



GUIDELINES FOR OUTSIDE COUNSEL

Effective March 15, 2024

I. INTRODUCTION

A. Applicability & Purpose

Set forth herein are Guidelines that apply to all outside counsel retained by the City of Chicago (the "City") through the Department of Law ("DOL"), except as otherwise noted in executed engagement letters. These Guidelines are intended to ensure that outside counsel provide the City with high-quality legal service to which the City is entitled and account for their work in a professional and transparent manner, while at all times remaining mindful of the necessity of conserving public resources.

These Guidelines are effective for all work performed beginning March 15, 2024, superseding previously issued guidelines, and unless exceptions are approved in writing, constitute the guidelines under which outside counsel is engaged. Should a conflict arise between these guidelines and previous guidelines, these guidelines will prevail.

Outside counsel will be given a copy of these Guidelines at time of retention for review and acceptance, and will be expected to know and strictly adhere to these Guidelines and to require that any colleagues, support personnel, or third party vendors also participating in DOL matters (e.g., timekeepers, billing staff who create invoices) do so as well. However, nothing in these Guidelines is in any way intended to interfere with outside counsel's professional judgment or duties as an advocate representing the interests of the City. The DOL reserves the right to amend these Guidelines at any time, providing written notification to outside counsel within thirty (30) days of any substantive changes becoming effective.

B. Requests for Modifications

In the event that outside counsel believe that these Guidelines, or any part of them, are inappropriate as to a given matter, counsel may bring their concerns or requests to the attention of the DOL attorney assigned to be the City's principal point of contact (the "Designated Contact") on that matter. The Corporation Counsel or their designee will consider and make a decision. DOL reserves the right to supplement or otherwise modify these Guidelines on request of outside counsel or on its own accord, if circumstances not contemplated by these guidelines make the modifications advisable.

C. Electronic Application

The City has chosen LexisNexis as its e-billing/matter management provider, and uses LexisNexis CounselLink™ for all matter assignment, reporting, and processing of invoices. CounselLink specific information and instruction is provided in the 'Invoice Submission Instructions' section of these Guidelines.

II. RELATIONSHIP BETWEEN CITY & OUTSIDE COUNSEL

A. Decision Making Authority

The Corporation Counsel shall superintend and, with their attorneys and support staffs, conduct all the law business of the City. The Corporation Counsel retains the authority and discretion to engage outside counsel on particular matters as a means of assisting and augmenting their legal staff and thereby facilitating the discharge of these and other duties.

Although outside counsel thus engaged by the City are charged with handling assigned matters in accordance with these Guidelines, the City remains responsible for making all substantive decisions in those matters. As noted above, in order to ensure effective communication between DOL and outside counsel concerning substantive decisionmaking and other aspects of an engagement, a DOL attorney will be named as the Designated Contact for each matter sent to outside counsel.

B. Selection of Outside Counsel

1. Factors Considered in Selecting Outside Counsel

If a matter is to be sent to outside counsel, the Corporation Counsel, in consultation with the DOL division, if any, principally responsible for the matter, determines which counsel to engage, taking into account certain factors that bear upon the likelihood of advancing the City's interests and ultimately achieving the desired outcome. These factors include, but are not limited to: whether the prospective counsel under consideration have previously been engaged by the City and, if so, the quality and cost-effectiveness of counsel's prior performance; the expertise of the prospective counsel; the reputation of the prospective counsel within the legal community; the relevant experience of the prospective counsel before any court or other tribunal or body involved; and the prospective counsel's knowledge and understanding of the City and the particular client department at issue.

Moreover, prospective counsel who might be strong candidates for an engagement under these factors must also accept DOL's fee restrictions, including caps on maximum hourly rates for attorneys and paralegals, and not have any conflicts of interest precluding them from taking on the engagement.

2. Commitment of Outside Counsel to Diversity

DOL will retain only those firms that may be deemed highly qualified and eligible pursuant to the factors listed above.¹ DOL will further consider the extent to which the candidates share the City's and DOL's goals of facilitating the success of minority-owned and female-owned businesses and promoting equal employment opportunities for all persons, irrespective of an individual's race, color, sex, gender expression or identity, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military service or discharge status, or any other status or characteristic protected by federal, state, or local law, regulation or ordinance.

In this regard, DOL actively seeks to engage firms with a demonstrated commitment to diversity and inclusion, including minority-owned and female-owned law firms, on City matters. DOL further requires all prospective counsel, whether or not minority-owned, to supply DOL with current demographic information for timekeepers in their respective firms.

Firms engaged by DOL are expected to make every reasonable and lawful effort to make staffing recommendations on City matters with attorneys and paralegals from underrepresented groups and to periodically update their Designated Contacts as to the number of such attorneys and paralegals assigned to City matters and the nature and extent of their involvement in the matters. In this regard, upon initial retention, outside counsel will be requested to enter demographic information indicating, if known, the gender, race, national origin/ethnicity, LGBTQ status, disability, and veteran status of each of the attorneys, paralegals and any other timekeepers who may work on City of Chicago matters. This information is to be entered into the employee profile area of the e-billing system prior to any work being performed by the respective biller. As timekeepers are added to a Firm's roster, the City requires that this information be entered for any new timekeeper who may perform work on its behalf.

3. Prohibition on Screening Based on Salary History

Firms engaged by DOL must comply with section 2-92-385 of the Municipal Code,² which prohibits parties entering into a contract with the City from screening job applicants based on their wage or salary history.

¹ In some instances, a single prospective counsel is clearly the best candidate for an engagement, in comparison to any other prospective counsel. DOL typically engages such "best candidates," assuming they are available and eligible to accept the engagements.

