



Monday, May 16
3:30–5:00 pm

401 Outside Counsel/Bill-ding Relationships *New to In-house Track*

Jane D. Alfano
General Counsel
Salt River Project

Margaret R. Kreeger
Managing Attorney, Labor, Employment & Employee Benefits
BP America Inc.

Outside Counsel Billing Relationships

Session 401
Corporate Counsel University
Association of Corporate Counsel
May 16, 2005

Relationship Examples

- Convergence into Two Primary Firms.
- Onsite Office for Outside Counsel "Partner."
- Weekly Meetings with Outside Counsel Partner.

Budgeting

- Joint Budget Setting on Matters.
- Monitoring on Expenditures to Budget.
- Invoice Pre-Screening.
- Task Codes

Invoice Review

- Appropriate Mix of Senior Attorneys vs. Associates
- Express Authorization for Research
- Apply Pardo's Law (80/20 Rule) to Research

Invoice Review

- Inordinate Amount of Intra-Office Conferencing
- Training Ground for Young Associates

Writer's Direct Line:

Date

Re: Case Name
Case Number/Court
Claim Number

Dear

Salt River Project's Corporate Secretary was served with the attached Summons and Complaint on _____. The lawsuit was filed in _____ County Superior Court on _____ by attorney _____. SRP *has/has* not been served with a formal Notice of Claim in this matter. A copy of our claim file is attached.

Please (*special instructions*) _____ and then contact _____ *and/or* me to discuss the defense of this matter. We have reviewed the SRP insurance program and made a preliminary determination that coverage does exist. Should you at any time form an opinion that coverage does not exist, please notify me immediately.

Please acknowledge receipt of this matter as soon as possible.

Within **twenty (20) days** after receipt of this letter, please provide to **Ed Dukat via e-mail at ejdukat@srpnet.com** the following information:

1) A budget of anticipated expenses through the discovery stage, up to specific preparation for trial. We are primarily looking for a realistic "not-to-exceed" amount. The budget will help us manage our outside legal fees. The budget should coincide to SRP's fiscal year which is May 1 through April 30. As this matter develops, if it later appears that portions of the "not-to-exceed" amount will occur in another SRP fiscal year, you should identify what portions will occur in each fiscal year. We intend that the firm will be held to the "not-to-exceed" amount until we have been advised as to why that amount must be exceeded, and we have concurred in the additional budget amount.

2) The name of all counsel and paralegals in your firm that will be assigned to this matter.

Thank you for your assistance and cooperation. Feel free to contact me at any time concerning this matter.

Very truly yours,

Name
Attorney
Litigation Services

XXX/xx
Enclosures

c: Jane D. Alfano - (w/Notice & Enclosures)
Fritz Beeson - (w/Notice & Enclosures)
Terry Burseth - (w/Notice & Enclosures)
Ed Dukat - (w/Notice & Enclosures)

April 22, 2005

NOTICE OF LITIGATION

Title:

Case Number and Court:

Claim Number:

Case Summary:

Date and Manner of Claim Notice and Service of Complaint: A formal Notice of Claim *was/was not* filed in this matter. Pursuant to A.R.S. §12-821.01, claims against a public entity shall be filed within 180 days after the cause of action accrues.

A Summons and Complaint were filed on _____. SRP's Corporate Secretary was served with the lawsuit on _____.

Insurance Status

- A. Coverage: Yes, available after S.I.R.
- B. Self Insured Retention: \$1,000,000.00

Type of Litigation: (*i.e. Tort – motor vehicle, etc*)

Relief Sought:

SRP Employee Involved:

April 22, 2005

Summary of Approved Statements:

Mon Apr 25 2005 at 5:00 PM

Total Dollar amount approved:

