

**AMENDMENT NO. 3 TO AGREEMENT A4046F
BETWEEN THE SANTA CLARA VALLEY WATER DISTRICT
AND PMA CONSULTANTS LLC**

This Amendment No. 3 (Amendment), effective as of the date it is fully executed by the Parties, amends the terms and conditions of the Standard Consultant Agreement No. A4046F (Agreement) dated January 18, 2017, as amended by Amendment No.1 dated June 8, 2017, and Amendment No. 2 dated December 28, 2017, between SANTA CLARA VALLEY WATER DISTRICT (District) and PMA CONSULTANTS LLC (Consultant), collectively, the Parties.

RECITALS

WHEREAS, Consultant is currently performing auditing services of the Lower Silver Creek Flood Protection Project, Consultant Agreement (A3277G) with RMC Water and Environment and the affiliated Amendment No.'s 1, 2, and 3; and

WHEREAS, the Agreement currently expires on August 31, 2018; and

WHEREAS, the Parties desire to amend the Agreement to add additional tasks to conduct a fiscal impact analysis and resolve and/or clarify specific allegations raised by media related to Agreement A3277G and the affiliated Amendment No.'s 1, 2, and 3.

NOW, THEREFORE, in consideration of the mutual promises and agreements stated herein and notwithstanding any provision to the contrary stated in the Agreement, Amendment No. 1, or Amendment No. 2, District and Consultant hereby agree to amend the Agreement as follows:

1. Revised Schedule A-GEN, Scope of Services, is amended as stated in Revised Schedule A-GEN, Scope of Services, and incorporated herein by this reference.
2. Revised Attachment One to Revised Schedule A-GEN, Fees and Payments, is amended to provide additional funding for the modified scope and revise the Agreement Total Not-to-Exceed Amount payable to Consultant, as set forth in the attached Revised Attachment One to Revised Schedule A-GEN, Fees and Payments, and incorporated herein by this reference.
3. Revised Attachment Two to Revised Schedule A-GEN, Schedule of Completion, is amended to revise the schedule for Consultant to perform the additional tasks as set forth in the attached Revised Attachment Two to Revised Schedule A-GEN, Schedule of Completion, and incorporated herein by this reference.
4. All other terms and conditions of Agreement A4046F, Amendment No.1, and Amendment No. 2, not amended as stated herein, remain in full force and effect.

(SIGNATURES FOLLOW ON NEXT PAGE)

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IN WITNESS WHEREOF, THE PARTIES HAVE SET FORTH BELOW THEIR CONSENT TO THE TERMS AND CONDITIONS OF THIS AMENDMENT NO. 3 TO AGREEMENT NO. A4048F THROUGH THE SIGNATURES OF THEIR DULY AUTHORIZED REPRESENTATIVES.

SANTA CLARA VALLEY WATER DISTRICT
"District"

PMA CONSULTANTS LLC
"Consultant"

By: _____
Richard P. Santos
Chair/Board of Directors

By: _____
Bruce Stephan
Executive Director

Date: _____

Date: _____

Firm Address:

ATTEST:

300 Lakeside Drive, Suite 400
Oakland, CA 94612

Michele L. King, CMC
Clerk/Board of Directors

Date: _____

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**AMENDMENT NO. 3 TO AGREEMENT A4046F
REVISED ATTACHMENT ONE TO REVISED SCHEDULE ADMIN-GEN
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1. Representatives.

- A.** The District Project Manager (DPM) for this Agreement is as listed below. Unless otherwise provided in this Agreement, all correspondence to the District shall be addressed to the District Project Manager:

Karna DuQuite (Project Manager)
Supervising Program Administrator
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118-3638
Phone: 408-630-2944
E-mail: kduquite@valleywater.org

Darin Taylor
Chief Financial Officer
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118-3638
Phone: 408-630-3068
E-mail: dtaylor@valleywater.org

- B.** The Consultant's Project Manager is as listed below. All District questions pertaining to this Agreement shall be referred to the Consultant's Project Manager.