² Effective August 24, 2018

C. Protocol

Outside Counsel should not begin City work until the outside counsel firm has submitted to the Corporation Counsel's Office an executed engagement letter and signed Acceptance of Payment Form, which is found on page 22 of these Guidelines. Upon receipt of the executed engagement letter and signed Acceptance of Payment Form, matters will be assigned by the City through CounselLink. Outside counsel will be required to take action in CounselLink to accept a matter. Acceptance of the matter in CounselLink assumes acceptance of the Engagement Letter for that matter, a copy of which will be attached to the matter by the City through the 'Document Attachment Feature' (described in Attachment A) in CounselLink. Additionally, acceptance of the matter also constitutes your acceptance to adhere to the City's Outside Counsel Guidelines, which are linked electronically on your home page in CounselLink.

Outside counsel should communicate directly with the Designated Contact regarding any aspect of an assigned matter. The Designated Contact (or his or her designee) will determine how counsel should proceed. For instance, counsel should consult with the Designated Contact regarding the various aspects of the matters to which counsel is assigned so that counsel, any retained experts or third party vendors, and the City can jointly determine whether, for example, a particular research project is necessary, a particular deposition makes sense from an economic standpoint, or a particular document production can be completed more economically in-house. Should counsel have any substantive communications directly with any City employees outside of DOL, counsel shall report those communications to the Designated Contact that same day or as soon thereafter as is practicable.

Additionally, it is expected that outside counsel and the Designated Contact will work so closely together that periodic or specific status discussions or letters will not be necessary, and fees for preparing formal status reports for DOL are disallowed in most cases. As such, in all circumstances, it is essential that outside counsel keep the Designated Contact fully and currently informed about the status of matters and the import of that status, by means of prompt personal communications rather than letters summarizing work done over a period of time. More comprehensive status reports may be required from time to time at the specific request of Corporation Counsel or the Designated Contact.

Outside counsel must send to the Designated Contact all documents that counsel intends to provide to, or file with, a court or a government agency that may potentially affect the final disposition of a matter, with enough lead-time to allow a meaningful review. In general, counsel should send such a document to the Designated Contact at least 48 hours before it is to be filed, unless the Designated Contact requests an earlier submission deadline. Counsel should also send to the Designated Contact copies of final or as-filed documents, as well as copies of any memorandum, whether an internal research memorandum or one filed in a court,

Outside counsel must immediately convey to the Designated Contact any settlement demands and overtures. The Designated Contact will, in turn, consult with the appropriate City official(s) and will authorize settlement, if appropriate. Counsel may not enter into any settlement negotiations or settlements without prior approval of Corporation Counsel or the Designated Contact.

The Calendaring feature in the CounselLink application can be used to facilitate the communication of important dates (discovery schedule, trial, budget submissions). The Designated Contact will determine the method of how Outside Counsel will communicate important dates and outside counsel will be expected to update the Designated Contact on any upcoming important dates in a timely manner.

Upon resolving a matter, or receiving instruction from the Designated Contact that the matter has been resolved, outside counsel will close the matter in the CounselLink application and provide the appropriate disposition information. Additionally, outside counsel will provide the Designated Contact all files for the case that outside counsel possess relevant to the closed matter, including both hardcopy and electronic files, except that materials possessed in the representation of individual employees that are privileged from the City. Invoices will be accepted for 45 days after the matter is closed in CounselLink, after which time invoices may be rejected for payment.

D. HIPAA Business Associate Agreements

The City requires its Designated Contact to determine whether outside counsel will function as a HIPAA Business Associate. If outside counsel will function as a Business Associate, the City will advise outside counsel of the requirement to execute a Business Associate Agreement (BAA) specific to the matter before commencing work. The City requires outside counsel to upload the executed BAA to the corresponding matter in CounselLink using the Document Attachment discussed in Appendix A.

E. Conflicts of Interest

The City requires the undivided loyalty of its outside counsel, in its assigned representation of clients, and expects outside counsel to avoid actual and potential conflicts of interests. A request that the City waive a conflict should be directed to the Office of Corporation Counsel.

Outside counsel must investigate potential conflicts of interest before beginning work on a matter and must inform the Designated Contact of any potential or actual conflicts of interest as soon as counsel becomes aware of them. Unless counsel specifically raises a conflict of interest, and DOL acknowledges and waives the conflict in writing, counsel will fully reimburse the City for additional costs subsequently incurred due to such conflict, including, where appropriate, the cost of

substitute counsel becoming familiar with the matter. The City will not reimburse counsel for the time or cost of a conflicts check.

F. Media Relations

The City does not authorize outside counsel to comment publicly on City matters or to issue any statements or press releases in connection with any matter of engagement for the City, without the express advance consent of the City. Counsel should refer to the Designated Contact all media inquiries, or failing that, to DOL's Director of Public Affairs (telephone number (312) 744-1575).

III. PROJECTION OF FEES & EXPENSES

A. Setting of Rates

Outside counsel must submit in CounselLink a 'Fee Offer' of hourly rates that the City has agreed to pay for those partners, associates, other attorneys, and paralegals who will perform work for the City. Respectively, upon acceptance of an assignment through Counselink, the firm shall initiate through Counselink a Change Request / Modify Offered Fees Request to the City that lists all timekeepers and rates in accordance with the engagement letter. This creates a matter specific timekeeper table that will account for only those timekeepers who will perform work for the City on the respective matter. The rates agreed upon will apply upon system approval by the City, and counsel may change these rates only upon prior approval of Corporation Counsel. Proposed changes in the agreed upon rate(s) (whether by general increase or by virtue of an attorney's progressing to the next degree of seniority) shall be provided directly to the matter's Designated Contact in writing no later than 30 days before the proposed effective date. Any rate change that is due to progression of an attorney's next degree of seniority, and is consistent with the rates of the engagement letter, may be approved by the Designated Contact via email. Once the Designated Contact approves the rate change due to an attorney's progression to the next degree of seniority, the outside counsel must update their Fee Offer in CounselLink and adjust any matter specific timekeeper tables, through a Change Request / Modify Offered Fees Request prior to submitting invoices with the new rates. Charges submitted with rates in excess of the approved rate on the date of the charge will be written down to the approved rate for that date. Charges submitted by timekeepers without an approved rate will be rejected. The Corporation Counsel may request that outside counsel consider alternative fee arrangements, such as a fixed fee or retainer, for certain matters.

