



## CITY OF PALO ALTO OFFICE OF THE CITY CLERK

August 19, 2019

The Honorable City Council  
Palo Alto, California

### **Approval of Amendment Number 2 to Contract Number S19174828 for Professional Services Agreement With Management Partners for Auditor Services to add \$50,000 for a Total Not-to-Exceed Amount of \$135,000 for an Additional two-month Term Through November 14, 2019**

#### Recommendation

The Mayor recommends that Council approve an amendment to the professional services agreement with Management Partners, Inc., for auditor services to add \$50,000, up to \$135,000, for an additional two-month term through November 14, 2019.

#### Background

Former City Auditor Harriet Richardson retired in February 2019, creating need for the City Council to appoint a qualified person or entity to perform interim audit services while the City Auditor position is vacant ([CMR # 10182](#)). Through this service agreement with Management Partners, the City Auditor's Office has been provided services from a qualified expert to coordinate and review work performed as designated by City Council.

During this time, the Council Appointed Officers (CAO) Committee continues to oversee an assessment of the auditing function which is expected to be completed by October 2019. The findings and recommendation to the full Council will follow.

#### Discussion

Under this agreement, Management Partners has provided qualified professional services since late March 2019. In accordance with the scope of services, the interim audit work completed has included review of numerous audit reports, review of audit work in progress, and coordination of audit work as needed to prepare audits reports presented at Policy and Services Committee. This work will continue through the term of agreement. The attached professional services agreement contract amendment provides for Management Partners to continue to perform audit services on an interim basis until Council determines further action. While the term date of this amendment is November 14, 2019, the City Council retains the right to suspend or terminate the services for any reason, after 10 days' notice.

#### Resource Impact

Contract costs will continue to be funded through salary savings in the City Auditor's Office budget as a result of the City Auditor vacancy; therefore, no additional appropriation of funds is

required. Contract costs are based on \$165/hour rate plus any hours necessary to complete work outlined in scope of services and travel expenses as needed.

**Environmental Review**

No impact. Approval of this contract is exempt under the California Environmental Quality Act (CEQA) Guidelines.

**ATTACHMENTS:**

- Attachment A: Amendment 1 (PDF)

Department Head: Beth Minor, City Clerk



**AMENDMENT NO. 1 TO CONTRACT NO. S19174828  
BETWEEN THE CITY OF PALO ALTO AND  
MANAGEMENT PARTNERS, INC.**

This Amendment No. 1 to Contract No. S19174828 (“Contract”) is entered into August 5, 2019, by and between the CITY OF PALO ALTO, a California chartered municipal corporation (“CITY”), and Management Partners, Inc. Incorporated, located at 2107 N. First Street, STE 470, San Jose, CA 95131 (“CONSULTANT”).

**RECITALS**

A. The Contract was entered into between the parties for the provision of Consulting Service to conduct performance audits and reviews of CITY departments, programs and services on a temporary basis.

B. The parties wish to amend the Contract to extend the term by two months through November 14, 2019, as authorized by section 2.30.280(a)(2) of the Palo Alto Municipal Code.

C. The parties wish to amend the Contract to increase the agreed not to exceed compensation amount for Contract Services by Fifty Thousand Dollars (\$50,000.00).

NOW, THEREFORE, in consideration of the covenants, terms, conditions, and provisions of this Amendment, the parties agree:

**SECTION 1.** Section 2 TERM of the Contract is hereby amended to read as follows:

“The Term of this Agreement shall be from the date of its full execution through November 14, 2019, unless terminated earlier pursuant to Section 19 of this Agreement.”

**SECTION 2.** Section 4 NOT TO EXCEED COMPENSATION is hereby amended to read as follows:

“The compensation to be paid to CONSULTANT for performance of the Services described in Exhibit “A” (“Basic Services”), and reimbursable expenses, shall not exceed One Hundred Thirty-five Thousand Dollars (\$135,000.00). CONSULTANT agrees to complete all Basic Services, including reimbursable expenses, within this amount. The applicable rates and schedule of payment are set out at Exhibit “C-1”, entitled “HOURLY RATE SCHEDULE,” which is attached to and made a part of this Agreement. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to the CITY.”

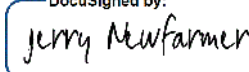
SECTION 3. Except as herein modified, all other provisions of the Contract, including any exhibits and subsequent amendments thereto, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have by their duly authorized representatives executed this Amendment No. 1 to Contract No. S19174828 on the date first above written.

**CITY OF PALO ALTO**

**MANAGEMENT PARTNERS, INC.**

City Manager

DocuSigned by:  
  
DC9BC295314542F...

Name: Jerry Newfarmer

President & CEO

APPROVED AS TO FORM:

City Attorney

### Certificate Of Completion

Envelope Id: 623F4FFE8BA8473CB112634BF9B0DAF2	Status: Completed
Subject: Please DocuSign: Amend #1 S19174828 - Management Partners - ready to be signed.pdf	
Source Envelope:	
Document Pages: 2	Signatures: 1
Certificate Pages: 2	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Terry Loo
Time Zone: (UTC-08:00) Pacific Time (US & Canada)	250 Hamilton Ave
	Palo Alto , CA 94301
	Terry.Loo@CityofPaloAlto.org
	IP Address: 12.220.157.20

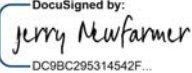
### Record Tracking

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8/8/2019 9:21:36 AM	Terry.Loo@CityofPaloAlto.org	
Security Appliance Status: Connected	Pool: StateLocal	
Storage Appliance Status: Connected	Pool: City of Palo Alto	Location: DocuSign

### Signer Events

jerry Newfarmer  
 jnewfarmer@managementpartners.com  
 President & CEO  
 Security Level: Email, Account Authentication (None)

### Signature

DocuSigned by:  
  
 DC9BC295314542F...  
 Signature Adoption: Pre-selected Style  
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### In Person Signer Events

### Signature

### Timestamp

### Editor Delivery Events

### Status

### Timestamp

### Agent Delivery Events

### Status

### Timestamp

### Intermediary Delivery Events

### Status

### Timestamp

### Certified Delivery Events

### Status

### Timestamp

### Carbon Copy Events

### Status

### Timestamp

Jan Perkin  
 jperkins@managementpartners.com  
 President & CEO  
 Security Level: Email, Account Authentication (None)  
**Electronic Record and Signature Disclosure:**  
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Sent: 8/8/2019 9:32:29 AM

Beth Minor  
 Beth.Minor@CityofPaloAlto.org  
 City Clerk  
 City of Palo Alto  
 Security Level: Email, Account Authentication (None)

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Carbon Copy Events	Status	Timestamp
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Witness Events	Signature	Timestamp
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Signing Complete	Security Checked	8/8/2019 9:32:31 AM
Completed	Security Checked	8/8/2019 9:32:31 AM

Payment Events	Status	Timestamps
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