\$32,785.90

Detail of Approved Statements

Statement Date	Seq #	Vendor Number	Vendor Name				Due Date
4/1/2005	1	584402	Acme Law Firm				5/1/2005
Vendor Invoice Number	Matter	Origin CC	Resp CC	Charge Number	DTOC	Amount	
172237		18110	18280	NX2-22-000	704	\$39.70	
172164	Restraining Order Wiley Coyote vs. Road Runner	18110		2-806-2050	704	\$3,253.40	
172195	Defamation Suit - Bugs Bunny	18110		W04-08042-10	704	\$1,842.30	
172205	Wiley Coyote Accident Claim against Road Runner	18110	18280	ND1-00120-020	704	\$319.95	
172172	Acme Power Equipment Failure	18110	30100	2-9-1	704	\$2,112.75	
172209	Illegal possession of explosives – Wiley Coyote	18110	18280	ND1-00120-020	704	\$1,405.80	
172189	Gun permit violation – Elmer Fud	18110		NX2-22-000	704	\$188.80	
172153	Bugs Bunny Conspiracy	18110		RAD-1825-000	704	\$21,328.20	
172148	Bankruptcy – Wiley E. Coyote	18110		2-806-2050	704	\$2,295.00	
Total for statement:						<u>\$32,785.90</u>	

Invoice Detail	Acme Law Firm	Bugs Bunny Conspiracy
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Acme Law Firm

584401 Camelback Road
Phoenix, AZ 85018
Phone: (602) 981-7423
Fax: (602) 981-7424

Invoice Number: 172153
Status: **Approved**
Invoice Date: 4/12/2005
Receive Date: 4/12/2005
Due Date: 5/12/2005

Matter Number: 103
Charge Number: 2-806-2050
2005 Matter Total: \$21,328.20
2005 Matter Budget: \$10,000.00

Payment Status: **Approved**
Payment Date: 5/11/05
Payment Check Number: 36598751
CAPS Invoice ID: 4269857

2005 Budget Available:
(\$11,328.20)

Cumulative Matter Total: \$36,422.93

[View All Invoices in This Statement](#)

Approvers:

Elmer Fud 4/15/2005 **Approved**

September Ranch

Action List							
Action	Comment	Line#	Approver	Assignee	Completed	Resolution	
1	Other or miscellaneous.	Is this the correct charge number?		Elmer Fud	Foghorn Leghorn	✓	Yes, I verified with Tweety
2	Please review.	Wiley, did D.Duck have a meeting with you on 3/3/05?	2	Elmer Fud	W.E. Coyote	✓	Yes, we discussed how to catch bugs bunny

[Enter invoice actions...](#)

Legal Fees								
Line	Task Date	Attorney	Task Code	Description	Hrs	Rate	Total	
1	3/1/2005	D.Duck	C107	Review memo from Elmer Fud regarding approval process for catching Bugs Bunny	0.10	\$220.00	\$22.00	
Enter task actions...								
2	3/3/2005	D. Duck	L254	Meeting with Wiley Coyote to compare tactics to capture Bugs Bunny and the roadrunner.	0.30	\$220.00	\$66.00	
Enter task actions...								
4	3/4/2005	D.Duck	C306	Memo to Elmer Fud regarding summary of next actions steps	0.30	\$220.00	\$66.00	
Enter task actions...								

DirectInvoice™



BENEFIT SUMMARY

Electronic Invoicing Made Easy

Dramatic ROI

- DirectInvoice clients can leverage reduced processing costs and early payment discounts to recover their implementation investment in just a few months¹.

Incredible Cost Savings

- Reduce the cost of traditional invoice processing by over 50% or more.
- Position your law department for early payment discounts as high as 3.25%.
- Virtually eliminate mail and payment delivery expenses.

Faster Processing - Less Effort

- Save hundreds of invoice review hours per month with automated invoice analysis.
- Collapse bulky invoice review and payment to days from weeks or months.
- Use on-line analysis tools to effectively manage expenditures.
- Automatically route and announce invoices, with scheduled reminders to ensure fast and easy processing.
- Analyze spending and trends by Business Unit, UTBMS codes, Matter Type, and more.
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- DirectInvoice is deployed using industry standard browsers, such as Internet Explorer®. No special software or hardware

is required for corporate or law firm users to access and use the application.

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See for Yourself

- Leverage Tripoint's extensive expertise to assess how electronic invoicing can streamline your business processes and bring your organization significant savings.

Contact Us

Tripoint Systems Development Corporation
One North LaSalle Street, Suite 1400
Chicago, IL 60602
Phone: 312 345 0505
Fax: 312 345 0535
Web: www.tripoint.com



¹ Actual cost recovery for specific organizations vary. Please contact Tripoint for more information.

