELD & WOOD

BY *Eric S. Petersen*
Eric S. Petersen, Partner

CITY OF SACRAMENTO

Proposal for Special Counsel Services
Presentation Outline
February 25, 1990

Eric Petersen
Partner

Introduction

- (1) Leading municipal law firm with long tradition
- (2) Environmental infrastructure development specialists
- (3) Broad national base of local government clients
- (4) Eighty municipal law attorneys including 15 solid waste specialists

Solid Waste Experience

- (1) Record of successful implementation: 62 projects
 - 20+ operating projects; 21,000 TPD; \$2.5 billion
 - 20+ projects in development
 - 10+ projects deferred or merged
- (2) Contract counsel experience: 41 projects
- (3) Solid waste experience in other capacities: bond, bank, environmental, utility, tax and underwriter's counsel
- (4) Solid waste management plans: New York City, Monmouth and Rockland
- (5) National solid waste experience: 14 states, Canada and Puerto Rico
- (6) California solid waste experience: Los Angeles, Ventura and San Diego
- (7) Nineteen years experience: Bridgeport, Hempstead and Westchester
- (8) Materials recovery experience: Monroe, Monmouth, Huntington and New York City
- (9) Compost experience: Southold, Monroe, San Diego and Ventura
- (10) Transfer haul: Morris
- (11) Landfill disposal: Huntington
- (12) Hazardous waste experience: Georgia
- (13) Project ownership: private historically, public recently; leveraged leasing
- (14) Financing: project finance historically, system finance recently
- (15) Negotiations with a wide range of major and minor project vendors
- (16) Technologies: mass burn historically, front-end separation, rail haul, transfer haul materials recovery and composting recently
- (17) Intermunicipal agreements: CRRRA projects
- (18) Contract litigation: Bridgeport
- (19) Troubled project workouts: Mid-Connecticut, Wallingford and Lawrence-Haverhill
- (20) Change in vendors during negotiations: Westchester, Springfield and Huntington
- (21) Legislative drafting: flow control, procurement authorization, public authorities and financing mechanisms
- (22) Service contract and municipal debt issues
- (23) Participation in industry forums: USCM, GRCDA, NSWMA and PSA

Approach

- (1) Personal Availability in California
- (2) Municipal representation only: no conflicts with vendor interest
- (3) Client oriented: working with City attorney's office
- (4) Competitive negotiations: maximizing competition, avoiding diminishing returns
- (5) Familiarity with the approach of numerous vendors
- (6) Development of contract innovations:
 - Formula service fee: Brooklyn Navy Yard
 - Cost-shared uncontrollable circumstances: Montgomery
 - Effective date concept: Monroe
 - Product marketing guarantees: Monroe
 - Termination damages: Broome
 - Convenience termination: Monmouth
 - Extended service contract renewals: Onondaga
 - Credit enhancement alternatives: Monroe
- (7) Municipal risk aversion
- (8) Mutually fair and reasonable agreements
- (9) Fees

SECTION 6

AFFIRMATIVE ACTION POLICIES

Affirmative Action Program.

It is the policy of Hawkins, Delafield & Wood to provide equal employment opportunity to all qualified persons without regard to race, creed, color, sex, age, national origin, handicap, veteran status, marital status, sexual orientation or affectional preference. Further it is the goal of the firm to have a balanced workforce which contains minority group members and women in a proportion reflective of their presence in the available, qualified workforce. In furtherance of this policy and to work towards achieving this goal, HD&W has adopted an affirmative action plan and undertakes the affirmative actions described below:

Affirmative Action Officer; Affirmative Action Partner.

The firm's Office Manager is designated as the Affirmative Action Officer for the firm. The Affirmative Action Officer has primary responsibility for the implementation of the Affirmative Action Plan and coordinates with those responsible for the hiring efforts of the firm. In addition, the Management Committee of Hawkins, Delafield & Wood designates a partner of the firm as the Affirmative Action Partner who, at the partnership level, has primary responsibility for the affirmative action efforts of the firm and who acts as a liaison between the Affirmative Action Officer and the firm.

Communicating the Firm's Commitment to Affirmative Action Within the Firm.

