K22-013

AMENDMENT NO. 2 TO PROFESSIONAL SERVICES AGREEMENT

BETWEEN

THE CITY OF NEW ORLEANS

AND

PLANTE & MORAN, PLLC

THIS SECOND AMENDMENT is entered into by and between the City of New Orleans, represented by LaToya Cantrell, Mayor (the "**City**"), and Plante & Moran, PLLC, represented by Mark Warner, Partner (the "**Contractor**"). The City and the Contractor are sometimes collectively referred to as the "**Parties.**" The Amendment is effective as of January 1, 2022 (the "**Effective Date**").

RECITALS

WHEREAS, on May 21, 2019, the City and the Contractor entered into a professional services agreement in response to RFP No. 4011-02452 to hire a financial consultant (the "**Agreement**"); and

WHEREAS, on June 25, 2021, the City and the Contractor modified the Agreement to include a Scope of Services to continue to provide professional services through calendar year 2021; and

WHEREAS, the City and the Contractor, each having the authority to do so, now desire to enter this Amendment to increase the compensation of the Contractor, modify the scope of work and deliverables for calendar year 2022 and to add terms and conditions.

NOW THEREFORE, for good and valuable consideration, the City and the Contractor amend the Agreement as follows:

1. ***Term.*** The City and the Contractor reaffirm that the term of the Agreement remains effective through December 31, 2022.
2. ***Compensation.*** The maximum compensation described in Paragraph B under Article IV of the Agreement is increased by $825,000.00 and is now $2,553,870.00.
3. ***Additional Miscellaneous Provision.*** The following terms and conditions are added to the Agreement:

LIVING WAGES

A. ***Definitions.*** Unless otherwise expressly provided in this Amendment, Capitalized terms used but not defined herein, shall have the definition attributed to them in Article VIII, Section 70-802 of the City Code.

B. ***Compliance.*** To the fullest extent permitted by law, the Contractor agrees to abide by City Code Sections 70-801, *et seq.*, which requires, in pertinent part, the following:

1. Payment of an hourly wage to Covered Employees equal to the amounts defined in the City Code ("**Living Wage**");

2. Receipt of at least seven (7) days per year of compensated leave for Covered Employees, as required by Section 70-807 of the City Code; and

3. Post notice in a prominent place regarding the applicability of the Living Wage Ordinance in every workplace in which Covered Employees are working that is within the Covered Employer's custody and control, as required by Section 70-810 of the City Code.

C. ***Living Wage.*** In accordance with the Living Wage Ordinance, Living Wage shall be as follows:

1. $11.19 per hour for any work performed on or before December 31, 2021;
2. $13.25 per hour for any work performed on or before December 31, 2022;
3. $15.00 per hour for any work performed on or before December 31, 2023; and
4. $15.00 per hour plus any adjustment provided in subsection D below for any work performed during calendar year 2024 or thereafter.

D. ***Adjusted Living Wage.*** In accordance with Section 70-806(2) of the City Code, the Living Wage shall be annually adjusted for inflation, as defined by the Consumer Price Index calculated by the U.S. Bureau of Labor Statistics as applied to the South Region, except that in no instance shall the Living Wage be adjusted downward. The first adjustment shall become effective on January 1, 2024 using the Consumer Price Index figures provided for the preceding year, and thereafter on an annual basis.

A. ***Subcontract Requirements.*** As required by Section 70-804 of the City Code, the Contractor, beneficiary, or other Covered Employer, prior to entering into a subcontract, shall notify subcontractors in writing of the requirements and applicability of Article VIII – The Living Wage Ordinance ("**Article**"). City contractors and beneficiaries shall be deemed responsible for violations of this Article by their subcontractors.

