

# **Attachment "F"**

**FIRST MODIFICATION OF AGREEMENT NO. 2374  
BETWEEN THE CITY OF SANTA MONICA AND MANAGEMENT PARTNERS**

THIS FIRST MODIFICATION OF AGREEMENT NUMBER 2374 ("First Modification"), entered into as of April 3, 2012 2012 ("Effective Date"), by and between the CITY OF SANTA MONICA, a municipal corporation ("City"), and Management Partners, Incorporated ("Management Partners"), is made with reference to the following:

**RECITALS**

- A. On or about November 23, 2011, the City and Management Partners entered into Agreement No. 2374 to provide the City with an operational and organizational review of the Cemetery Division of the Public Works Department.
- B. The parties desire to enter this First Modification to extend the term of the Original Agreement till March 31<sup>st</sup> 2015 and to provide for compensation amount as defined in Section 4 of this First Modification.

Now, therefore, the undersigned parties agree to modify the Agreement as follows:

**TERMS AND CONDITIONS**

1. Section 1 of the Original Agreement shall be modified to replace the term "30<sup>th</sup> day of June 2012" with the term "31<sup>st</sup> day of March 2015".
2. Section 2 of the Original Agreement shall be modified by adding the following paragraph:

In addition to the Services set forth under Exhibit A, Scope of Services, Consultant shall perform all of the additional Services ("Additional Services") that are set forth under Exhibit A-1, Additional Scope of Services.

3. Section 4 of the Original Agreement, entitled "COMPENSATION", shall be modified by adding the following paragraph:

Consultant shall be compensated for the Additional Services that are set forth under Exhibit A-1 in an amount not to exceed Thirty Thousand Dollars (\$30,000), which includes all fees and expenses set forth in Exhibit B-1, Budget.

4. Section 5 of the Original Agreement, entitled "NOTICES", shall be deleted and replaced with the following:

All notices, demands, requests or approvals to be given under this Agreement, shall be given in writing and conclusively shall be deemed served when delivered personally or on the given third business day after deposit in the United State mail, postage prepaid, registered or certified, addressed as follows:

- A. All notices, demands, requests or approvals from Consultant to City shall be addressed to City at:

Susan Cline  
Assistant Director of Public Works  
City of Santa Monica  
1685 Main Street, Room 116  
Santa Monica, California 90401

With a copy to:

Donald Patterson  
Assistant Director - Finance  
City of Santa Monica  
1717 Fourth Street, Suite 250  
Santa Monica, California 90401

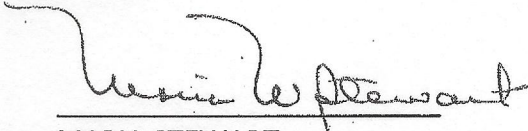
- B. All notices, demands, requests or approvals from City to Consultant shall be addressed to Consultant at:

Andrew Belknap  
Regional Vice President  
Management Partners, Incorporated  
2107 N. 1<sup>st</sup> Street, Suite 470  
San Jose, CA 95131

4. Exhibit A of the Original Agreement is hereby supplemented with the Additional Scope of Services specified in Exhibit A-1.
5. Exhibit B of the Original Agreement is hereby supplemented with the Budget specified in Exhibit B-1.
6. Except as set forth in this First Modification, all other terms and conditions of the Agreement shall be and remain in full force and effect.


In witness whereof, the parties have caused this First Modification to be executed the date and year first above written.

ATTEST:



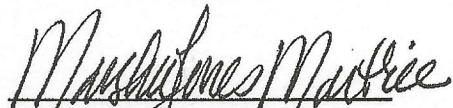
MARIA STEWART  
City Clerk

CITY OF SANTA MONICA,  
a municipal corporation

By: 


ROD GOULD  
City Manager

APPROVED AS TO FORM:



MARSHA JONES MOUTRIE  
City Attorney

CONSULTANT:  
Management Partners, Inc.

By: 

GERALD E. NEWFARMER

## EXHIBIT A-1

### ADDITIONAL SCOPE OF SERVICES

Management Partners ("Consultant") has been selected to perform an objective review of key factors that have a bearing on the Finance Department operations such as:

- Service demands and the quality of services;
- Efficiency of staffing utilization, including workload distribution, classifications, and management practices; and
- Management and organization structure, including functional responsibility alignment and span of control.