Bruce Stephan (Project Manager)
455 Market Street, Suite 1270
San Francisco, CA 94105
Phone: 917-842-1970
E-mail: bruce@pmaconsultants.com

- C.** The Consultant's Principal Officer for this Agreement is as listed below. As per the Agreement, Section Twelve, Miscellaneous Provisions, subsection 19., Notices, all notices pertaining to this Agreement must be submitted to the Consultant's Principal Officer.

Don Fredlund (Consultant Principal Officer)
Chief Operating Officer
3800 N. Central Avenue, Suite 570
Phoenix, AZ 85012
Phone: 480-719-1362
E-mail: don@pmaconsultants.com

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2. Scope of Services.

This Revised Schedule ADMIN-GEN, Scope of Services describes the professional services to be performed by Consultant for the District's **Performance Audit of Lower Silver Creek Flood Protection Project Agreement With RMC Water and Environment** (Project). The District may, at its discretion, choose to negotiate additional amendment(s) to this Agreement with Consultant for additional services.

3. Project Objectives.

The purpose of the Agreement is for the Consultant to conduct an audit of the Lower Silver Creek Flood Protection Project Consultant Agreement with RMC Water and Environment (RMC) (A3277G) and the affiliated Amendment No.'s 1, 2 and 3. This audit will determine if the work performed by the Consultant or under its direction and by staff was sufficient to meet the purposes specified in Agreement A3277G and the affiliated amendments, and that services were rendered in accordance with the scope of services identified within A3277G and the affiliated amendments.

Additionally, the Consultant will perform a financial impact analysis and present findings/clarifications related to specific media allegations pertaining this Agreement and the affiliated amendments. The Consultant will also recommend industry best practices related to firewall processes/practices.

4. Project Background.

The District manages an integrated water resources system that includes the supply of clean safe water, flood protection, and stewardship of streams on behalf of Santa Clara County's 1.8 million residents and businesses. The District effectively manages 10 (ten) dams and surface water reservoirs, 3 (three) water treatments plants, nearly 400 (four hundred) acres of groundwater recharge ponds and more than 275 (two hundred seventy-five) miles of streams.

5. General Assumptions and Requirements.

The following is a list of general assumptions:

- A. Manage Scope of Services.** The Consultant shall manage the Scope of Services such that the work is completed within the Not-to-Exceed Fees limit and in accordance with the Project schedule and ensure that all Services and deliverables meet the District and Project requirements.
- B. Deliverable Format.** Consultant shall submit deliverables in both electronic and hardcopy format. Deliverables shall be submitted in PDF and native (editable) format, including Word documents, Excel spreadsheets, PowerPoint files, AutoCAD files, etc. The hard copy deliverables shall be printed in professional quality presentation and Performance Audit of Lower Silver Creek Flood Protection Project Consultant Agreement (A3277G) with RMC Water and

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Environment submitted in 5 (five) copies. District may require original copies of signed documents and/or scanned (Adobe PDF) versions.

- C. Review of Deliverables.** The District will review and comment on all Project deliverables and forward to the Consultant for revision and preparation of final versions as determined by the District, some of the deliverables may also be subject to review and comment from regulatory agencies and stakeholders following the District review process.
- D. District Quality Environmental Management System.** The District maintains a Quality Environmental Management System (OEMS) which has procedures, guidelines and work instructions for the performance of various District work. If requested, the Consultant will perform some of the contract tasks and/or sub-tasks in accordance with the OEMS framework. In such situations, the DPM will provide the Consultant with the specific OEMS procedure, guideline, and/or work instruction prior to the production of deliverables.
- E. Consultant Responsibility.** Consultant, with its expertise in the provision of the listed services, is responsible for making the appropriate assumptions in each task to complete each task's deliverables and to achieve the Project objectives of this Agreement as described in Article 2, Scope of Services.
- F. Document Control.** The Consultant is responsible for establishing and maintaining its own document control system to execute this Scope of Services. An internal document control system for this project is maintained by the District.
- G. File Exchange Service.** Consultant will provide a file exchange service to facilitate communications; particularly of large files over three (3) megabytes. Difficulties in using and transmitting information with this exchange service shall be resolved by the Consultant. In the event that transmitting or receiving information does not occur in a timely manner, the District will not be responsible for delays in completing Project work. Consultant may need to work with District's Information Technology Unit to address any firewall issues and/or permissions required to allow for these communications.
- H. Project-Specific Assumptions and Requirements.**
1. SCVWD has already conducted legal and financial reviews of the agreement; District will provide available reports to the Consultant. Consultant will perform a performance review focusing on issues raised that were not handled, or not handled properly.
 2. Scope of audit pertains only to Consultant Agreement A3277G and affiliated Amendments No.'s 1, 2, and 3.
 3. Accessibility of information and access to stakeholders is a key risk in being able to produce audit results.