B. ***Reporting.*** On or before January 31st and upon request by the City, the Contractor shall identify (a) the hourly wage earned by the lowest paid Covered Employee and (b) the number of days of compensated leave received by Covered Employees earning less than 130% of the then-prevailing wage during the current term of the Agreement, and provide the identified information to the following:

Office of Workforce Development
Living Wage - Compliance

1340 Poydras Street – Suite 1800
New Orleans, Louisiana 70112

C. ***Compliance Monitoring*.** Covered Employers under this Amendment are subject to compliance monitoring and enforcement of the Living Wage requirements by the Office of Workforce Development (the "**OWD**") and/or the Chief Administrative Office ("**CAO**"). Covered Employers will cooperate fully with the OWD and/or the CAO and other City employees and agents authorized to assist in the administration and enforcement of the Living Wage requirements. Steps and actions include, but are not limited to, requirements that: (i) the Contractor will cooperate fully with the OWD and the CAO and other City employees and agents authorized to assist in the administration and enforcement of the Living Wage requirements; (ii) the Contractor agrees that the OWD and the CAO and their designees, in the performance of their duties, shall have the right to engage in random inspections of job sites and to have access to the employees of the Contractor, payroll records and employee paychecks; and (ii) that the City may audit such records of the Contractor as he or she reasonably deems necessary to determine compliance with the Living Wage standards.

D. ***Remedies***. If the Contractor fails to comply with the Living Wage requirements during the term of the Amendment, said failure may result in termination of the Agreement or the pursuit of other remedies by the City, including, but not limited to, the penalties and enforcement mechanisms set forth in Section 70-811 of the City Code.

4. ***Convicted Felon Statement*.** The Contractor swears that it complies with City Code Section 2-8(c). No Contractor principal, member, or officer has, within the preceding five years, been convicted of, or pled guilty to, a felony under state or federal statutes for embezzlement, theft of public funds, bribery, or falsification or destruction of public records.

5. ***Non-Solicitation Statement*.** The Contractor swears that it has not employed or retained any company or person, other than a bona fide employee working solely for it, to solicit or secure this Amendment. The Contractor has not paid or agreed to pay any person, other than a bona fide employee working for it, any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from this Amendment.

6. ***Prior Terms Binding*.** Except as otherwise provided by this Amendment, the terms and conditions of the Agreement remain in full force and effect.

7. ***Electronic Signature and Delivery*.** The Parties agree that a manually signed copy of this Amendment and any other document(s) attached to this Amendment delivered by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Amendment. No legally binding obligation shall be created with respect to a party until such party has delivered or caused to be delivered a manually signed copy of this Amendment.

8. ***Scope of Work and Deliverables.*** The Parties agree that Exhibit A to the Agreement is hereby amended to additionally include the scope of work from ATTACHMENT A to this Amendment.

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[SIGNATURES CONTAINED ON NEXT PAGE]

IN WITNESS WHEREOF, the City and the Contractor, through their duly authorized representatives, execute this Amendment.

CITY OF NEW ORLEANS

BY: ______________________

LATOYA CANTRELL, MAYOR

Executed on this 27th **of** January ______________________,
2022**.**

FORM AND LEGALITY APPROVED:

Law Department

By: ______________________

Printed Name: Tracy Tyler

PLANTE & MORAN, PLLC

BY: ______________________

MARK WARNER – PARTNER

FEDERAL TAX I.D: [redacted]

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[ATTACHMENT A TO AMENDMENT NO 2 CONTAINED ON NEXT PAGES]

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ATTACHMENT A TO AMENDMENT NO. 2
EXHIBIT A TO THE PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE CITY OF NEW ORLEANS
AND
PLANTE & MORAN, PLLC
2022 SCOPE OF WORK AND DELIVERABLES
FINANCIAL CONSULTANT

Background

Plante Moran and the City will extend the current engagement K19-571, originally dated May 21, 2019 for Plante Moran to continue to provide Financial Consultant assistance through approximately December 31, 2022 at the City's discretion. Plante Moran's work product will be in the form of consulting and accounting support tasks under the direction and supervision of the City's Chief Financial Officer and designees. Plante Moran will facilitate communications to understand City requirements, run reports from the City's systems, perform analysis, enter transactions and other information approved by the City into the City's systems, and provide financial reconciliation and other consulting services as further described to assist the City in its ongoing financial operations as well as other accounting matters. Plante Moran will continue to provide a periodic deliverable of an engagement status report, detailing activities performed for the given time period.