Consultant shall perform the following services for the review of the Finance Department:

#### 1. Activity 1 – Start Project

Consultant will begin the project by meeting with the Finance Director and Assistant Finance Director to ensure they have a clear understanding of the City's objectives for this review. Following the meeting, they will fine-tune the scope of work and finalize the project schedule.

#### 2. Activity 2 – Review Information and Obtain Input

Consultant will seek to understand finance operations, structure, staffing, services and challenges. During this activity consultant will gather data using the techniques described below:

- *Review Written Documents.* Consultant will obtain and review relevant background information such as budgets, organization charts, staffing information, job descriptions, work plans, performance indicators, process maps, training materials, policies and procedures, and previous studies conducted about the Department.
- *Conduct Management and Supervisor Interviews.* Consultant will interview 8 to 10 key managers to gather information about operations. During the interviews they will ask about structure and staffing; mission, goals and objectives; workload; performance expectations; duties and responsibilities; business practices; and other factors that will provide a solid picture of the present environment. Based on the interviews and as a result of our review of background information, they will develop an understanding of how management positions are utilized in the delivery of services.

- *Facilitate Employee Focus Groups.* To further their depth of knowledge about department operations, the Consultant will conduct two, two-hour focus groups to engage finance employees. Consultant seeks to tap into employees' extensive knowledge of finance operations and ideas about needs, opportunities and goals for the department.

These tasks will help the Consultant develop a thorough understanding of existing finance operations. At the conclusion of this activity, they will prepare a summary of the key issues identified during the interviews and focus groups, which will be incorporated into the final project report.

### **3. Activity 3 – Conduct Staffing and Organization Analysis**

The Consultant will carefully analyze the information gathered previously to develop recommendations for organizational and staffing changes that, if implemented, will improve operational efficiency. To do this the Consultant will review existing position information and compare current practices with established performance standards and assess the efficiency and effectiveness of staffing utilization and operations by reviewing workload and performance data.

The Consultant will focus on identifying any operational redundancies and exploring whether they can be resolved effectively through organization changes. The Consultant will also evaluate management practices and supervision ratios, assess current employee training and development practices, and evaluate how performance expectations are defined and supported. The Consultant will look at spans of control and whether changes to supervision ratios could improve productivity.

Based on this analysis, the Consultant will identify specific recommendations that may include changes to organization structure, staffing, and management practices to improve effectiveness; business practice or service delivery changes that will improve efficiency; and/or staff training and development changes to ensure adequate bench strength for a stable organization that can withstand staff turnover and better support the larger City organization.

### **4. Activity 4 – Report Results**

Upon completion of analysis, the Consultant will prepare a memorandum that presents their analysis and recommendations to improve operations. The recommendations in the memorandum will be supported by quality analysis. The Consultant ensures that

observations and subsequent recommendations are organized in an easy to understand format and presented in a positive manner.

The Consultant will prepare a draft memorandum and review it with the City to ensure factual accuracy and as a vehicle to discuss the ideas it presents before moving to a final version. The Consultant will finalize the draft upon receipt of the City's feedback.

**5. Activity 5 – Support Implementation**

Upon the City's acceptance of the project memorandum, the Consultant will prepare a draft Implementation Action Plan. The Action Plan will serve as an executable plan of work that details the specific steps needed to accomplish each recommendation, including a schedule, milestones, and assigned responsibility. The Action Plan will help the City manage and track implementation of the Consultant's recommendations.

**EXHIBIT B -1  
BUDGET**

**Hours, Cost and Schedule**

The total cost of the additional scope in Exhibit A-1 is a not-to-exceed price of \$30,000, which includes all fees and expenses. The Budget is based on an anticipated 194 hours of Consultant staff time to execute the Scope of Services in Exhibit A-1. The table below outlines the number of staff hours estimated to complete each of the activities described in the Scope of Services.

<b>Activity</b>	<b>Hours</b>
1: Start Project	7
2: Review Information and Obtain Input	48
3: Conduct Staffing and Organization Analysis	90
4: Report Results	43
5: Support Implementation	6
<b>Total</b>	<b>194</b>