Managers and supervisors are fully informed of the activities of the Affirmative Action Officer in implementing the Plan through periodic meetings and memos generated by such Officer. Each manager and supervisor is given individual responsibilities with the aim of effectuating Hawkins, Delafield & Wood's policy and achieving the firm's goal. HD&W includes language in its office manual and firm resume to the effect that it is an equal opportunity/affirmative action employer. All employees are informed of the firm's policy through such means as notices in newsletters or posted notices.

Communicating the Firm's Commitment to Affirmative Action Outside of the Firm.

General. Hawkins, Delafield & Wood indicates in all advertisements for employees that it is an equal opportunity/affirmative action employer. The firm advertises employment opportunities in minority community news media and also undertakes to notify appropriate community organizations of employment opportunities. Hawkins, Delafield & Wood secures cooperation from employment referral agencies, search consultants and legal recruiters to help effectuate the Plan. The firm promotes after-school and vacation employment and internship opportunities for minority youth and students.

Law Students. Hawkins, Delafield & Wood includes a statement of its equal opportunity/affirmative action employment policy and states our interest in interviewing and hiring qualified minority group members and women in communications with law school placement offices. HD&W contacts school placement directors from law schools that have a high percentage of minority or women law students, to let them know of its interest in their students, and to ask for suggestions about how best to reach the qualified minority and women law students at such law schools.

Lawyers. Hawkins, Delafield & Wood regularly keeps in contact with the activities of the minority bar organizations, such as the National Conference of Black Lawyers, the Hispanic Bar Association and the Women's Bar Association, and communicates with such organizations as to hiring needs.

Providing for Affirmative Action Measures in Firm Contracts.

The firm notifies all subcontractors, vendors and suppliers in writing of its equal employment/affirmative action policy and requests appropriate supportive action on their part. In addition, Hawkins, Delafield & Wood attempts to utilize qualified minority owned or women owned subcontractors, vendors and suppliers, as appropriate.

Review of Hawkins, Delafield & Wood's Affirmative Action Program.

The firm, on an on-going basis, reviews statistics as to the number and percentage of minority and women employees and identify imbalances, if any. In the event of any such imbalance, the firm seeks further appropriate methods for correction of any such situation. In addition, firm management continually evaluates personnel practices to assure that hiring, upgrading, promotions, transfers, demotions, and layoffs do not discriminate against any qualified minority or women employees and seeks to maintain a balanced workforce. Further, the firm uses training programs and assists qualified minority and women employees in locating, qualifying for, and engaging in such training programs to enhance their skills and advancement.

MBE/WBE Goals.

Hawkins, Delafield & Wood's policy with regard to MBE/WBE and minority/female workforce utilization goals is as follows:

"The firm shall strive to use its good faith efforts to comply with the MBE\WBE and minority/women workforce utilization goals established by its clients. The firm shall further strive to undertake the necessary analyses in order to monitor compliance with these goals and to achieve our clients as to such efforts and shall maintain recruitment procedures to comply with these criteria within such certain time limitations as are established pursuant to said analyses."

Alternative Action Summary Statistics as of 7/90

		MALE	FEMALE	WHITE	BLACK	HISPANIC	ASIAN AM.	IND
<i>I</i>	<i>PARTNERS</i>							
	A) New York	23	3	24	1	1		
	B) California	2		2				
	C) New Jersey							
	TOTAL	<u>25</u>	<u>3</u>	<u>26</u>	<u>1</u>	<u>1</u>	<u>—</u>	<u>—</u>
<i>II</i>	<i>OF COUNSEL</i>							
	D) New York	3		3				
	E) Connecticut	1		1				
	TOTAL	<u>4</u>	<u>—</u>	<u>4</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<i>III</i>	<i>ASSOCIATES</i>							
	F) New York	24	14	33	2	3		
	G) New Jersey		1	1				
	H) California	4	1	4			1	
	TOTAL	<u>28</u>	<u>16</u>	<u>38</u>	<u>2</u>	<u>3</u>	<u>1</u>	<u>—</u>
<i>IV</i>	<i>LEGAL ASSISTANTS</i>							
	I) New York	3	4	5			1	1
	TOTAL	<u>3</u>	<u>4</u>	<u>5</u>	<u>—</u>	<u>—</u>	<u>1</u>	<u>1</u>
<i>V</i>	<i>ADMINISTRATORS</i>							
	J) New York	2	5	7				
	TOTAL	<u>2</u>	<u>5</u>	<u>7</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>