Plante Moran's fee for this scope of work, will be based on the actual time that staff expend at negotiated rates and may be less than but will not exceed $825,000. Additional levels of Plante Moran accounting support beyond the fees that have been described in this amendment can be requested by the City at the appropriate time and will not be performed or billed until formally approved in writing, separately, by the City.

Plante Moran's work already underway under the existing Agreement will be transitioning in December 2021 and will continue through the end of December 2022 under this change order (12 months) based on staff involvement.

Requested Support

Priorities for how Plante Moran will allocate its time will be established by the City on an ongoing basis. Plante Moran will perform periodic status updates and engagement coordination discussions with the City's fiscal leadership team members to discuss our observations, progress, required City decisions, and planned activities. Plante Moran will work under the direction and supervision of the City to direct how consultant resources prioritize time to assist the City with the work tasks assigned. The following are a sample of the activities that may be requested:

1) **Audit Preparation and Readiness** including:
   a) Consult with City staff in relation to their interaction with the City's independent auditors to understand primary areas of concern regarding audit readiness, developing and tracking milestones for completion of agreed upon areas and communicate status to you and your deputy regularly
   b) Assist with true up calculations for the General Ledger, as requested, for review by the City's project sponsor, or designee. Samples may include evaluating and proposing depreciation adjustments on government funds
   c) Assist with preparing the 2021 Prepared by Client (PBC) list with new system report names and the order in which documents are to be submitted.
   d) Assist with preparing the general liability rollforward for review by the City's project sponsor, or designee
   e) Cash Reconciliations
      i) Assist and train Treasury staff in CNO's established process to prepare property tax reconciliations
         (1) Propose Journal entries for refunds for review by the City's project sponsor, or designee
         (2) Review 2021 Chase AVT Lockbox for variances to identify potential gaps in payment postings
      ii) Assist with bank reconciliations (similar to prior year support)
   f) Assist with preparing draft Cash Letter Confirmations
   g) Coordinate procedures for bank reconciliations (similar to prior year support)
      i) Coordinate review of current 2020 including confirming bank accounts with Treasury
   h) Review AP/Cash by Fund process and make recommendations on process improvements
   i) Offer guidance/suggestions/best practices to the City's accounting team
2) **GASB Assistance**: Continue to provide coaching, consulting, and facilitation for City team with implementation of newly required Governmental Accounting Standards Board (GASB) statements including assistance specifically:
      i) GASB 61 review city council minutes to identify new component units
      ii) GASB 83 worksheet analyzing certain asset retirement obligations for proper reporting under new standard (effective FY2020)

iii) GASB 84 worksheet analyzing fiduciary funds for proper reporting under new standard (*effective FY 2020*)
iv) GASB 87 worksheet; Meet with lease team to begin discussions of upcoming lease standard changes (*effective FY 2022)*
v) GASB 88 worksheet compiling necessary disclosure information for debt (effective FY 2020)
vi) GASB 89 modifying interest expense treatment for capital projects (effective FY 2021)

3) **ACFR / Financial Reporting Assistance** – Assist City team with review of financial reporting tools to understand additional mapping requirements for ACFR reporting in new software model, obtain GFOA Certificate of Achievement for Excellence in Financial Reporting Program comments from prior fiscal year award and assist City team with formulating responses and document improvements.
4) Provide support to assist the City with analysis and other financial calculations as staff reviews and analyses the **Millage** rate. Activities may include reviewing tax tables and providing analysis and recommendations to align any identified inconsistencies.
5) Plante Moran will continue to work with staff from its local partner, Luther Speight & Co., to enhance and support the above activities. Luther Speight & Co. will continue to provide staff up to 1,700 total hours during 2022.