If outside counsel wishes to add timekeepers to a matter, who were not listed in the engagement letter, they must notify the Designated Contact in advance of the timekeeper doing any work on the matter. See Sec. IV Staffing & Supervision of Matters Sent to outside counsel.

B. Submission of Budget

For each matter, outside counsel is required to provide the Designated Contact with both a global/life of matter budget and an annual budget of fees and expenses in CounselLink. The City will provide templates for outside counsel to use in developing their budget. Receipt of the life of matter budget document will trigger the City of Chicago to forward the link to submit an annual budget through the Budget Feature in CounselLink. Invoices on matters without these approved budgets in place in CounselLink are automatically rejected by CounselLink. Fees and expenses may not exceed the budgeted amount without prior approval from the Designated Contact, and invoices exceeding the approved budget are automatically rejected by CounselLink. An annual budget is required for each subsequent year a matter is active.

The budget must specifically include the anticipated work that outside counsel will perform and the projected cost for each task or phase, considering the time/effort and rate of the timekeepers on the matter. Outside counsel will document this budget detail in the CounselLink budget template, and attach the completed budget template to the matter in CounselLink using the Document Attachment feature. Of course, outside counsel are expected to stay within their budgets absent truly unforeseen or exceptional circumstances. If it appears that outside counsel may exceed the approved budget on a particular matter, counsel must immediately notify the Designated Contact, provide a written explanation for the prospective variance, and obtain the approval of the Designated Contact for the enlarged budget.

If a staffing change affecting the budget should occur, counsel should update the budget and notify the Designated Contact in writing of the staffing change. (Please note that the City will not pay for time spent in preparing budgets or invoices.)

Budgets will be reviewed on a quarterly basis. Outside counsel should update the budget in CounselLink and submit documented detail around any such updates to the matter using the Document Attachment feature. Outside counsel will receive notifications of when the annual budget has exceeded the 70% threshold and 90% threshold. Once an annual budget has exceeded the 70% threshold, it is outside counsel's responsibility to assess remaining potential expenditures for the year, and should communicate with the Designated Contact about the need to submit a revised annual budget. Designated Contacts have authority to approve revised annual budgets, however any increase to the global/life of the matter budget must be approved by Corporation Counsel in an addendum to the engagement. In the event the budget has exceeded the 100% threshold, all invoices will be rejected unless a budget modification is approved in advance by the Designated Contact.

IV. STAFFING & SUPERVISION OF MATTERS SENT TO OUTSIDE COUNSEL

A. Attorneys

When it retains outside counsel to work on a City matter, DOL expects that the specific attorney(s) with whom the engagement is established ("lead counsel") will be directly and intimately involved in that matter throughout its course, unless DOL agrees otherwise. DOL also expects outside counsel to consult with DOL regarding other attorneys they are considering assigning to work on any City matters. Firms must notify their Designated Contact of the name of the attorneys who will work on the matter prior to work commencing, and the name of the attorneys must be listed in the Engagement Letter. Lead counsel may not assign additional attorneys to any City matter without prior approval from the Corporation Counsel's Office, and DOL will not consider time expenditures for such attorneys absent such approval. Outside counsel should notify the Designated Contact of the need to assign additional attorneys to the matter. The Designated Contact will submit an addendum to the engagement letter to the Corporation Counsel's Office for review. Upon execution of the addendum, outside counsel is responsible for submitting either a Change Request / Modify Offered Fees Request or a new Fee Offer in order to avoid billing issues. Invoices containing charges for unknown timekeepers will be rejected by CounselLink. Charges by new timekeepers without prior approval may not be paid.

Moreover, DOL expects that outside counsel will not:

- overstaff City matters;
- shift assigned personnel, except when absolutely necessary;
- charge for learning time of newly assigned attorneys when a shift in personnel is warranted;
- authorize premature or peripheral legal or factual research;
- hold non-substantive internal "conferences" about City matters;
- write status reports for DOL, unless requested;
- charge for routinely digesting, abstracting, or summarizing documents and depositions, absent specific agreement otherwise;
- handle specific tasks through persons who are either over-qualified (e.g., routine document review by a senior attorney) or under-qualified (e.g., taking of a key expert deposition by an associate); and
- charge more than once for projects used in previous City cases for which the outside counsel billed the City.

B. Paralegals

Examples of activities that a paralegal should generally perform are:

- preparing first drafts of basic forms and documents;

- preparing and filing UCC statements;
- ordering searches such as title or legal records searches;
- ordering public records documents for closings;
- organizing materials that require professional judgment (a detailed billing description is required - a billing description merely stating “organizing materials” will be interpreted as administrative and, thus, non-billable);
- preparing and filing a proof of claim in a bankruptcy case;
- organizing and re-organizing files that involve case documents such as separating and cataloguing responses to requests for production of documents (a detailed billing description is required - a billing description merely stating “organizing files” will be interpreted as administrative and, thus, non-billable);
- indexing file material if professional judgment with respect to categorization is required;
- preparing subpoenas or notices for deposition, entry of appearance, substitution of counsel, interrogatories, requests to produce, jury trial demands, and other routine litigation documents;
- summarizing answers to interrogatories;
- preparing records requests and subpoenas;
- summarizing employment and other records;
- abstracting or digesting depositions; and
- summarizing document productions.