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4. Review of board meetings minutes, and segments of board videos specifically related to RMC Agreement.
5. County of Santa Clara Office of the District Attorney Report will be provided, if it exists and is available.
6. Firewall document will be available for review; if it is not, firewall scope limited to process and procedures, and inclusion/exclusion of relevant signatures, or proof of involvement.
7. Supplemental Services is an allowance to increase or modify the scope as directed.
8. The fees and payments as stated herein are predicated upon a holistic award for all revised tasks.
9. District will provide Consultant with organizational charts, authority of positions for those listed in allegations, processes and procedures related to transferring of funds between projects, documentation of transfer between projects during the relevant time-period, 10/27/2015 verbal report, financial review and approval processes, preparation and submittal processes and procedures, previously conducted financial and legal audit, and documents associated with delegation of authority for firewall process (if available).
10. Invoice review assumes 12 invoices (invoices that had charges to Lower Silver Creek Reach 6B from June 2009 to September 2010).

6. Scope of Services.

Task 1—Project Management

The purpose of this task is for Consultant to manage this Scope of Services such that the work is completed within the fixed fees limit stated in Attachment One to Schedule 1, Fees and Payments, and in accordance with the Project Schedule stated in Attachment Two to Schedule 1, Schedule of Completion, while ensuring that all services and deliverables by the Consultant meet the District and Project requirements.

1. **Audit Work Plan.** Consultant will prepare a revised Audit Work Plan in accordance with this modified Scope of Services.
 - 1.1 The revised Audit Work Plan shall include modified Project objectives, requirements, constraints, a detailed modified Project Schedule (showing major tasks and deliverables), a breakdown of Consultant's costs for the major tasks, a list of the Consultant's team members and their roles and responsibilities, communication protocols (internal and external), document control procedures, and other administrative procedures. It will also include:

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- a. Audit criteria;
 - b. Determination of how conditions will be measured and how conclusions will be validated;
 - c. A list of documents and data to be reviewed;
 - d. Schedule of meetings with District management and Board Audit Committee to present findings;
 - e. Final memorandum preparation with findings, verifications, identified performance compliance or performance gaps and recommendations/opportunities for improvement; and
 - f. Reference to draft report and final report in hard and in Microsoft Word or PDF file.
- 1.2 The revised Audit Work Plan shall include a Project Quality Assurance and Quality Control (QA/QC) Plan documenting the Consultant's procedures to ensure the Consultant's services and deliverables meet District requirements and accepted practices and standards of the Consultant's profession. The District reserves the right to request and review the Consultant's Project documentation demonstrating its adherence with their own quality assurance procedures.
- 1.3. One-on-One Meetings with District. The Consultant Project Manager will provide regular updates to the Project Manager on the status of the audit; frequency of these meetings and calls will be as directed by the District but no less than bi-weekly.
- 1.4 Project-Specific Sub-Tasks.
- 1.4.1 Additional Review Meetings. Consultant shall recommend convening and attending meetings, workshops and consultations with the District as needed to complete the Planning tasks.
 - 1.4.2 Consultant will prepare meeting agendas, minutes and presentations as necessary.

Task 1—Deliverables

- 1. Revised Audit Work Plan including QA/QC Plan (Draft and Final).
- 2. Meeting Agendas, Minutes, and Presentations.
- 3. Weekly or Twice-a-week Meetings/Conference Calls attendance and notes; frequency of meetings and calls will be at District's discretion.