DI.200306.A01.DI-BENEFITS_GREY

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February, 2005

Dear Mr. / Ms.:

ABC Company has implemented the *DirectInvoice* electronic invoicing system for receipt, approval and payment of invoices from our outside counsel. Electronic invoicing benefits both ABC and our outside counsel. For you, it means faster payment from ABC and on-line ability to view invoice status throughout the approval and payment process. For ABC, it automates a labor- and paper-intensive process, provides better visibility into our invoice process, and provides an on-line repository for monitoring legal costs.

DirectInvoice, from Tripoint Systems Development, is a web-based tool, meaning that the application is accessed through Internet Explorer without needing to install additional software on the user's computer. No software is required to be installed at the law firm. The application is hosted by the vendor. It integrates with most time and billing software capable of producing invoices in a standard LEDES 98b format. Further, *DirectInvoice* is designed to support multiple corporations and multiple law firms securely, without co-mingling of data. For more information on the system and its benefits to law firms, see the included detailed description of *DirectInvoice*.

Given the volume of billings from your firm, I encourage you to begin submitting invoices to us electronically through DirectInvoice.com as soon as possible. In order to participate, your firm will need to subscribe to the Tripoint service. ABC has negotiated favorable annual subscription rates for our firms, starting at \$3,500 or, at the firm's discretion, 1% of fees invoiced to and paid by ABC.

We are on an aggressive schedule to adopt electronic invoicing and payment. If you decide to subscribe to the *DirectInvoice* service, please have the appropriate person contact John Smith at johnsmith@abccompany.com with contact information for the following roles within your firm:

- Relationship manager
- Billing administrator
- IT contact

We hope you will participate, and we thank you in advance for your timely assistance with this project. We truly believe that this will benefit both your firm and ABC.

Cordially,

cc: Corporate Lead

Attachment: Description of *DirectInvoice*

_____, 2001

[outside counsel address]

Re: Retention Agreement for Litigation

Dear _____:

We are pleased that you have agreed to represent BP America Inc. in the above captioned matter and we look forward to working together to a successful resolution of the case. BP America Inc.'s legal staff has ultimate responsibility for company litigation. We will take an active role and, where appropriate, will participate in the litigation. I will be the BP America Inc. counsel responsible for this case.

Enclosed is BP America Inc.'s "Policy Governing Retention of and Relationship with Outside Counsel in the United States". This policy sets forth our expectations on how litigation should be conducted and billed. Your acceptance of representation in this matter will serve as our agreement with respect to each topic area unless otherwise specifically agreed.

The policy contains a comprehensive discussion of litigation management, but there is one aspect we wish to call to your attention. BP America Inc.'s policy mandates a cost-benefit approach to litigation and its management. We believe that efficient litigation management requires counsel to develop and maintain a plan which describes our litigation strategy and the implementation responsibilities of your firm and staff counsel. You, as the attorney responsible for this litigation from your firm, and I will develop and periodically revise a work plan and budget for this case. The work plan will serve as our fundamental case management tool.

We ask that you provide a copy of our policy to each member of your staff authorized to work on this matter. Until a work plan is finalized, the following members of your staff are authorized to work on this matter at the indicated billing rate:

[insert names and rates]

Page 2

Please indicate your acceptance of this retention arrangement in the space provided below and return one fully executed duplicate original to my attention.

Sincerely,

[attorney name]
For: BP America Inc.

Enclosure

Accepted this ____ day of _____, 200__.

Signature

Printed name:_____



BP America Inc.
BP Legal

POLICY GOVERNING RETENTION OF AND RELATIONSHIP WITH OUTSIDE COUNSEL IN THE UNITED STATES

This policy governs the relationship between BP America Inc. (and its subsidiaries and affiliated companies) and attorneys and law firms retained to provide legal services in the United States. Unless supplemented or modified in writing, this policy governs the respective authorities and responsibilities of BP America Inc. and outside counsel and establishes the terms of the retention with respect to billing and payment for legal services.

Staff Counsel: It is the policy of BP America Inc. that the BP Legal Department will handle all legal matters relating to the management and operation of the company (other than tax matters). Only BP Legal has the authority to retain counsel on behalf of BP America Inc. One attorney in BP Legal will be assigned primary responsibility for each legal matter and has the authority to retain and direct the activities of outside counsel and manage the matter, and is accountable to the client for the outcome.

