

SECOND AMENDMENT TO AGREEMENT FOR CONSULTING SERVICES

FY2024-25/Agreement No. 3

THIS SECOND AMENDMENT TO AGREEMENT FOR CONSULTING SERVICES is effective the 1st day of January, 2025, by and between the CITY OF SAN PABLO, a municipal corporation ("City") and Krisch & Company, an Accountancy Corporation ("Consultant").

RECITALS

WHEREAS, effective August 1, 2024, CITY and Consultant entered into an Agreement for on-call management and accounting consulting services ("Agreement") in an amount not to exceed \$39,690, with a term expiring December 31, 2024; and

WHEREAS, effective November 15, 2004, the terms of that Agreement were modified by a First Amendment to extend the term of the Agreement through July 1, 2025; and

WHEREAS, the parties have agreed to further modify the terms of that Agreement to: add Additional Services; acknowledge a change in hourly rates effective January 1, 2025, and increase maximum compensation under the Agreement; and extend the expiration date of the Agreement through and including June 30, 2026.

NOW, THEREFORE, THE PARTIES DO MUTUALLY AGREE AS FOLLOWS:

1. **SCOPE OF SERVICES.** Pursuant to Section 3 of the Agreement, entitled "Additional Services," certain Additional Services shall be added to the "Scope of Services" identified in Section 1 of the Agreement. Section 1, "Scope of Services" is hereby amended to add the following provision:

"Consultant agrees to provide to the City the Additional Services as specified in Consultant's Amendment Proposal dated February 5, 2025, attached hereto as **Exhibit A** and incorporated herein. In the event of any conflict or inconsistency between any of the terms of the Exhibits and the Agreement as amended, the terms most favorable to the City shall prevail."

2. **COMPENSATION.** Section (2) of the Agreement, "Compensation" is amended to include the following provision:

"As compensation for successful completion of the Additional Services described in Consultant's Amendment Proposal dated February 5, 2025 (**Exhibit A**), CITY shall pay Consultant for services satisfactorily completed at the hourly rates specified effective January 1, 2025, up to an additional **Sixty-Nine Thousand Seven Hundred Ninety-Nine Dollars (\$69,799)**, for a total compensation under this Agreement as amended not to exceed **One Hundred Nine Thousand, Four Hundred Eighty-Nine Dollars (\$109,489)**."

3. **EFFECTIVE DATE AND TERM.** Section 4 of the Agreement, “Effective Date and Term” is amended and restated as follows:

“The term of this Agreement (“Term”) begins on August 1, 2024, and expires on **June 30, 2026**. If the Term expires later than the end of the City’s fiscal year, the continuation of the Term into the next fiscal year will be contingent upon the City’s lawful encumbrance or appropriation of new funds for the Agreement.”

4. All other terms and conditions of the Agreement, as amended, shall remain in full force and effect.

APPROVED AS TO FORM:

CITY OF SAN PABLO
A Municipal Corporation

By _____
Brian P. Hickey, City Attorney

By _____
Matt Rodriguez, City Manager

Date signed _____

KRISCH & COMPANY

By _____
Katherine Krisch, Chief Executive Officer

Date signed _____

ATTEST:

By _____
Dorothy Gantt, City Clerk

Dated _____

Attachment:

Exhibit A – Consultant’s Amendment Proposal dated February 5, 2025

Exhibit A
Consultant's Amendment Proposal dated February 5, 2025

February 5, 2025

Arturo Castillo
Administrative Services Director
City of San Pablo
1000 Gateway Ave
San Pablo, CA 94806

Dear Arturo,

This letter is to confirm our understanding of the terms and objectives of our extended engagement with the City of San Pablo (City), California, as well as the nature and limitations of the services we will provide.