C. Experts & Consultants

The selection and retention of appraisers, experts, investigators, consultants and similar type expenses must be coordinated with and approved by the Designated Contact. Each of these services must receive prior approval from the Designated Contact and also have a written agreement stating: the scope of the engagement, or nature of services; schedule of costs; and payment procedures. When approved, outside counsel is required to send invoices for these types of service providers directly to the City for payment unless the Designated Contact and outside counsel mutually agree that outside counsel will pay the cost of the expert and will submit the payment as a reimbursable expense. If expert payments are submitted as reimbursable expenses, outside counsel must clearly describe the expense on invoices to the City and must upload copies of any experts’ invoices to the reimbursable expense invoice in CounselLink. Direct payment invoices must have the City of Chicago listed as the billable party and be sent to the Designated Contact once outside counsel has reviewed and signed off on the respective invoice.

The City will pay the actual cost of services such as printing and the acquisition of specific materials by appraisers, experts and consultants if the Designated Contact approves such expenses in advance. Such costs should be included in the written agreement above and submitted by invoice directly to the DOL. Please consult your Designated Contact if you are unsure as to whether or not an expense should be

paid directly by the City or submitted through the application as a reimbursable expense.

Any expert, consultant, or other similarly retained third party must also abide by the City of Chicago Travel Reimbursement Rates/Maximum Daily Rates when the matter necessitates their travel. The City will not pay hourly fees for travel time.

D. Review & Usage of DOL Internal Resources

The resources of DOL should be the starting point for outside counsel's projects. For instance, it may be more efficient for DOL personnel to gather and review files. Likewise, for certain research activities (including legal research), or for business, economic, financial or historical information, outside counsel are expected to look to the information and experience available through DOL as a primary source. Accordingly, counsel must discuss in advance with the Designated Contact any significant research projects and other non-routine activities that may involve the expenditure of considerable time.

E. DOL Shadowing and Enrichment

When applicable, outside counsel shall accommodate, at the City's request, the opportunity for DOL attorneys to shadow the work of outside counsel on represented City matters to provide for exposure and skill-building within DOL. This shall include permitting participation in key stages of litigation and/or matter management with the guidance of outside counsel.

When requested by DOL, outside counsel shall accommodate the opportunity for a DOL attorney to be "second" or "third" chair in pending trial litigation on represented City matters. Further, outside counsel will collaborate with and accommodate participation in all litigation phases as requested.

V. BILLABLE & NON-BILLABLE ITEMS

A. Expenses & Disbursements

The resources of the Law Department should be the starting point for outside counsel's needs for the use of special equipment and large printing projects that exceed \$100.00. Outside counsel should consult with the Designated Contact prior to incurring such costs to determine the availability of Law Department resources that may reduce the costs of these expenditures.

The City will reimburse outside counsel for out-of-pocket expenses that have received prior approval by the Designated Contact or are otherwise considered reimbursable as stated herein. These disbursements are to be included on the invoice for the matter and submitted through CounselLink. You must also upload the original invoice for charges to the document tab within the invoice screen. Such

disbursements could include court reporter costs, transcripts, filing fees, reasonable travel expenses, photocopies and the like.

The City will not pay for the following charges, unless prior approval has been obtained from the Designated Counsel and the appropriate portions of the bill specify that the charges have been "Authorized by [Designated Contact name]" and indicate the date of the authorization:

- secretarial, clerical or word processing services (normal, temporary or overtime);
- any other staff service charges, such as filing, document preparation or proofreading, regardless of when or how incurred;
- administrative services (including file creation, file organization and maintenance; "clearing conflicts" and personnel training);
- accounting services;
- photocopy expenses at more than .12 cents per page black and white, \$1.00 per page color;
- facsimile charges other than long distance charges associated with the transmission;
- photocopy costs in excess of \$100 for a single job;
- irregular size copies, copy jobs that require binding/indexing, or other custom work in excess of \$100 for a single job;
- printing or laser printing;
- telephone expenses;
- office supplies;
- charges for business meals or refreshments (unless related to out-of-town travel);
- meals and transportation charges attributed to overtime work;
- local travel expenses including mileage under 25 miles, toll charges, parking fees, train and cab or rideshare fares;
- in-house messenger services;
- purchase of equipment such as copiers, fax machines, computers, software, postal machines, scanning equipment, CD writers, etc. Rental of equipment such as projectors, etc. for use during trial or litigation is discouraged, particularly if the rental fees involved would approach or exceed the cost of purchasing the equipment at issue. Consult with the Designated Contact to determine what equipment the Law Department has available for your use;
- computerized research, online research subscription charges;
- postage;
- charges associated with preparing a bill or negotiating disputes over bills;
- library books, periodicals, etc.;
- hardware, software, case management or litigation software or systems;
- database consultants, database creation/maintenance, or technical support;
- storage fees;
- cellular, blackberry, mobile phone or data charges; and

- secretaries, librarians, law clerks, billing clerks, case clerks, data processors or summer associates.

Under no circumstance will the City reimburse the following basic overhead expenses, considered part of outside counsel's doing business:

- rent, utilities, office supplies;
- firm conference room charges;
- internet service fees;
- temporary office space;
- professional association fees;
- attendance at seminars, CLE programs or conferences;
- group outings;
- client entertainment; and
- interest on outstanding invoices.