Retention of Counsel: If necessary, BP Legal will retain outside counsel to assist in the representation of the company. As a rule, the selection and engagement of counsel will be made on the basis of individual lawyers within firms, not the firms themselves. The relationship between staff counsel and outside counsel will be that of a team. Both staff counsel and outside counsel will participate in decisions regarding strategy, staffing, budgeting, and appropriate levels of resources to dedicate to a matter. BP Legal will have final authority in such matters.

Engagement Letter: Promptly upon the retention of outside counsel, staff counsel will provide an engagement letter to counsel. The engagement letter will reflect the joint agreement on the names and billing rates of the lawyer with primary responsibility for a matter as well as any other personnel approved as part of the support team. The composition of the assigned group and their billing rates shall not change during the course of the matter without the prior written approval of the staff counsel.

Planning: BP America Inc.'s overriding objective in managing litigation is the early, cost-effective resolution of disputes. Staff counsel and outside counsel will participate in developing a strategic plan for each matter as well as a work plan and budget to implement the strategic plan. Strategic plans and work plans should be assessed periodically to ensure their continued value. Staff counsel and outside counsel are responsible for achieving both performance and budget objectives.

Alternative Dispute Resolution: BP America Inc. promotes the use of alternative dispute resolution to minimize the expense and delays inherent in litigation. Counsel should foster the use of private dispute resolution techniques and should consider these techniques in the strategic plan. The strategic plan for cases of major importance must include the use of alternative dispute resolution or an analysis of the reasons for its non-use. Out-of-court settlement strategies should also be included in the strategic case plan and counsel should continuously consider techniques and strategies to resolve disputes. The staff attorney is ultimately responsible for reviewing and offering guidance to the client with respect to settlement. Outside counsel should not engage in settlement discussions without the prior approval of the staff counsel.

Billing: BP America Inc. normally engages outside counsel on an hourly rate plus expenses basis, although we are willing to discuss and may suggest certain alternative billing methods. Regardless of the billing method, BP America Inc. considers every bill from counsel to be a certification that all fees and disbursements, including third party disbursements, are reasonable, necessary, and accurate. Fees shall be charged only for time spent engaged in professional services (i.e., BP America Inc. should not be billed for administrative tasks, clearing conflicts, preparing and reviewing invoices, etc.). Time spent on travel should not be billed except to the extent those hours are otherwise engaged in providing professional service to BP America Inc. BP America Inc. will reimburse counsel for reasonable and actual out-of-pocket expenses including: duplicating costs (up to \$.10/page), electronic third party research charges, moderately priced food and travel expenses (taking advantage of BP America Inc.

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discounts where available), mail and messenger charges, court or agency fees, long distance telephone, and any charges approved by staff counsel for third party support. BP America Inc. will not reimburse counsel, unless first approved, for support staff charges or overtime (e.g., secretary, proof-reading, library, docketing, etc.), storage or file maintenance fees, facsimiles (other than actual long distance charges), office supplies, office equipment, entertainment, or personal transportation and meals.

Invoices for professional services should be submitted monthly, unless otherwise agreed, and no later than thirty days from the end of the month. Each invoice should be mailed directly to the staff counsel with responsibility for that matter. A separate invoice must be submitted for each matter and must follow these guidelines:

1. Professional services should be charged by actual hours of service, in increments of no greater than 1/4 hour.
2. Each invoice must itemize services by date, person performing the service, a description of the service (with specificity), the time spent on the service, and the resulting charge.
3. Each invoice must summarize the name of each individual performing service, the approved hourly rate for that person, and the total hours billed by that person in that billing period.
4. Each invoice must include an itemized description of all disbursements by type and date.

Conflicts of Interest: In addition to counsel's normal conflicts check, outside counsel should ascertain whether the firm represents others in unrelated matters where a BP America Inc. company or venture is an opposing party or has a clearly defined opposing interest. In such instances, counsel should advise BP America Inc. of the nature of the interest and BP America Inc. reserves the right to reconsider representation by counsel even if a formal conflict of interest is not present.

Media: All media contacts concerning BP America Inc., including those related to litigation, should be referred to staff counsel before any comment or response is made.

