

## AMENDMENT NO. 1

### TO AGREEMENT FOR CONTRACT SERVICES

**THIS AMENDMENT TO THE AGREEMENT FOR CONTRACT SERVICES** (“Amendment”) by and between the CITY OF CARSON, a California municipal corporation (“City”), and BAKER TILLY US, LLP, an Illinois limited liability partnership authorized to conduct business in California (“Consultant”), is effective as of the \_\_\_ day of \_\_\_\_\_, 2023. City and Consultant are sometimes hereinafter individually referred to as “Party” and hereinafter collectively referred to as the “Parties.”

#### RECITALS

A. City and Consultant entered into that certain Agreement for Contract Services dated February 14, 2023 (“Agreement”), whereby Consultant agreed to perform the following internal control and position control audit services (“Services”) which includes (a) assessing policies and procedures of the Audit Division related to year-end closing, month end, CIP tracking schedules and other relevant activities; (b) developing an internal audit program work plan review; (c) identifying needed trainings for staff members; (d) developing a workflow management system to properly track performance and position control; and (e) reviewing and assessing analytical activities, identifying areas for improvement and introducing leading practices (“Original Scope of Services”). The Agreement provided for an initial contract term of one (1) year and a not-to-exceed Contract Sum of \$209,138.

B. Due to certain factors beyond Consultant’s control while Consultant worked on the Original Scope of Services, the anticipated cost to complete the Original Scope of Services increased by \$59,600.

C. City and Consultant now desire to amend the Agreement to (i) increase the not-to-exceed Contract Sum by an additional \$59,600 to allow Consultant to complete the Original Scope of Services plus \$2,400 for additional work City has asked Consultant to perform for an assessment/evaluation on the current City Departments’ roles and responsibilities of 1095 form preparation (“New Scope of Services”), thereby increasing the Contract Sum from \$209,138 to \$271,138; and (ii) extend the Term by three (3) months, from February 14, 2024 to May 14, 2024.

D. Although the Agreement allocates \$14,138 toward the Contract sum for sales taxes, the Parties do not anticipate that any part of the Services will require payment of sales taxes by the City, resulting in maximum compensation to be paid to Consultant of \$257,000.

#### TERMS

1. **Contract Changes.** The Agreement is amended as provided herein (new text is indicated in *bold italics* and deleted text in ~~strikethrough~~).

**A. Section 2.1 (Contract Sum) of the Agreement is hereby amended to read in its entirety as follows:**

“2.1 Contract Sum.

Subject to any limitations set forth in this Agreement, City agrees to pay Consultant the amounts specified in the “Schedule of Compensation” attached hereto as Exhibit “C” and incorporated herein by this reference. The total compensation, including reimbursement for actual expenses, shall not exceed Two Hundred ~~Seventy One Nine~~ Thousand One Hundred Thirty Eight Dollars (~~\$271,138~~~~\$209,138~~) (the “Contract Sum”), unless additional compensation is approved pursuant to Section 1.8.”

**B. Section 3.4 (Term) of the Agreement is hereby amended to read in its entirety as follows:**

“3.4 Term.

Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect until completion of the services but not *later than May 14, 2024*~~exceeding one (1) years from the date hereof~~, except as otherwise provided in the Schedule of Performance (Exhibit “D”).”

**C. Exhibit “A” (Scope of Services) of the Agreement is hereby amended to read in its entirety as follows:**

See attached.

**D. Exhibit “C” (Schedule of Compensation) of the Agreement is hereby amended to read in its entirety as follows:**

See attached.

**E. Section I. of Exhibit “D” (Schedule of Performance) of the Agreement is hereby amended so that all Services must be completed before end of day, May 14, 2024.**

2. **Continuing Effect of Agreement.** Except as amended by this Amendment, all provisions of the Agreement shall remain unchanged and in full force and effect. From and after the date of this Amendment, whenever the term “Agreement” appears in the Agreement, it shall mean the Agreement, as amended by the Amendment to the Agreement.

3. **Affirmation of Agreement; Warranty Re Absence of Defaults.** City and Consultant each ratify and reaffirm each and every one of the respective rights and obligations arising under the Agreement. Each party represents and warrants to the other that there have been no written or oral modifications to the Agreement other than as provided herein. Each party represents and warrants to the other that the Agreement is currently an effective, valid, and binding obligation.

Consultant represents and warrants to City that, as of the date of this Amendment, City is not in default of any material term of the Agreement and that there have been no events that, with

the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

City represents and warrants to Consultant that, as of the date of this Amendment, Consultant is not in default of any material term of the Agreement and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

4. **Adequate Consideration.** The parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this Amendment.

