K22-1306

AMENDMENT NO. 3 TO PROFESSIONAL SERVICES AGREEMENT

BETWEEN

THE CITY OF NEW ORLEANS

AND

PLANTE & MORAN, PLLC

THIS THIRD 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, 2023 (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 ("**Amendment 1**") to include a Scope of Services to continue to provide professional services through calendar year 2021; and

WHEREAS, on January 22, 2022, the City and the Contractor modified the Agreement ("**Amendment 2**") to include a Scope of Services to continue to provide professional services through calendar year 2022; 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 2023 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, 2023.
2. ***Compensation***. The maximum compensation described in Paragraph B under Article IV of the Agreement is increased by $900,000.00 and is now $3,453,870.00.
3. ***Prior Terms Binding***. Except as otherwise provided by this Amendment, the terms and conditions of the Agreement remain in full force and effect.
4. ***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.

5. ***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.

[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 29th **of** December, **20**22.

FORM AND LEGALITY APPROVED:

Law Department

By: ______________________

Printed Name: ______________________

PLANTE & MORAN, PLLC

BY: ______________________

Printed Name: Mark Warner

FEDERAL TAX I.D.: ______________________

[ATTACHMENT A TO AMENDMENT NO 3 CONTAINED ON NEXT PAGES]

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ATTACHMENT A TO AMENDMENT NO. 3

EXHIBIT B TO THE PROFESSIONAL SERVICES AGREEMENT BETWEEN

THE CITY OF NEW ORLEANS

AND

PLANTE & MORAN, PLLC

2023 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, 2023 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 $900,000. 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 2022 and will continue through the end of December 2023 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 general liability roll-forward for review by the City's project sponsor, or designee
   d) 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 2022 & 2023 Chase AVT Lockbox for variances to identify potential gaps in payment postings
      ii) Assist with bank reconciliations (similar to prior year support)
   e) Assist with preparing draft Cash Letter Confirmations
   f) Coordinate procedures for bank reconciliations (similar to prior year support)
      i) Coordinate review of current 2022 including confirming bank accounts with Treasury
   g) Review AP/Cash by Fund process and make recommendations on process improvements
   h) Offer guidance/suggestions/best practices to the City's accounting team including assistance with development of documentation of City procedures and work instructions.
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 related to:
      i) GASB 83 worksheet analyzing certain asset retirement obligations for proper reporting under new standard
      ii) GASB 84 worksheet analyzing fiduciary funds for proper reporting under new standard
      iii) GASB 87 worksheet; Meet with lease team to begin discussions of upcoming lease standard changes *(effective FY 2022)*

(1) Recommend a process to obtain and track vendor
   (a) Vendor number
   (b) Contract number, owner, location of electronic documents
   (c) Effective date/expiration date

iv) GASB 88 worksheet compiling necessary disclosure information for debt
v) GASB 89 modifying interest expense treatment for capital projects
vi) GASB 96 – for subscription-based information technology arrangements (Effective FY 2023)
vii) GASB 92 – Omnibus 2020 (in order to enhance comparability in accounting and financial reporting Effective 2022)

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
   a) In conjunction with the City's planned transition to the Birst reporting tool, participate in vendor training and work with the City's fiscal team to review opportunities to develop and train City staff on targeted queries and other components to assist with report development.
4) **Support the City's ongoing training of Accounting and Treasury staff**, by providing resources, materials development and training delivery to fiscal staff related to fiscal best practices. Possible topics offerings include:
   a) Preparation of audit schedules
   b) Perform bank reconciliations
   c) Analyze financial data to improve the efficiency of work produced
   d) Create ad-hoc reports
   e) Share Excel tips and tricks
5) **Support City's Financial System Improvement Plans**: Participate in planned City efforts to evaluate the strengths and gaps with its financial software and provide feedback / observations as the City plans to modernize its financial reporting tools
6) 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
7) 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 2023