

**FIRST AMENDMENT  
TO PROFESSIONAL SERVICES AGREEMENT NUMBER F002912  
WITH ALVAREZ & MARSAL PUBLIC SECTOR SERVICES, LLC**

This First Amendment ("Amendment") to Agreement number F002912 dated November 3, 2024 ("Original Agreement") is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 2025, by and between the City of Santa Rosa, a municipal corporation ("City"), and Alvarez & Marsal Public Sector Services, LLC, a Delaware Limited Liability Company ("Consultant").

**RECITALS**

- A. City and Consultant entered into the Original Agreement for Consultant to provide financial outlook and budgeting process review services.
- B. Consultant timely completed the deliverables in the Scope of Work in the Original Agreement for the Compensation agreed to in the Original Agreement (\$99,500) and provided City with a written assessment and recommendations for the City's budgeting process.
- C. City and Consultant now desire to amend the Original Agreement to include additional Scope of Work for implementing Consultant assessment recommendations.

**AMENDMENT**

**NOW, THEREFORE**, the parties agree to amend the Agreement as follows:

1. Section 1. Scope of Services

Exhibit A to the Agreement is supplemented by Exhibit A-1 to this Amendment.

2. Section 2. Compensation

Section 2(c) is amended to increase the compensation payable to Consultant under the Agreement by \$290,000 to read as follows:

"Notwithstanding any other provision in this Agreement to the contrary, the total maximum compensation to be paid for the satisfactory accomplishment and completion of all tasks set forth above shall in no event exceed the sum of three hundred eighty-nine thousand five hundred (\$389,500). The City's Chief Financial Officer is authorized to pay all proper claims from Charge Number 050101-5320."

3. Section 12. Time of Performance

The last sentence of Section 12 is amended to read as follows:

"Consultant shall complete all the required services and tasks and complete and tender all deliverables to the reasonable satisfaction of City, not later than June 30, 2026."

All other terms of the Agreement shall remain in full force and effect.

Executed as of the day and year first above stated.

**CONSULTANT:**

**CITY OF SANTA ROSA**  
a Municipal Corporation

Name of Firm: \_\_\_\_\_

TYPE OF BUSINESS ENTITY (*check one*):

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

\_\_\_\_ Individual/Sole Proprietor

\_\_\_\_ Partnership

\_\_\_\_ Corporation

☒ Limited Liability Company

\_\_\_\_ Other (please specify: \_\_\_\_\_)

Director, \_\_\_\_\_ Department

Title: \_\_\_\_\_

APPROVED AS TO FORM:

*Signatures of Authorized Persons:*

By: \_\_\_\_\_

\_\_\_\_\_  
Office of the City Attorney

Print Name: \_\_\_\_\_

ATTEST:

Title: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
City Clerk

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

City of Santa Rosa Business Tax Cert. No.

\_\_\_\_ 06534405 \_\_\_\_\_

Attachment: Exhibit A-1 - Scope of Services

## **Exhibit A-1: Scope of Work**

### **Scope of Work**

A&M shall provide consulting services to the City, working at the direction of the City Manager to support improvements the overall budget process and approach (including the integration of program-based budgeting) and conducting benchmarking and organizational analysis to identify opportunities for efficiency and effectiveness improvements in Transportation and Public Works, Parks and Recreation, and Economic Development.

### **Budget Structure and Process Enhancement**

Based on the recommendations of A&M's preliminary assessment, the A&M team will support the City in piloting the budget enhancement recommendations, focusing on establishing a program-based budget. A&M will support City finance staff to make the necessary changes to the budgeting process by piloting a program-based budget with the Department of Transportation and Public Works ("TPW") which can serve as the basis for broader implementation. A&M anticipates support for this task will likely include:

- Analyze budget data and partner with Department leadership and staff to restructure the Department's budget with a programmatic focus
- Develop a revised budget request process which integrates programmatic strategy and requires budget justification related to City priorities
- Assist the finance and technology teams to make appropriate adjustments to financial management systems (budgeting, reporting) in support of the change to program-based budgeting within TPW
- Develop training materials and support training and change management for leaders within TPW
- Document implementation plan, and lessons learned from pilot with TPW as a basis for broader City-wide implementation of program-based budgeting

### **Deliverables**

At the conclusion of this support, A&M will provide three deliverables:

- 1) Revised budget template and program-based budget for TPW
- 2) Procedures and supporting documentation for the enhanced budget process
- 3) Implementation plan for broader program-based budget (including lessons learned from pilot program)