5. **Authority.** The persons executing this Amendment on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Amendment on behalf of said party, (iii) by so executing this Amendment, such party is formally bound to the provisions of this Amendment, and (iv) the entering into this Amendment does not violate any provision of any other agreement to which said party is bound.

6. **Counterparts.** This Amendment may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, whether the signatures are originals, electronic, facsimiles or digital. All such counterparts shall together constitute but one and the same Amendment.

[SIGNATURES ON FOLLOWING PAGE]

**IN WITNESS WHEREOF**, the parties hereto have executed this Amendment on the date and year first-above written.

**CITY:**

CITY OF CARSON, a municipal corporation

\_\_\_\_\_  
Lula Davis-Holmes, Mayor

ATTEST:

\_\_\_\_\_  
Dr. Khaleah K. Bradshaw, City Clerk

**APPROVED AS TO FORM:**

ALESHIRE & WYNDER, LLP

\_\_\_\_\_  
Sunny K. Soltani, City Attorney  
[rjl]

**CONTRACTOR:**

BAKER TILLY US, LLP, an Illinois limited liability partnership

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

**Two corporate officer signatures required when Contractor is a corporation, with one signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer. CONTRACTOR'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONTRACTOR'S BUSINESS ENTITY.**

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

On \_\_\_\_\_, 2023 before me, \_\_\_\_\_, personally appeared \_\_\_\_\_, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: \_\_\_\_\_

**OPTIONAL**

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

<b>CAPACITY CLAIMED BY SIGNER</b>	<b>DESCRIPTION OF ATTACHED DOCUMENT</b>
<input type="checkbox"/> INDIVIDUAL	_____
<input type="checkbox"/> CORPORATE OFFICER	_____
_____ TITLE(S)	_____ TITLE OR TYPE OF DOCUMENT
<input type="checkbox"/> PARTNER(S) <input type="checkbox"/> LIMITED	_____
<input type="checkbox"/> <input type="checkbox"/> GENERAL	_____
<input type="checkbox"/> ATTORNEY-IN-FACT	_____
<input type="checkbox"/> TRUSTEE(S)	_____ NUMBER OF PAGES
<input type="checkbox"/> GUARDIAN/CONSERVATOR	_____
<input type="checkbox"/> OTHER _____	_____
<b>SIGNER IS REPRESENTING:</b>	_____ DATE OF DOCUMENT
(NAME OF PERSON(S) OR ENTITY(IES))	_____
_____	_____
_____	SIGNER(S) OTHER THAN NAMED ABOVE



**EXHIBIT "A"**  
**SCOPE OF SERVICES**

- I. **Consultant will perform the following internal control and position control audit services ("Services"):**

*Original Scope of Services*

***The Original Scope of Services which will include (a) assessing policies and procedures of the Audit Division related to year-end closing, month end, CIP tracking schedules and other relevant activities; (b) developing an internal audit program work plan review; (c) identifying needed trainings for staff members; (d) developing a workflow management system to properly track performance and position control; and (e) reviewing and assessing analytical activities, identifying areas for improvement and introducing leading practices. More specifically, the Services will include:***

**A. Task 1-- Risk Assessment**

**Purpose:**

Identify, assess, prioritize, and provide mitigant recommendations for priority risk factors across the functional area.

**Scope:**

1. To develop and implement methodologies to assess compliance with General Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB)
2. To provide a detailed assessment of the separation of duties between the Human Resource Department and Finance.

**Deliverable -- Risk Matrix**

A comprehensive risk matrix resulting from the risk assessment, including complete risk likelihood and impact ratings, current mitigation strategies, and future mitigant recommendations.

**B. Task 2 -- Operational Assessment**

**Purpose:**

Review, redesign, and refine the current-state Department structure, process, and controls.

**Scope:**

1. To provide a summary of the strengths and weakness of the overall structure of the Finance Department.
2. To identify strengths and weakness of the data reviewing process, AP and AR aging reports, and reconciliation of the following:
  - a. Bank Accounts
  - b. General Ledger
  - c. Balance Sheet Accounts
  - d. Grants
3. Recommend practical, achievable, and realistic revisions/adjustment and additions to the policies and procedures which may include recommendations concerning reporting relationships, position titles, procedures, job functions, and technology that would clarify roles, responsibilities and authority of management staff.
  - a. Eliminate duplication and overlap of responsibilities within the department and between other City's departments.
  - b. Improve the delivery time and quality of services provided by the department.
  - c. Improve communications within and between departments.
  - d. To recommend practical, achievable, and realistic alternative structures and resources through which the department (City) could improve its efficiency overall.
  - e. Evaluate and recommend technology and software.

### **Deliverable -- Operational Assessment Report**

Develop a set of recommended improvement opportunities including both "quick hit" opportunities and those improvements that may require more time, effort or investment to implement related to the Department.