BP Legal Department
BP America Inc.
August 1, 2001

SAMPLE WORK PLAN FORMAT
FOR
LITIGATED MATTERS

Prepared by
BP's Task Force on
Litigation Management

WORK PLAN FOR SMALLER MATTERS

This short-form Work Plan is an abbreviated version of the recommended Work Plan for larger cases. It is recommended that a Work Plan of this nature be developed jointly by the responsible BP staff attorney and outside counsel for each litigated matter or other matter requiring outside representation having estimated annual attorney fees and expenses below \$100,000. Although the precise form and structure of this shorter work plan must remain flexible depending on the needs of each case or group of cases, it is recommended that the staff attorney and outside counsel reach a firm understanding on the matters contained in the Work Plan within the first 60 days after the matter is initially assigned to outside counsel. It is also recommended that the Work Plan be updated at least annually thereafter, or more often, as case developments dictate.

Plaintiff v. Defendant

I. LITIGATION BACKGROUND

- A. Nature of the Case (Brief Description)?
- B. Forum/Judge/Jury Demand?
- C. Plaintiff's Claims/Relief Sought?
- D. Major Court Deadlines/Trial Schedule?
- E. Principal Legal Issues?
- F. Principal Factual Issues?
- G. Total Fees and Disbursements Billed This Calendar Year? To Date?

II. PROPOSED LITIGATION STRATEGY

- A. Describe Proposed Strategy for Resolving the Litigation
 - 1. Identify the key litigation objectives
 - 2. Describe proposed plan for achieving those objectives
 - 3. Describe opponent's anticipated strategy and plan for responding

- B. Is This Case a Candidate for Early Resolution by Dispositive Motion? Describe proposed plan for early resolution.
- C. Is This Case a Candidate for ADR?
 - 1. If not, explain why
 - 2. Proposed ADR procedure and plan for implementing
- D. Is This Case a Candidate for Early Settlement?
 - 1. If not, explain why
 - 2. Proposed settlement technique and plan for implementing
 - 3. Preliminary estimate of reasonable settlement value

III. PROPOSED PLAN OF WORK

- A. Work Directed to the Pleadings
 - 1. Drafting pleadings
 - 2. Motions and briefing
 - 3. Preliminary legal research
 - 4. Initial fact investigation
 - 5. Opponent's anticipated activity

- B. Discovery of Facts
 - 1. Interrogatories
 - 2. Document requests and production
 - 3. Admissions
 - 4. Other written discovery
 - 5. Deposition of fact witnesses
 - 6. Opponent's anticipated activity
- C. Anticipated Third Party Discovery
- D. Anticipated Role of Consultants and Expert Witnesses
- E. Other Legal Research
- F. Summary Judgment Motion and Briefing
- G. Anticipated Pretrial Preparation
- H. Trial
- IV. **PROPOSED LITIGATION BUDGET** (includes adversary's anticipated activity)(includes total attorney fees and disbursements)

	<u>Case Activity</u>	<u>Calendar Year</u>	<u>Through Trial</u>
1.	Factual investigation	\$	\$
2.	Pleadings & Motions Directed to Pleadings		
3.	Legal Research		
4.	Written Discovery (Interrogs., Doc. Req., Admissions, etc.)		
5.	Case Administration (confs, coord'n & discuss'n w/oppos'n, court & client; case mgmt)		
6.	Depositions		
7.	Work with testifying & non-testifying expert witnesses		
8.	Summary Judgment Motions		
9.	ADR		
10.	Trial Preparation (work 1-2 mos. before trial; final pretrial order work)		
11.	Trial		
12.	Miscellaneous Work (describe major categories)		
13.	Expert witness consulting fees		
14.	Photocopying expenses		
15.	Court reporter expenses		
16.	Other disbursements		
	TOTAL BUDGET	\$ _____	\$ _____

V. PROPOSED LITIGATION STAFFING (no changes in rates or personnel are permitted without advance approval)

<u>Name</u>	<u>Hourly Rate</u>	<u>Est. Hours Per Month</u>
Lead trial attorney		
Partner ¹		
Associate		
Paralegal		
Clerk/Temporary		

¹Attorney primarily responsible for day-to-day case activity.