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Task 1—Assumptions

1. This task will span the duration of the project.

Task 2—Conduct Project Kick-Off Meetings and Prepare Audit Work Plans.

- 2.1 Consultant will hold a kick-off meeting with the District to present a Draft Audit Work plan to include the following:
 - a. Consultant's understanding of the Project objectives;
 - b. Anticipated work schedule;
 - c. Project staff; and
 - d. Anticipated deliverable dates.
- 2.2 Consultant will prepare a Final Audit Work Plan based on District comments.
- 2.3 Consultant will hold a follow-up kick-off meeting with the District to present a Draft of the Revised Audit Work Plan (Amendment No. 3) to include the following:
 - a. Consultant's understanding of the revised Project objectives;
 - b. Anticipated work schedule;
 - c. Project staff; and
 - d. Anticipated deliverable dates.
- 2.4 Consultant will prepare a Final Audit Work Plan (Amendment No. 3) based on District comments.

Task 2—Deliverables.

1. Initial Kick-off meeting;
2. Initial Audit Work Plan;
3. Kick-off meeting (Amendment No. 3); and
4. Revised Audit Work Plan (Amendment No. 3).

Task 3—Conduct Performance Audit.

Determine if the work performed by RMC or under its direction was sufficient to meet the purposes specified in Agreement A3277G, and affiliated Amendment No.'s 1, 2, and 3, and that services were rendered in accordance with the scope of services identified in Appendix One of this agreement and its affiliated Amendment No.'s 1, 2, and 3. Determine if District staff

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complied with policies and processes and if activities were conducted appropriately. Consultant will interview key staff during the project and interview staff who are no longer with the District if those former employees are willing to participate. If concerns were raised during the contract, Consultant will determine if the concerns were addressed and in a timely manner.

3.1 Review Materials/Conduct Background Research

Review existing information and perform studies and analysis of the conditions stated in Agreement A3277G, and its affiliated Amendment No.'s 1, 2, and 3, and define and confirm the problems and deficiencies. The scope of this task includes but is not limited to:

3.1.1 Review Existing Information. The Consultant shall review all existing information provided by the District including:

- a. Lower Silver Creek Flood Protection Project Consultant Agreement with RMC (A3277G) and the affiliated Amendment No.'s 1, 2, and 3;
- b. Various internal memos related to the matter;
- c. Policies and procedures related to the matter; and
- d. Any other relevant documents, if available.

3.2 Conduct Interviews

Conduct interviews with key stakeholders to collect information and data and gain insight and background on the agreement. Other persons or entities, if available, may be interviewed at the Consultant's request, to ensure full access to information and data required to complete the audit.

At a minimum, the following key stakeholders shall be interviewed for the audit, if available:

1. Interim Chief Executive Officer
2. Chief Operating Officer, Water Utility Division
3. Deputy Operating Officer, Water Utility Capital Division
4. Chief Financial Officer
5. Senior Assistant District Counsel
6. Deputy Administrative Officer, General Services Division
7. Deputy Operating Officer, Watersheds and Operations Division
8. Assistant Civil Engineer
9. Capital Engineering Unit Manager
10. Ethics/Conflict of Interest Program Administrator
11. Field Operations Administrator
12. Purchasing, Contracts, and Warehouse Unit Manager
13. Capital Engineering Unit Manager

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3.3 Conduct Audit Related to Financial Impact Analysis and Media Allegations (Amendment No. 3)

Consultant shall complete the following tasks as related to performing a financial impact analysis; resolving or clarifying media allegations surrounding this Agreement and affiliated Amendments Nos. 1, 2, and 3; and researching and recommending industry best practices related to firewall processes/practices:

- 3.3.1 **Conflict of Interest/Fund Reallocation.** To resolve allegations of financial conflicts of interest within the project, and as related to the RMC Agreement A3277G, the Consultant shall audit the process for reducing funds from one of the 20 watershed projects and the process of reallocating funds to another contract. The Consultant shall determine whether or not fund reallocation from one of the 20 watershed projects to the RMC contract took place. If so, Consultant shall determine if firewall measures were appropriate.
- 3.3.2 **Project Transfer.** To resolve allegations regarding District staff and alleged conflicted transfer of funds between projects, the Consultant shall review process, procedure, and criteria associated with transfer of money between projects. The Consultant shall objectify the process as related to A3277G; review previously conducted audit and accompanying supporting data; and produce findings.
- 3.3.3 **Change Management/Invoices/Overbilling.** To further resolve allegations surrounding alleged missed warning and alleged overbilling, the Consultant shall:
 - 3.3.3.1 **Review (budget) change-management-review process and oversight responsibilities, related to A3277G.**
 - 3.3.3.2 **Review invoice-review process and oversight responsibilities related to A3277G.**
 - 3.3.3.3 **Review all invoices associated with Lower Silver Creek Project, Reach 6B (up to 12 invoices); compare results to findings from previous compliance and invoice audit; determine if RMC received payment for zero hours of work or if RMC was directed to exclude other work; and produce findings.**
 - 3.3.3.4 **Review allegations of double billing and billing for work that was not done, including additional analysis on the October 27, 2015, verbal report that considers whether the invoices followed appropriate financial review/approval processes and followed appropriate preparation and submittal processes. To this end, the Consultant will objectify 'appropriate' financial review and approval processes, as well as preparation and submittal processes.**
- 3.3.4 **District Staff Time.** To resolve allegations regarding use and payment of staff time, the Consultant shall audit whether the District expended hours of staff time to perform work that RMC was paid for. The Consultant shall also compare results of audit findings against compliance audit findings and results from 3.3.3.3 above.

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- 3.3.5 Disclosure of Conflict. To resolve allegations regarding disclosure of potential conflicts of interest, and as they pertain to Agreement A3277G, the Consultant shall determine if any conflicts of interest existed between District employees and RMC. The Consultant shall review documents for approval of contracts, change orders, and invoices, and any notification to the Board of noted conflicts.
- 3.3.6 Firewall Process. To resolve allegations regarding contract approval within a conflict of interest, and as related to Agreement A3277G, the Consultant shall review firewall processes that were in place in December 2009 and determine if firewall processes were effective (review requirement for signatures in typical process, and absence of signature in firewall period).
- 3.3.7 Contract Approval Conflicts. To resolve allegations regarding conflict of interest during Agreement A3277G review and approval, the Consultant shall review public Board of Directors meeting minutes for February and August of 2009 and determine if conflicts of interests related to RMC were mentioned. The Consultant shall also review how this relates to the December 2009 firewall processes in place.
- 3.3.8 Improvement of Firewall Process. By way of continuous improvement associated with District firewall process, the Consultant shall research other public agency practices associated with firewall processes/practices and make recommendations to the District for improvements, if any.
- 3.3.9 Conflict of Interest/Consultant Background Checks. To resolve allegations regarding potential conflict of interest, the Consultant shall:
- a. Review Board of Directors' and Board Audit Committee's meeting minutes and Board of Directors' meeting videos conducted prior to the initial Agreement A3277G to determine if potential conflicts of interests were discussed. Review how this relates to firewall process in place in 2009.
 - b. Research best practices associated with consultant background checks and provide recommendations to the District.
- 3.3.10 Santa Clara County Office of the District Attorney. To resolve allegations regarding potential conflicts of interest and overbilling, the Consultant shall inquire whether or not the District Attorney launched an investigation. If available, the Consultant shall review the investigation findings and determine if they have bearing on audit scope items.
- 3.3.11 Sole Sourcing. To resolve allegations associated with sole-sourcing, the Consultant shall determine if the District sole-sourced the Agreement A3277G and if so, determine if appropriate justification was noted for the sole source.

Task 3—Deliverables

1. Discuss preliminary findings with the District's Project Manager.
2. Provide key findings in a manner as directed by the District.

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Task 4—Produce Preliminary Draft Audit Reports

The Consultant will prepare the preliminary audit report based on the expanded scope of services for District's review. Once reviewed, the Consultant will meet with the District to discuss the preliminary audit report, findings and recommendations, and obtain preliminary feedback and comments. Feedback and comments will be incorporated into the final draft audit report, as appropriate.