### **C. Task 3 -- Organizational Design**

#### **Purpose:**

Define necessary activities, task, supervision, and responsibility for key organizational processes.

#### **Scope:**



1. To develop procedures for the End of Month closing, year-end closing, closing calendar, and check list.
2. To evaluate CIP Tracking schedules, Fixed Assets and Depreciation schedules
3. To identify trainings for staff and develop a workflow management system to properly track performance

**Deliverable -- Mixed Use Deliverables**

Value-add mixed use deliverable for organizational improvement, including by not limited to procedure documents, checklists, scheduled, step-by-step guides, and process maps.

**D. Task 4 -- Position Control Audit**

**Purpose:**

An audit of the Department's position and responsibility with results focused on individual positions—and not people—as a means for improving organizational operations and understanding classification and structure.

**Scope:**

To recommend position control process and procedure.

**Deliverable -- Position Control Report**

Detailed information and analysis on an organization's positions and recommendations for improvement and efficiency in structure, process and/or procedure.

**E. Task 5 -- Final Comprehensive Report**

**Purpose:**

Report and align on recommended system and organizational improvements, integrations, and innovations.

**Scope:**

To produce a detailed Final Report that includes but not limited to: identify best practices and performance measures that should be adopted by the City.

- a. Propose policies and procedures change based on the findings within the Annual Comprehensive Financial Report (ACFR)

- b. Recommendation and/or development on policies and procedures that will improve the effectiveness and efficiency of the department's operations
- c. Providing training recommendations to improve operations and support for staff
- d. Identifying staffing requirements, both current and future
- e. Identifying performance measures that should be adopted by the City
- f. Identifying Position Control procedures
- g. Preparing an accounting procedure manual that can be utilize Citywide
- h. The final report shall become the sole property of the City of Carson. Consultant shall provide to the City of Carson the final document free of any copyrights, trademark or any intellectual property or proprietary rights.

#### **Deliverable -- Final Report and Presentation**

Comprehensive final report and presentation encompassing all of the preceding tasks, reporting, and recommendations culminating in a tactical leadership roadmap for future organizational and position change.

#### ***New Scope of Services***

***The New Scope of Services will involve Consultant's provision of an assessment/evaluation on the current City Departments' roles and responsibilities of 1095 form preparation.***

- II. As part of the Services, Consultant will prepare and deliver the following tangible work products to the City:**
  - A. See Section I above.
- III. In addition to the requirements of Section 6.2, during performance of the Services, Consultant will keep the City appraised of the status of performance by delivering the following status reports:**
  - A. As requested by City's Contract Officer.
- IV. All work product is subject to review and acceptance by the City, and must be revised by the Consultant without additional charge to the City until found satisfactory and accepted by City.**

**V. Consultant will utilize the following personnel to accomplish the Services:**

- A.** Dan Heddon, CPA — Partner
- B.** Adriane D. McCoy, CIA, CISA, CFE, CAMS, CFSA, CGAP, CRP, CSOE — Director
- C.** Tiffany N. McCoy, MSAA, CFE, CFSA, CSOE, Manager
- D.** Chiemi S. Perry, CPA, CIA, CISA, CFE — Manager
- E.** Rebecca Haggerty, CPA, CFE, CIA
- F.** Christine Frost, MSC, CCEP – Manager
- G.** Ronald Cintron, CIA, CISA, CGAP, CRMA — Manager

**EXHIBIT "C"**  
**SCHEDULE OF COMPENSATION**

**I. Consultant shall perform the Services at the following rates:**

*Original Scope of Services*

Services:	\$195,000
7.25% sales tax:	\$14,138
<b>Total:</b>	<del>\$209,138</del> <b>\$268,738</b>

*New Scope of Services*

Services:	<b>\$2,400 (10 hours at \$240/hr)</b>
<b>Grand Total:</b>	<b>\$271,138</b>

**II. Within the budgeted amounts for each Task, and with the approval of the Contract Officer, funds may be shifted from one Task sub-budget to another so long as the Contract Sum is not exceeded per Section 2.1, unless Additional Services are approved per Section 1.8.**

**III. The City will compensate Consultant for the Services performed upon submission of a valid invoice. Each invoice is to include:**

- A.** Line items for all personnel describing the work performed, the number of hours worked, and the hourly rate.
- B.** Line items for all materials and equipment properly charged to the Services.
- C.** Line items for all other approved reimbursable expenses claimed, with supporting documentation.
- D.** Line items for all approved subcontractor labor, supplies, equipment, materials, and travel properly charged to the Services.

**IV. The total compensation for the Services shall not exceed ~~\$209,138~~ \$271,138 as provided in Section 2.1 of this Agreement.**

**V. The Consultant's billing rates for all personnel are attached as Exhibit C-1.**