Unless otherwise covered by a specific agreement in advance, the City will pay for separately itemized expenses and disbursements only as follows:

- Paralegals. DOL will pay for paralegal assistance at the agreed upon rate.
- Messenger Services. DOL will reimburse outside counsel for actual charges billed to counsel for deliveries (including overnight express) that are necessary. DOL does not expect all documents to be hand-delivered or sent by overnight express; indeed, all decisions about modes of delivery, from hand delivery to electronic transmission, must be made with due regard for need, economy and good sense. The internal messenger service for DOL may be used to retrieve and deliver packages to DOL employees from locations within the following boundaries: 1400 North, 1400 South, 1400 West, Lake Michigan (east) by coordinating with your Designated Contact.
- Court Reporters. DOL will reimburse outside counsel for actual costs incurred for court reporters and transcripts. Outside counsel should obtain the lowest possible charge for court reporting fees, including any possible volume discounts. DOL will pay for only one copy (electronic and hard) of a transcript. Transcription expenses must identify the court reporter and the services provided (e.g., number of transcripts or pages, hard copies or tapes).
- Contract Vendors. Outside counsel should consider use of City contract vendors for approved litigation expenses if their use may be more cost effective. Such disbursements should be discussed with your Designated Contact to determine this.
- Local and Surface Travel. If outside counsel is required to travel more than 25 miles round trip on City business, DOL will reimburse mileage for the use of personal cars at the IRS rate or the actual cost of taxicabs, buses, or trains necessitated by the City's business that are not part of attorneys' or employees' commuting costs during regular business hours.

- Out-of-Town Travel. Outside counsel must receive prior approval for all out-of-town travel reimbursement. DOL encourages counsel to make travel arrangements through the City’s travel agent or by any other means that will ensure that the best and most reasonable prices for air or ground transportation are obtained. The City will only reimburse outside counsel for basic economy rates. The City will reimburse outside counsel for reasonable hotel and meal charges incurred, as set forth in the City of Chicago Travel Reimbursement Rates/Maximum Daily Rates schedule. The City will reimburse for rental cars of intermediate class or less if deemed the most economical method of transportation. Please request a current copy of the rate schedule from your Designated Contact prior to booking your travel. The City will not pay for personal expenses incurred in conjunction with such travel (e.g., entertainment, alcohol, dry cleaning).
- Attorney Travel. Only in unusual circumstances will the City approve travel by more than one attorney.
- Attorney Travel Time. The City will not reimburse for non-productive travel time. Charges for attorney time during travel are only reimbursable if such time is actually used in performing substantive legal work for the City and billed as such.
- Attorney Time. The City prefers to pay for only one attorney to attend depositions. The City recognizes that an engagement may require additional people as identified in counsel's budget (e.g., for trials and major hearings). If counsel receives prior approval for more than one biller to attend a deposition, counsel should note in the billing charge the approval date and the name of the Designated Contact.
- Overtime/Overhead. The City will not pay charges, however designated on counsel's bill, attributable specially to weekend work (other than charges in the permitted categories detailed in this section, whenever they are incurred), or for air conditioning, heating, office machine attendants, lighting, parking, employee meals or transportation, clerical assistance, or other costs associated with the maintenance of a law office.
- Experts. If mutually agreed between the Designated Contact and outside counsel, the City will pay for the use of Experts. Designated Contacts must be provided with any service agreements or quotes for review and approval prior to outside counsel engaging with any Experts.

B. Vague Descriptions

In addition to the above restrictions, DOL will not approve payment for vague categories of expenses described, for instance, as “miscellaneous” or “other.” Generic and general activity descriptions that lack specificity, such as the following examples, are not appropriate:

- Attention to _____
- Arrangements with _____

- Conference with _____
- Discussion with _____
- Meeting with _____
- Discovery
- Work on file
- Research
- Motion work
- Review/draft document
- Receipt of documents
- Prepare correspondence
- Review correspondence
- Review case and issues
- Telephone call
- Meeting preparation
- Closing preparation
- Update strategy
- Work on project
- Reviewed order

Billings for telephone conversations must specifically describe the parties and purpose of the call. The City will not pay for leaving or listening to voicemails. Any correspondence, pleading, and other document that is prepared or reviewed must be distinctly identified and described. The addition of "re" to a description is appropriate. (e.g., "Phone conference with witness Smith re what he saw at the scene"). Outside counsel must thoroughly describe any issue(s) requiring legal research time.

C. Prohibition Against Reimbursement for Unauthorized Legal Fees

As described in these Guidelines, the cooperative and collaborative relationship between DOL and outside counsel assigned to City legal matters helps the City guide and monitor counsel's representation, and make key decisions as to the conduct and ultimate disposition of these matters.

For these reasons, DOL will normally not approve requests for reimbursement of legal fees and expenses already incurred by current or former City officials or employees without the Corporation Counsel's prior approval of the retention of the outside attorney(s). A current or former City official or employee may seek such reimbursement by submitting a written request to the Corporation Counsel demonstrating (1) that the failure to seek the Corporation Counsel's prior approval for the retention of the outside attorney(s) was justifiable, (2) that the legal services for which fees and/or expenses were incurred related to conduct that was within the scope of the officer's or employee's employment, and (3) that the fees and expenses were described and otherwise billed in a manner consistent with these Guidelines. (Lack of knowledge of either these Guidelines generally, or the ability to seek the

Corporation Counsel's advance approval of outside counsel specifically, does not justify the failure to obtain such approval.) The Corporation Counsel will not unreasonably deny such requests and may approve such requests, in whole or in part, as he deems appropriate.

Alternatively, current or former City officials or employees may request that the Committee on Finance of the City Council approve reimbursement for legal fees and expenses already incurred by the officials or employees, as provided for by Municipal Code Section 2-152-170.