Task 4—Deliverables

1. Preliminary Draft Audit Report in an electronic PDF file.
2. Meeting to present the preliminary draft audit report, findings, and recommendations to the District.

Task 5—Produce Final Draft Audit Report

The Consultant will prepare the final draft audit report for District review. Once reviewed, the Consultant will meet with the District and Board Audit Committee to discuss the final draft audit report, findings and recommendations, and obtain feedback and comments. Feedback and management response will be incorporated into the audit report, as appropriate.

Task 5—Deliverables:

1. Final Draft Audit Report in an electronic PDF file.
2. Present to the District and Board Audit Committee, as requested, the final draft audit report, and findings and recommendations.

Task 6—Produce and Present Final Audit Report

The Consultant will prepare a final audit report for District review. Once reviewed, as requested, the Consultant will meet with the Board Audit Committee and the Board of Directors to present and discuss the final audit report, findings, and recommendations.

Task 6—Deliverables:

1. Final Audit Report in an electronic PDF file.
2. Present to the District, Board Audit Committee, and Board of Directors, as requested, the Final Audit Report.

Task 7—Supplemental Services

- 7.1 The District may require, and the Consultant shall perform, Supplemental Services on an as-needed basis.
- 7.2 Prior to performing such Supplemental Services, the Consultant must obtain written authorization in the form of a Task Order approved by the District's authorized

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representative Written authorization will state the agreed upon scope of the services requested, the classifications of staff performing the Supplemental Services associated with the Fixed fees, and schedule.

- 7.3 Details of the specific scope, deliverables, schedule, and fees for any Supplemental Services will be developed with the District and submitted in writing prior to approval to begin work.
- 7.4 The Fixed Fees for each Supplemental Services Task Order will be based upon the negotiated hourly rate schedule (time and materials) and must include all of the following information:
- a. The total price for the Consultant to complete the Supplemental Services Task Order.
 - b. The schedule for completing the Supplemental Services Task Order.
 - c. The Consultant key staff and classifications that will be assigned by the Consultant without prior written authorization from the District.
- 7.5 The Supplemental Services Task Order fees will not be exceeded by the Consultant without prior written authorization from the District.
- 7.6 Under no circumstances shall Consultant start work on Supplemental Services until:
- a. The Supplemental Services Task Order is received, reviewed, and approved by the District.
 - b. The Consultant received a Task Order Notice-to-Proceed from the District's Project Manager.
- 7.7 The Consultant shall perform additional services necessary to fulfill the Project objectives. Specific examples of possible Supplemental Services include:
- a. Additional meetings with staff not identified under Task 3.
 - b. Review of documents not listed above.

8. Attachments

The following listed Attachments are incorporated herein by this reference as though set forth in full:

Revised Attachment One to Revised Schedule ADMIN-GEN—Fees and Payments
(REVISED)

Revised Attachment Two to Revised Schedule ADMIN-GEN—Schedule of Completion
(REVISED)

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Revised Attachment Three to Revised Schedule ADMIN-GEN—Consultant's Key Staff and Subconsultants (UNCHANGED)

Attachment Four to Revised Schedule ADMIN-GEN—Reference Materials (UNCHANGED)

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1. Total Authorized Funding

Total payment for Services performed, as described in the Schedule(s) will not exceed a total amount of **\$292,887** (Not-to-Exceed Fees or NTE). Under no conditions will the total compensation to the Consultant exceed this fixed fee payment amount without prior written approval in the form of an amendment to this Agreement executed by the District's Board of Directors (Board), or Chief Executive Officer, or designee, as authorized by the Board.

2. Cost Breakdown

The NTE total compensation of this Agreement consists of the following task fee breakdown. No services will be performed or fees paid by the District to the Consultant for Supplemental Services without prior written authorization by the District as stated in Schedule A-GEN, Scope of Services.

