

**AMENDMENT NUMBER ONE TO
AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN
THE AZIMUTH GROUP, INC.
AND
THE CITY OF ANN ARBOR**

The City of Ann Arbor, a Michigan municipal corporation, with offices at 301 E. Huron St. Ann Arbor, Michigan 48107-8647 ("City") and The Azimuth Group, Inc., a Texas corporation, having its offices at 6611 Hillcrest, Suite 441, Dallas, Texas 75205 ("Consultant") agree to amend the professional services agreement for the Project "Organizational Strategic Planning Professional Services" executed by the parties dated November 20, 2013 as follows:

- 1) Article II, DURATION, is amended to read as follows:

This Agreement shall become effective on November 20, 2013, and shall remain in effect until May 29, 2015, unless terminated as provided for in this Agreement.

The Parties agree that this Agreement may be renewed, at the sole option of the City, for a period to be mutually agreed upon, for the provision of Services identified as "Future/Optional" in Exhibit A-1 under the same terms and conditions of the initial Agreement subject to a negotiated fee schedule for the "Future/Optional" Services. If the City elects to renew the Agreement, the City Administrator will provide thirty (30) days notice prior to the end of the initial term of the Agreement.

- 2) Article III, SERVICES, subsection A, is amended to read as follows:

A. The Consultant agrees to provide professional strategic planning services in connection with the Project as described in Exhibit A and Exhibit A-1, which is attached hereto and made a part of this Amendment. The City retains the right to make changes to the quantities of service within the general scope of the Agreement, as amended, at any time by written order. If the changes add to or deduct from the extent of the services, the contract sum shall be adjusted accordingly. All such changes shall be executed under the conditions of the original Agreement.

B. It is acknowledged by the Parties that "Future/Optional" Services identified in Exhibit A-1 may be refined as needed after review of the SMS assessment results with the City Administration and any such refinements shall become, when agreed to by the Parties, part of this Agreement or any subsequent renewal agreement between the Parties. It is further acknowledged that should the City elect to renew this Agreement, Services provided under that renewal the scope, statement of work and budget for those Services shall be separately negotiated by the Parties.

3) Article IV, COMPENSATION OF CONSULTANT, subsection A, is amended to read as follows:

A. The Consultant shall be paid in the manner set forth in Exhibit B for Services provided under the original Agreement and Exhibit B-1 for all Services provided under this Amendment No. 1 of the Agreement. Payment shall be made monthly, unless another payment term is specified for the specific Service following receipt of invoices submitted by the Consultant and approved by the Contract Administrator. Total compensation payable for all Service performed under this Amendment No. 1 to the Agreement, including expenses shall not exceed Fifty Thousand and no/100 dollars (\$50,000). Total compensation during the initial term of this Agreement, as amended, shall not exceed One Hundred Three Thousand and Ten and no/100 dollars (\$103,010.00).

B. It is acknowledged by the Parties that compensation for any renewal of this Agreement shall be subject to negotiation of the fee schedule, excluding Implementation Support Services after May 2015 which shall be payable at the hourly rate specified in Exhibit B-1.

All terms, conditions, and provisions of the original agreement between the parties executed November 20, 2013, unless specifically amended above, are to apply to this amendment and are made a part of this amendment as though expressly rewritten, incorporated, and included herein.

This amendment to the agreement between the parties shall be binding on the heirs, successors and assigns of the parties.

Dated this November 17, 2014.

For The Azimuth Group, Inc.

By David W. Cimbala

Its: President

Approved as to form and content

Stephen K. Postema
Stephen K. Postema, City Attorney

For City of Ann Arbor

By John Hieftje
John Hieftje, Mayor

By Jacqueline Beaudry
Jacqueline Beaudry, City Clerk

Approved as to substance

Steven D. Powers
Steven D. Powers, City Administrator

EXHIBIT A-1
AMENDMENT SCOPE OF WORK

Consultant will satisfactorily complete all scope of work services identified in Exhibit A within the timeline specified. In addition, Consultant will complete the following scope of work for this Amendment:

Phase I

Tasks

Completion of a Strategic Management Assessment (SMS) as outlined in Consultant's Proposal dated October 10, 2014, which is incorporated here by reference. Specifically, Consultant shall:

1. Work with the City to finalize an internal team structure and membership for the implementation of the organizational strategic plan.
2. Review and revise the online assessment tool, as needed, to reflect current conditions and terminology present in the City.
3. Conduct a total of six (6) on-site assessment sessions of approximately two hours duration each, over a period of approximately 2 days to collect the assessment data.
4. Compile, summarize and analyze the SMS assessment results.
5. Prepare a draft transition plan identifying timelines, milestones and both internal and external resource requirements.
6. Provide the assessment results and recommendations.

Deliverables

Implementation Support Activities and Services Table

Phase II

On acceptance of the Phase I Deliverables, design a Strategic Planning and Execution Calendar and develop and deploy a comprehensive Performance Management Process, Evaluation Tools and Reporting Process as outlined in Consultant's Proposal dated October 10, 2014. Support shall include the provision of ongoing consultation and advice on the SMS deployment activities.

Renewal Terms

The City and the Consultant agree that the City may, at its discretion, renew implementation support services as outlined in Consultant's Proposal dated October 10, 2014, which has been incorporated by reference, and subject to Articles II and III of this Amendment No. 1 to the Agreement between the Parties.

Exhibit B-1

COMPENSATION

SMS Assessment

\$12,500 plus reimbursement of approved actual, project related expenses. Expense reimbursement for actual out-of-pocket expenses incurred are subject to prior approval of the City Administrator.

Implementation Support Services

Professional fees will be \$175 per hour through the end of May, 2015. Services provided after May, 2015 will be billed at the rate of \$225 per hour unless a further contract extension is negotiated. In addition to the professional fees, the City will reimburse the actual cost of approved direct, project-related expenses. Expense reimbursement for actual out-of-pocket expenses incurred are subject to prior approval of the City Administrator.

Prior Contract Adjustment

\$5,400 for the compilation and documentation of the employee focus group results conducted by the City's Strategic Management Team.

Renewal Services (If elected by the City)

Fee Schedule for Services shall be separately negotiated by the Parties, excluding Implementation Support Services after May 2015 which shall be payable at the hourly rate specified above in this Exhibit B-1.