D. Prohibition Against Reimbursement for Administrative or Clerical Functions

The City will only pay for work performed by professionals (i.e., attorneys or paralegals), and will not pay an hourly or flat rate or fee for work that is secretarial, clerical, or administrative in nature, irrespective of the seniority of the person performing the task. Examples of such secretarial, clerical, or administrative work include:

- scheduling meetings and appointments;
- making travel arrangements;
- maintaining calendars;
- reorganizing files;
- date-stamping or Bates stamping documents;
- faxing documents;
- photocopying documents;
- proofreading documents;
- scanning or coding documents;
- pick-up or delivery of documents and records;
- preparing documents for mailing or shipping;
- ordering vendor services and providing instructions to vendors;
- processing vendor bills;
- collating;
- data processing;
- notice of filing;
- organizing files for storage;
- updating lists;
- copying and binding documents;
- inventorying documents;
- preparing enclosure or transmittal letters;
- preparing invoices and negotiating billing questions;
- “file opening” and “file closing”;
- preparing proofs of service;
- locating addresses and telephone numbers;
- preparing attorney appearances/withdrawals; and
- filing/serving documents.

E. Legal Research

Outside counsel should obtain prior approval from the Designated Contact before conducting a legal research project that is expected to exceed fifteen (15) hours. When seeking approval, counsel should be prepared to address the following issues:

- the purpose of the research;
- who will perform the research;
- whether the research can be performed effectively by lower-level personnel;
- whether the firm has previously conducted research on these or similar issues;
- whether the attorney has access to prior research on the same topic; and
- the approximate number of hours needed to complete the research.

Outside counsel should not charge the City for routine research. DOL considers as routine research concerning any matters of common knowledge among reasonably experienced counsel in the Chicago Metropolitan area. Where circumstances exist that enable counsel to use counsel's data banks, counsel should only charge the City for research connected with updating previously researched materials. DOL expects that counsel will use paralegals or junior associates for research matters, and avoid having partners or senior associates devote extensive time to research. Counsel should forward copies of research products that are prepared for a City matter to the Designated Contact. As noted above, online research fees and subscription costs are disallowed and will not be paid.

F. Office Conferences

Intra-office conferences that deal with substantive issues pertaining to the matter are reimbursable when outside counsel provides a thorough description of the purpose of the conference. The City will only pay for reasonable amounts of time expended on such conferences.

G. Reviewing Files

Outside counsel shall not charge the City for general diary or status file reviews. Similarly, counsel shall not bill the City if an event does not precipitate a file review (such as a telephone call or receipt of correspondence) or does not result in the creation of any tangible work product. The City will not pay for the review of a file by a party who is merely supervising the work of another law firm employee. DOL considers such supervision to be part of the firm's overhead and already contained in the firm's hourly rate structure. DOL will not authorize payment for a billing charge that states "file review" without more detail as to the purpose.

The City will not pay for time spent by newly assigned attorneys or paralegals to familiarize themselves with a matter on which staffing has changed while the matter is in progress. If, however, the change in staff was made at the request of the Designated Contact, the City will pay reasonable costs associated with reviewing the files. Any billing entry for file reviews associated with staff changes should state that the Designated Contact approved the staff change and the associated file review.

VI. PREPARATION OF INVOICES

A. Timeline & Format

The City uses CounselLink to validate all invoices to determine if all submitted charges comply with these Guidelines. Structured data is the preferred submission method resulting in faster processing of invoices. Invoices submitted by email or paper will require additional processing time (see “Other Forms of Invoice Submission” below). DOL requests that counsel send its invoice directly to LexisNexis CounselLink. Counsel should not send courtesy copies to the Designated Contact or other DOL staff attorneys.

Invoices should be submitted as soon as possible and outside counsel must send a separate invoice for each matter to which counsel is assigned. Charges that are 60 days or older at the time of invoice submission are considered untimely and may not be paid. The City of Chicago operates on a fiscal calendar year and appreciates the attention of its outside counsel to year end deadlines with regard to invoice submission. To ensure prompt payment, invoices that are for services between January 1st – June 30th, are required to be submitted for payment by August 1st in the same fiscal year. Invoices for services between July 1st – December 31st, are required to be submitted by January 15th the following fiscal year, *i.e.*, an invoice for services in December 2024 will be due by January 15, 2025. City policy requires that vendors submit invoices for goods and services rendered in the fiscal year they were purchased. As the City approaches the close of a fiscal calendar year, the City will communicate to outside counsel deadlines for submission of invoices in the current fiscal year. If invoices are not received by the communicated deadline, invoices will be considered untimely, and will not be paid.

The format of the invoice must include the following information for each matter:

- The name or title of the matter;
- City of Chicago matter number;
- Outside counsel matter number;
- A unique invoice number for the particular bill;
- Date of invoice;
- The inclusive dates of the month covered by the bill;
- Charge date;
- Name or Timekeeper ID of the person(s) who performed the work billed;

- Timekeeper title or level;
- Full description of each charge (for each charge requiring prior approval - notation of prior approval date and name of Designated Contact giving approval);
 - The description should clearly state the nature of the task performed sufficient to allow the reviewer to determine why it was necessary
 - Incomplete or vague charge descriptions are unacceptable
 - See Section B. Vague Descriptions
- Time spent in .10 of an hour increments;
- Hourly rate for each attorney, paralegal, expert or other professional; and
- Itemized description of all disbursements and the actual or permissible charge for each disbursement.