Task	Description	Original Not-to-Exceed Amount	Amendment No. 1	Amendment No. 2	Amendment No. 3	Total Not-to-Exceed Amount
1	Project Management	\$11,770			\$12,250	\$24,020
2	Conduct Project Kick-Off Meeting	\$7,819	\$64			\$7,883
3	Conduct Performance Audit	\$41,298	\$8,833		\$143,000	\$193,131
4	Produce Preliminary Draft Audit Report	\$10,068	\$1,330		\$19,000	\$30,398
5	Produce Final Draft Audit Report	\$3,154			\$6,750	\$9,904
6	Produce and Present Final Audit Report	\$7,819	\$2,232			\$10,051
7	Supplemental Services	\$5,000			\$12,500	\$17,500
Total Not-to-Exceed Amount		\$86,928	\$12,459		\$193,500	\$292,887

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3. Terms and Conditions.

Payments for services performed, as defined in this attached Revised Schedule, which applies to the specific Services, will be based on the following terms:

- A.** The District will pay for Services provided by the Consultant according to the schedule of rates for professional, technical, and administrative personnel as well as materials and supplies as listed below in the Hourly/Unit Rate Schedule.
- B.** The stated hourly and unit rates listed in the Hourly/Unit Rate Table are effective for the term of this Agreement unless otherwise revised as indicated. After twelve (12) months from the Effective Date of this Agreement, and each 12 months thereafter, these hourly and unit rates may be negotiated by the Consultant and the District, provided Consultant submits written notice to District of Consultant's request to revise the hourly and unit rates ninety (90) calendar days prior to the Effective Date of this Agreement. Both Parties will use as a benchmark for negotiations the percent change for the previous twelve (12) months of the "Employment Cost Index (ECI), for total compensation for private industry workers, for the San Francisco-Oakland-San Jose, CA CSA Census region and metropolitan area (not seasonally adjusted)" as published by the U.S. Department of Labor, Bureau of Labor Statistics, or 2% whichever is less. A negative index will result in rates remaining the same. Such rate revisions are subject to written approval by the District Deputy Officer or his/her designee.
- C.** Reimbursable Expenses. All reimbursable expenses not already covered in overhead may include, but are not limited to, mapping, rendering, printouts, leased equipment, mailing and delivery services, printing services, film and processing, plotting and supplies. These other direct expenses as approved by the District's Project Manager will be billed on a monthly basis at actual cost plus 0% percent linked to each Agreement Task, provided that the Task total NTE amount is not exceeded. Consultant shall provide receipts for each other direct expense item(s) with monthly invoices submitted.

Any equipment purchased on behalf of the District that cost \$50 or more must receive the prior written approval of the District Project Manager. All equipment purchased on behalf of the District and paid for by the District shall become the property of the District and submitted to District prior expiration of this Agreement.
- D.** Expenses incurred by the Consultant for Subconsultants, subcontractors and vendors, including lab services, will be reimbursed at actual cost plus 0%. Consultant shall provide invoices for all such services regardless of cost.

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HOURLY/UNIT RATE TABLE

CLASSIFICATION	AMENDMENT NO. 3 HOURLY/UNIT RATE
Consultant: PMA Consultants	
Project Manager	\$298
Auditor	\$285
Senior Project Manager	\$274
Subconsultant:	
Colorado Independent Consultants Network Certified Public Accountant	\$120

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SCHEDULE OF COMPLETION**

1. This Agreement commences on the Effective Date, subject to accomplishment of all of the conditions to formation of an agreement listed in the Agreement at Section Twelve, Miscellaneous Provisions, subsection 2. Formation of Agreement.
2. This Agreement expires on March 1, 2019, unless, prior to its expiration, its term is modified by a written amendment hereto, signed by both Parties.
3. District's Project Manager and Consultant may agree to modify the schedule specified for Consultant's performance as an administrative modification to the Agreement and will confirm such modification in writing.

PROJECT SCHEDULE

Task	Description	Duration From Notice to Proceed (months) Amendment No. 3
1	Project Management	Duration of Agreement
2	Conduct Project Kick-Off Meeting	1
3	Conduct Performance Audit	4
4	Produce Preliminary Draft Audit Report	5
5	Produce Final Draft Audit Report	6
6	Produce and Present Final Audit Report	6
7	Supplemental Services	Duration of Agreement

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