

**FIRST AMENDMENT  
TO PROFESSIONAL CONSULTANT SERVICES AGREEMENT**

**BAKER TILLY VIRCHOW KRAUSE, LLP**

**(Riverside Public Utilities Financial and Performance Audit)**

THIS FIRST AMENDMENT TO PROFESSIONAL CONSULTANT SERVICES AGREEMENT FOR RIVERSIDE PUBLIC UTILITIES FINANCIAL AND PERFORMANCE AUDIT ("First Amendment") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2016, by and between the CITY OF RIVERSIDE, a California charter city and municipal corporation ("City"), and BAKER TILLY VIRCHOW KRAUSE, LLP, an Illinois limited liability partnership authorized to do business in California ("Consultant"), with respect to the following facts:

**RECITALS**

WHEREAS, on December 2, 2015, City and Consultant entered into that certain Professional Consultant Services Agreement for Riverside Public Utilities Financial and Performance Audit ("Agreement"); and

WHEREAS, City is satisfied with the performance of Consultant; and

WHEREAS, City has identified additional services needed for the completion of the project identified in the Agreement, in the amount of Nineteen Thousand Eight Hundred Seventy-Four Dollars (\$19,874).

NOW, THEREFORE, in consideration of the foregoing recitals which are incorporated herein by this reference, City and Consultant agree as follows:

1. Section 1, "Scope of Services" is hereby amended by adding the additional services identified in Exhibit "A-1," attached hereto and incorporated herein by this reference.

2. Section 3, "Compensation/Payment" is hereby amended by adding an additional \$19,874 for the additional services, as set forth in the budget attached hereto as Exhibit "B-1," for a total contract amount not to exceed \$154,874.

2. All terms and conditions of the Agreement not inconsistent with this First Amendment shall remain in full force and effect, and are incorporated herein by this reference as if set forth in full.

(Signatures on Following Page)

IN WITNESS WHEREOF, City and Consultant have caused this First Amendment to Professional Consultant Services Agreement for Riverside Public Utilities Financial and Performance Audit to be duly executed on the day and year first above written.

CITY OF RIVERSIDE, a California  
charter city and municipal corporation

By: \_\_\_\_\_  
City Manager

Attest: \_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

By: Susan Wilson  
Susan Wilson  
Assistant City Attorney

BAKER TILLY VIRCHOW KRAUSE, LLP,  
an Illinois limited liability partnership  
authorized to do business in California

By: Russell A. Hissom

Printed Name: Russell A. Hissom

Title: Partner

By: Jodi L. Dobson

Printed Name: Jodi L. Dobson

Title: Partner

## **EXHIBIT A-1**

### **Scope of Services**



**BAKER TILLY**

Baker Tilly Virchow Krause, LLP  
Ten Terrace Ct, PO Box 7398  
Madison, WI 53707-7398  
tel 608 249 6622  
fax 608 249 8532  
bakertilly.com

April 7, 2016

**Marianna Marysheva-Martinez**  
Assistant City Manager  
City of Riverside, CA

Via email

Dear Marianna:

Thank you for this opportunity to serve the City of Riverside in performing the Financial and Performance Audit of Riverside Public Utilities.

Based on our recent conversation on the status of the Financial Audit and issues we've encountered in completing the project, this attachment describes the proposed amendment to the original contract for that project. Once you have had a chance to review this I can give you a call or please don't hesitate to contact me at 608 240 2361 or at [russ.hissom@bakertilly.com](mailto:russ.hissom@bakertilly.com).

Thank you for allowing us to serve you.

Sincerely,

BAKER TILLY VIRCHOW KRAUSE, LLP

Russell A. Hissom, CPA, Partner

Enclosure

Marianna Marysheva-Martinez, Assistant City Manager  
City of Riverside

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**City of Riverside**  
**Contract Amendment for**  
**Riverside Public Utilities Financial Audit**

**Objective:**

To amend the contract with the City of Riverside for the Riverside Public Utilities (RPU) Financial audit, and allow for the additional time and fees required as a result of unforeseen delays and issues encountered with obtaining documentation and evidence from City Finance.

**Contracted Services**

Baker Tilly was engaged by the City of Riverside to perform an expanded Financial Audit of Riverside Public Utilities (RPU) expenditures and test compliance by RPU with policies and procedures in effect during the audit period. As discussed in a phone conference with the Riverside project manager on March 29, 2016 we have encountered issues in obtaining and testing documentation which have resulted in project delays and used the hours in the original project budget.

We respectfully request a contract amendment to complete testing and finish the project.

**Professional Fees**

We estimate the additional hours and fees required to complete the project are as follows:

Item	Description	Assumptions	Hours	Blended Staff Hourly Rate	Estimated Fee
1	Transaction testing	Based on 540 transactions remaining to be tested at 12 minutes each	108	\$151	\$16,308
2	Report preparation		11	170	1,870
3	Report edits and presentation to management, RPU Board and Council		8	212	1,696
<b>Total estimated hours and fees</b>			<b>127</b>		<b>\$19,874</b>

Marianna Marysheva-Martinez, Assistant City Manager  
City of Riverside

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### Project Completion Timeline

Based on being granted network access by April 6, 2016 our estimated completion timeline is as follows:

Task	Begin	End	4/4-4/8	4/11-4/15	4/18-4/22	4/25-4/29	5/2-5/6	5/9-5/13	5/16-5/20	5/23-5/27
System Access Granted	4/6/2016	4/6/2016								
Conduct Remaining Sample Testing	4/7/2016	4/22/2016								
Follow Up Requests/Questions	4/7/2016	4/25/2016								
Receiving Response to Requests/Questions	4/11/2016	5/2/2016								
Completing Testing Based on Response Received	5/2/2016	5/6/2016								
Draft Report	5/9/2016	5/13/2016								
Riverside Report Review/Edits	5/16/2016	5/20/2016								
Final Report	5/23/2016	5/25/2016								

### Agreement to Contract Amendment

If the terms of this letter are in accordance with your understanding and agreement, please sign below and return a signed copy of this letter via mail or scanned email.

If you have any questions, don't hesitate to call Russ Hissom at 608 240 2361 or email [Russ.Hissom@bakertilly.com](mailto:Russ.Hissom@bakertilly.com). We appreciate the opportunity to provide these services.

Sincerely,

BAKER TILLY VIRCHOW KRAUSE, LLP

*Baker Tilly Virchow Krause, LLP*

Enclosure

We hereby accept the terms of this amendment and formally approve this amendment.

\_\_\_\_\_  
Official Signature

\_\_\_\_\_  
City of Riverside

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**EXHIBIT “B-1”**

**Compensation/Payment**



Marianna Marysheva-Martinez, Assistant City Manager  
City of Riverside

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