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 Outside counsel should clearly show the total of the current invoice and also include a running total for the matter to date. Outside counsel must include with the invoice both time sheet or diary detail for time charges and copies of invoices or internal data compilations for expenses and disbursements over \$100, especially for out-of-town travel and bulk photocopying or special vendor services. Receipts and statements in support of expenses and disbursements can be attached to the invoice in CounselLink using the Document Attachment feature. The City has the right to examine and audit all of your firm's billings for any work charges to the City and all of the supporting data for those billings.

B. Return of Invoices for Correction

DOL will automatically return invoices for correction or completion if any of the following circumstances are present:

- No matter title or unique invoice number;
- Block billed fees;
- Billing errors;
- Math errors;
- Uploaded invoice is not in the LEDES format;
- Invoice does not contain a date;
- Invoice date is in the future;
- Invoice is an exact duplicate of previous invoice;
- Charges do not contain a date;
- Time increments not in tenths of an hour;
- Unknown or incorrect Law Firm Matter ID; or
- Unknown timekeeper;
- No life of matter budget submitted;
- No annual budget submitted;
- Budget exceeded;
- Per client's discretion.

After correction, outside counsel may resubmit the invoice for processing.

C. Minimum Charges

Outside counsel can complete many routine tasks (e.g., phone calls, letters) in less than 6 minutes. Accordingly, the only acceptable minimum billing time charge is .10 (one-tenth of an hour). For tasks that exceed 6 minutes, outside counsel should only bill the City for the actual time spent rendering the service to the nearest .10 of an hour. Outside counsel should exercise reasonable judgement in billing multiple .10 entries in one day for tasks that take less than 6 minutes. If outside counsel bills 10 or more .10 entries on a single day for tasks that average less than 1 minute each of actual time, it will be considered excessive billing, and the Designated Contact may choose to reduce the excessive .10 charges.

D. Prohibition Against Block Billing

The City will not pay for “block billed entries,” that is, a line item with a single time charge for multiple activities or disbursements. A time charge must accompany each fee activity, and outside counsel must itemize each disbursement entry. For example, the following formats would not be acceptable:

- 10/2/16 Phone conference with Hargrove re deposition; conference with client re same; prepare substantive changes to Answer; attend deposition of Hargrove.
- 6.9 Hours
- 10/2/16 Out-of-Town travel expenses \$125.00

The following examples represent a proper breakdown of those activities and disbursements:

- 10/2/16 Phone conference with witness Hargrove re deposition (.2); conference with client re same (.5); prepare substantive changes to Answer (3.2); attend deposition of Hargrove (3.0): total 6.9
- 10/2/16 Mileage: 250 miles @ \$0.35 per mile
- Lunch: \$15.00
- Parking: \$20.00
- Tolls: \$2.50

VII. INVOICE SUBMISSION INSTRUCTIONS

A. Instructions

1. Submission instructions are available on the CounselLink web site:
<https://www.counselink.net/login/login.jsp>
 - Please login and then click on the “Help” link in the upper right hand side and then open the “Invoices” section and then go to the appropriate section for assistance.
 - CounselLink accepts Structured Data File invoices in the following formats:
 - LEDES1998B
 - LEDES1998B-International (versions 1 and 2)
 - LEDES2000
 - LEDES XML 2.1
 - Examen Structured Data Format

2. To secure prompt and accurate payments to your firm, invoices in structured data format (LEDES) submitted via the web site www.counselink.net are preferred. When necessary, other formats are accepted, including e-mailing a .PDF or ASCII invoice, mailing a diskette or mailing a white paper invoice.
 - Submission of a Structured Data File to CounselLink
 - Export the invoice to the LEDES (ASCII) structured data format
 - Log into www.counselink.net using your assigned login and password
 - Click on the Upload Invoice link on the law firm home page
 - Browse to the saved LEDES invoice, select it and click "Open"
 - Complete any other necessary information on the Invoice Submission page and click "Submit File"
 - Creating an Invoice in CounselLink (U.S. currency only)
 - Log into www.counselink.net using the provided login and password
 - Click on the Matter Search link on the law firm home page
 - Search for the matter on which the invoice is to be submitted
 - Select "Create Invoice" from the Action bar dropdown
 - Enter information on the “Edit Invoice Screen” if applicable and click on Submit
 - Enter fees and expenses from the invoice screen
 - Submit invoice
 - Email Form of Submission³

³ Choosing to submit invoices in either email or by US mail in hard copy format will require additional processing time and restrict your ability to modify invoices on the system once these have been uploaded.

- Create invoices using your preferred output format, but instead of sending to the client, email them to the CounselLink office. You may email documents in the following formats: .pdf, .doc, docx, .txt, .xls, .xlsx
- Multiple invoices can be attached to an email, but each invoice must be its own file. Supporting documentation for the invoice (receipts, etc.) must be included in file for that invoice. It is imperative that each Matter ID be on each invoice image/file.
- Please do not use the "return receipt" option in your email program. A verification email will be sent out that can be used as a receipt.
- Invoices should be sent as an attachment to:
 - counsellinkinvoices@lexisnexis.com
- Paper / US Mail Form of Submission²
 - If the other options do not work for your law firm, paper invoices can be mailed to:
 - LexisNexis
Attn: CounselLink Invoices
1801 Varsity Drive
Raleigh, NC 27606

The City of Chicago has authorized LexisNexis Counsellink's Customer Support Department to assist you with questions about invoice submission, structured data formats and the resolution of formatting problems. You may reach the Customer Support Department by calling (800) 600-2282, option 2, then 1.

VIII. CITY REQUESTED STAFF TRAINING

As an outside counsel partner for the City of Chicago, the City may request outside counsel provide training workshops for Department of Law staff at no cost to the City. The City of Chicago will provide Continuing Legal Education (CLE) credits to the the outside counsel workshop presenters. The topics and format for these workshops will be mutually agreed upon between the outside counsel and Designated Attorney Contact or Corporation Counsel.

