

**AMENDMENT NUMBER TWO 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 November 20, 2013, and thereafter amended by the parties November 17, 2014, 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 June 30, 2016, 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 under the same terms and conditions of the initial Agreement subject to negotiation of the scope and fee schedule for those Services as stated in Article III (B) herebelow. 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 Exhibits A, A-1 (attached to Amendment No. 1) and A-2, 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 Services identified in Exhibit A-2 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-2, which is attached to this Amendment, for all Services provided under this Amendment No. 2 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. 2 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 (\$153,010.00).
  
- 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 June 30, 2016 which shall be payable at the hourly rate specified in Exhibit B-2.

All terms, conditions, and provisions of the original agreement between the parties executed November 20, 2013, and Amendment No. 1 executed November 17, 2014, 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 No. 2 to the agreement between the parties shall be binding on the heirs, successors and assigns of the parties.

Dated this \_\_\_\_\_, 2015.

**For The Azimuth Group, Inc.**

By \_\_\_\_\_

Its:

**Approved as to form and content**

\_\_\_\_\_  
Stephen K. Postema, City Attorney

**For City of Ann Arbor**

By \_\_\_\_\_  
Christopher Taylor, Mayor

By \_\_\_\_\_  
Jacqueline Beaudry, City Clerk

**Approved as to substance**

\_\_\_\_\_  
Steven D. Powers, City Administrator

EXHIBIT A-2  
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:

**Deliverables:**

Continued consulting support with implementation of a comprehensive Strategic Management System, a four-step system, 1) Formulate and Review Strategy; 2) Develop Operational Plans, 3) Build Alignment, and 4) Measure Performance/ The City of Ann Arbor has currently completed the first of those phases and support will be provided to continue through the next phases.

Review an inventory of current ongoing municipal programs and initiatives, such inventory to be prepared by City staff, and assess the alignment of those programs / initiatives to the organizational strategic plan objectives and key performance indicators (KPIs).

Conduct a series of facilitated sessions at the Service Unit level, and lower levels as appropriate, to establish alignment of operating plans and resources to the strategic priorities of the City.

Plan and conduct collaborative working sessions to strengthen the alignment of the annual financial planning, budgeting and resource allocation processes to the strategic plan. Provide templates and support the development of strategic reporting and issue tracking processes.

Conduct a facilitated Review / Refine/ Align session with the executive leadership team to evaluate performance of Ann Arbor's first strategic management cycle and make adjustments as necessary to the city's current strategic plan.

**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 15, 2015, which has been incorporated by reference, and subject to Articles II and III of this Amendment No. 2 to the Agreement between the Parties.

Exhibit B-2

COMPENSATION

**Implementation Support Services**

Time and materials budget not to exceed \$50,000. As a part of the effort, Azimuth will estimate the level of effort required for each of the above-listed tasks. Professional services will be billed at the rate of \$185 per hour. In addition to the professional fees, the City will reimburse the actual cost of direct, project-related expenses for such items as travel related costs, workshop supplies and materials, report production and other usual and customary project expenses.