The City seeks to process a second amendment to the Agreement for Consulting Services, extending the engagement through June 30, 2026. We will provide management and accounting services to the City as deemed necessary by City management. These services may include, but are not limited to:

- Payroll administration assistance:
 - Finalize payroll review (review of taxability and CalPERS application to payroll),
 - Other areas as directed by City Management,
- Year-end closing assistance:
 - Process and checklist consultation,
 - Schedule preparation,
- Review of financial processes and procedures and assistance with implementation of best practices,
- Consultation with the Administrative Services Director on various administrative and technical financial management topics.

The above services will be performed by various professionals of our firm. Their 2025 billing rates are as follows.

	Calendar Year 2025 Hourly Rates
Partners	\$363
Managers	\$210 to \$236
Sr. Consultant	\$225
Payroll Specialist	\$167
Supervisors	\$144 to \$170
Senior Associates	\$130 to \$140
Associates	\$99 to \$113
Administrative Staff	\$80

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses for mileage or incidentals. We also charge half of our hourly rates for travel time.

<u>Staff</u>	<u>Task</u>	<u>Hours</u>	<u>Hourly Rate</u>	<u>Fee/Month</u>
<i>General Administrative and Financial Consultation</i>				
Heather Rowden	Client communication 3 hours per week through June 30, 2026	210		
		210	\$235	\$49,350
<i>Accounting Assistance in Other Areas</i>				
Heather Rowden or equivalent staff		60	\$235	14,100
			Subtotal	63,450
			Contingency (10%)	6,349
			Total	\$69,799

Our engagement is limited to the period and the accounting services indicated above. As our services are limited in nature, we do not verify or audit any of the information you provide to us. If we notice that an amount appears unusual or out of the ordinary, we will call it to your attention, but our engagement cannot be relied upon to disclose errors, fraudulent financial reporting, misappropriation of assets, or noncompliance with laws and regulations that may have occurred. However, we will inform the appropriate level of management of any material errors and of any evidence or information that comes to our attention during the performance of our engagement that fraud may have occurred. We will also report to the appropriate level of management any evidence or information that comes to our attention regarding noncompliance with laws and regulations that may have occurred unless it is clearly inconsequential. By your signature below, you understand and agree that you are responsible for preventing and detecting fraud. Should you wish us to expand our procedures to include additional work and investigations, we will arrange this with you in a separate engagement letter.

Invoices unpaid 30 days past the billing date may be deemed delinquent and are subject to an interest charge of 1.0% per month. We reserve the right to suspend our services or to withdraw from this engagement in the event that any of our invoices are deemed delinquent. In the event that any collection action is required to collect unpaid balances due us, you agree to reimburse us for our costs of collection, including attorneys' fees.

If billings are past due in excess of 90 days of the invoice date, at our election, we may stop all work until your account is brought current or withdraw from this engagement. The City acknowledges and agrees that we are not required to continue work in the event of the City's failure to pay on a timely basis for services rendered as required by this engagement letter. The City further acknowledges and agrees that in the event we stop work or withdraw from this engagement as a result of the City's failure to pay on a timely basis for services rendered as required by this engagement letter, we shall not be liable for any damages that occur as a result of our ceasing to render services.

It is our policy to keep records related to this engagement for seven years. However, we do not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. It is your responsibility to retain and protect your records (which includes any work product we provide to you as well as any records that we return) for possible future use, including potential examination by government or regulatory agencies. We do not accept responsibility for hosting client information; therefore, you have the sole responsibility for ensuring you retain and maintain in your possession all your financial and non-financial information, data and records.

If a dispute arises among the parties hereto, the parties agree to first try in good faith to settle the dispute by mediation administered within the county of Contra Costa, California, by a mediation organization, under its applicable rules for resolving professional accounting and related services disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.

If, after full consideration and consultation with counsel if so desired, you agree that the foregoing terms shall govern this engagement, please sign the copy of this letter in the space provided and return the original signed letter to me, keeping a fully executed copy for your records.

Thank you for your attention to this matter, and please contact me with any questions that you may have.

Very truly yours,



Krisch & Company

ACCEPTED AND AGREED

RESPONSE:

This letter correctly sets forth the understanding of the City.

By: _____

Title: _____

Date: _____