IX. ACCEPTANCE OF TERMS

These Guidelines constitute the terms and conditions of the City of Chicago's retention of outside counsel. Outside counsel's acceptance of an offer of engagement through CounselLink constitutes an agreement to comply with the terms and conditions set forth in these Guidelines. Additionally, the City of Chicago expects that all outside counsel it retains will review and indicate acknowledgment of these Guidelines through CounselLink. Outside counsel must discuss questions concerning the applicability of these Guidelines with the Designated Contact before proceeding on a course of action not specifically authorized.

**ACCEPTANCE OF PAYMENT/
RIGHT TO AUDIT BY THE CITY OF CHICAGO**

I hereby acknowledge and agree, on behalf of the firm, that payment by the City of Chicago of any bill, at any time, does not constitute a course of dealing and does not constitute a waiver of the City of Chicago's right to subsequently question, dispute, request reimbursement of, compromise, or request repayment or future credit for any bill or invoice previously paid. I also agree and understand, on behalf of the firm, that the City of Chicago has the right to audit all bills or files that are or have been the subject matter of billing by my firm to the City of Chicago. I understand and agree that such an audit may require the firm to produce any and all documentation which would support the billing submitted by the firm and also that the firm would produce any individual who has submitted billing on behalf of the firm, as well as any firm personnel who would have knowledge or information regarding any billing and that the firm shall produce those individuals to answer any questions referable to the billings. I also agree and acknowledge that the City of Chicago may utilize its personnel, or any other party, person, corporation or entity designated by the City of Chicago to conduct any such audit.

BY: _____

FIRM: _____

DATE: _____

**PLEASE SUBMIT COMPLETED FORM TO:
CITY OF CHICAGO
CORPORATION COUNSEL
121 N. LASALLE, ROOM 600
CHICAGO, IL 60602**

APPENDIX A DOCUMENT ATTACHMENT

Law firms are able to attach case supporting documents such as pleadings, status reports and third-party invoices electronically to either an invoice or a matter. Outside counsel may be requested to upload specific documents to a matter or invoice. Documents will be permanently attached to the invoice or matter unless removed by the individual who attached them. Only the law firm and client will be able to view the documents. Most document formats are accepted including PDF files. Please do not use the document attachment to submit law firm invoices.

I. **Attaching a document to an Invoice (e.g., expense receipts)**

- Log in to <http://www.counselink.net>
- From the Home page, click on either Created or Scheduled Invoices (dependent upon the status of your invoice)
- Click on the **CounselLink Invoice Number**
- To add or search for a document , click on the **Documents** link
- To add a document, click on the **Add Document** link
- Type in the document name as you want it to appear in CounselLink
- Browse your file directory for the document to add by clicking the **Browse** button
- Select the **Category** from the drop down
- Select **“Yes”** from the **Shared** drop down
- Select **“Public”** from the **Access Level** drop down
- Enter a free form description of the document in the **Description** box
- Enter a key word to assist in future searches in the **Key Word** box
- Click on **Save**

II. **Attaching a document to a Matter** Log in to <http://www.counselink.net>

- From the Home page, click on **Matter Search**
- Enter the **Matter Search** criteria
- Click on the **Matter ID** or **Matter Title**
- Select **Documents** from the **Action** drop down
- Type in the document name as you want it to appear in CounselLink
- Browse your file directory for the document to add by clicking the **Browse** button
- Select the **Category** from the drop down
- Select **“Yes”** from the **Shared** drop down
- Select **“Public”** from the **Access Level** drop down
- Enter a free form description of the document in the **Description** box
- Enter a key word to assist in future searches in the **Key Word** box
- Click on **Save**
-

APPENDIX B
MATTER SPECIFIC TIMEKEEPER SET-UP

Law firms must submit a general Fee Offer for all approved timekeepers to work on City matters, and then assign matter specific timekeepers from their general Fee Offer that are approved to work on respective engagements. To assign a timekeeper to a matter, they must first be on your general Fee Offer. The Fee Offer sets the default for the timekeeper's general effective date and maximum rate they can bill.

I. General Fee Offer Precedence

- You will not see a timekeeper on the timekeeper table within a matter if they are not on your general Fee Offer;
- You cannot set a timekeeper effective date on the timekeeper table within a matter that precedes their effective date on your general Fee Offer;
- You cannot set a timekeeper rate on the timekeeper table within a matter that exceeds their rate in your general Fee Offer.
- If you need to change the effective date and / or rate on an approved timekeeper, you will have to update and submit a new general Fee Offer for approval by the City. If you do not receive advance approval from the City Designated Contact and make a timely update to your Fee Offer, the effective date of the rate increase or new timekeeper may be delayed.

II. Setting Up Matter Specific Timekeepers / Rates

- On the matter screen, go to the Law Firm tab and select the box next to your firm name, then select the Change Request button.
- Under Matter Change Request Type, select Modify Offered Fees Request.
- Go through the timekeeper table and set the respective timekeeper rates as designated in the engagement. Any unapproved timekeepers must be set at \$0.
- Make the following entries at the base of the screen. Reason for Request: *Other, Describe the Reason for Request: Matter specific timekeeper entry.*
- Select Save.
- A calendar will appear, select the engagement date, or backdate if applicable.
- Select OK.

You would follow the same procedures for adding timekeepers to a matter after the start of an engagement or to change the approved rate on a timekeeper. Remember that the general Fee Offer will always have precedence on timekeeper data, so the effective date and approved billing rate must always be updated on the general Fee Offer first. Please note that any changes to assigned timekeepers or timekeepers' rates must have advanced approval from the City Designated Contact.