

**AMENDMENT NO. 1 TO CONSULTING SERVICES AGREEMENT BETWEEN
THE CITY OF SAN LEANDRO AND
BAKER TILLY US, LLP
FOR
SERVICE DELIVERY ASSESSMENT**

This **Amendment No. 1** ("Amendment") is made by and between the City of San Leandro ("City") and Baker Tilly US, LLP ("Consultant") (together sometimes referred to as the "Parties") as of June 10, 2024, and amends that certain Consulting Services Agreement ("Agreement") dated May 26, 2023, between the Parties.

WHEREAS, the Parties desire to amend the Agreement to extend the term of the agreement and increase the compensation.

NOW THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties hereby agree to amend the Agreement as follows:

1. Section 1.1 of the Agreement entitled "Term of Services" is hereby amended to extend the term from June 30, 2024 to June 30, 2025; and
2. Section 2 of the Agreement entitled "Compensation" is hereby amended to pay Consultant a sum not to exceed \$119,580.
3. Exhibit A of the Agreement entitled "Scope of Services" is hereby amended to reflect the amended Scope of Services and amended Compensation as noted in Section 1 and Section 2.
4. Exhibit B of the Agreement entitled "Compensation Schedule & Reimbursable Expenses" is hereby amended to reflect Consultant's billable hours and amended Compensation as noted in Section 2.
5. All other terms shall remain in full force and effect.

This Amendment may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

SIGNATURES ON FOLLOWING PAGE

The Parties have executed this Amendment as of the date first written above. The persons whose signatures appear below certify that they are authorized to sign on behalf of the respective Party.

CITY OF SAN LEANDRO

BAKER TILLY US, LLC

Frances M. Robustelli, City Manager

Carol Jacobs, Managing Director

Attest:

Kelly B. Clancy, City Clerk

Approved as to Fiscal Authority:

Michael Yuen, Finance Director

010-40-003-5120

010-41-001-5120

Account Number

Approved as to Form:

Richard D. Pio Roda, City Attorney

Tom Liao, Community Development Director

EXHIBIT A



May 1, 2024

Mr. Thomas Liao
Community Development Director
City of San Leandro
Civic Center - 835 East 14th Street
San Leandro, CA, 94577

Baker Tilly US, LLP
2570 W El Camino Real
Suite 640
Mountain View, CA 94040
+1 (949) 809 5588
bakertilly.com

Delivered electronically

Dear Mr. Liao:

Thank you for the opportunity to submit this revised proposal to provide an assessment of the Community Development Department with a focus on improved processes and service delivery. The scope of work is based on recent conversation with Avalon Schultz and reflects my understanding of your desire to analyze how services are delivered both internally and externally to increase efficiency and effectiveness for Community Development permitting functions. Our proposal includes an analysis of processes and practices, and a facilitated engagement with the Permit Center and other staff in an innovative team building approach for identifying operational and cycle time improvements, using the GE Work-Out™ technique. Our team has the talent, expertise and experience to deliver the assessment services you want.

Proposed plan of work

San Leandro's Community Development Department includes the following five divisions: Building and Safety, Code Enforcement, Economic Development, Housing Services, and Planning Services. The Building and Safety Division regulates and inspects private development and construction throughout the City. The Code Enforcement Division seeks to enhance neighborhood quality of life and aesthetics through responsible enforcement of applicable local regulations. The Economic Development Division guides economic and business assistance strategies to maintain and improve the City's fiscal vitality. The Housing Services Division administers the City's federal Community Development Block Grant (CDBG) and HOME funds to implement the City's U.S. Housing and Urban Development (HUD) Consolidated Plan and Housing Element. The Planning Services Division coordinates development review and land use policy activities.

The most recently publicly available City budget shows an \$8.2 million departmental budget, with 27 full-time positions. The department played a major role in the City's response to the COVID-19 pandemic. Staff members are processing, reviewing, and inspecting a high volume of planning entitlement and building permit applications, and the department has also been responsible for preparing the 2021-2031 Housing Element Update and submitting it to the State Department of Housing and Community Development for review and certification.

We understand that you wish to have an assessment of how the Community Development Department delivers its services, especially in the areas of customer service and business processes, to identify opportunities to improve efficiency and effectiveness.

Activity 1 – Start project

We will begin this project with a careful learning phase, starting with a planning meeting with you and your project team, and others you may wish to include. The purpose of the meeting is to ensure the plan of work and schedule are precisely tailored to your needs.

The project start-up activity forms the foundation of the relationship between Baker Tilly's team and the City's team. We know that the work associated with this analysis is in addition to the normal work of the organization. Our goal is to integrate our activities in a manner that is thoughtful and minimizes disruption to the City operations. However, the cooperation of staff in providing requested data and giving meaningful feedback is crucial to a successful project.

During this activity we will also request and review relevant background information such as organization charts, job descriptions, workload information, historical budget and staffing data, performance indicators, and policies and procedures.

Activity 2 – Gather information and obtain input

Next, we will carry out several tasks designed to help us understand the department's operations and processes so we may begin to identify ways to improve them. These tasks will include:

- **Review documents.** We will review the documents and data requested in Activity 1 to ensure we have a preliminary understanding of operations and a foundation on which to build the interviews and focus groups. This will include a review of the staff survey to understand staff perspectives about the department.
- **Conduct interviews.** We will begin by conducting confidential interviews with you and six members of your leadership team to obtain an overview of Community Development operations and processes and understand how the work is currently accomplished. Specifically, we will gather information about the following functions:
 - Permit Center customer service and intake functions,
 - Standard operating procedures,
 - Process turnaround/cycle times
 - Approval practices of City departments participating in Community Development processes,
 - Workload measures and performance indicators,
 - Building and Safety permit and inspections processes,
 - How Economic Development and Community Development work together, and
 - Other relevant information.

During interviews we will seek input about what works well and what can be improved. Our interviews will help us understand the staffing and work systems, the strengths and weaknesses of the department, and existing practices. We will gain perspectives about the department's culture. We will seek ideas about improving communication, service delivery and integration, as well as eliminating redundancy and unnecessary process steps.

- **Facilitate focus groups.** We will facilitate three focus groups to understand the issues and challenges covered in the interviews. One focus group will be held with supervisors, one with planning and code enforcement staff, and one with building and housing staff. We will facilitate the 90-minute sessions as free-flowing conversations, seeking to understand why the work is currently conducted as it is and eliciting ideas for improvement from the people responsible for carrying it out.
- **Observe counter operations.** We will spend some time observing the work and interactions with customers to understand operations, processes, and other relevant details. We will time this observation to occur during the time on-site for the focus groups.

City of San Leandro
May 3, 2024

We will analyze data collected and information gathered from the document review, interviews, and focus groups to gain a thorough understanding of the processes and procedures, what works well, and what needs improvement. The goals are to improve the customer service experience, ensure a business-friendly experience, and ultimately encourage and support the type of economic development desired by the City. We will summarize themes and observations at the end of this activity.

Activity 3 – Create process maps of current operations

Mapping key processes used by the Community Development Department will be an effective tool for analyzing workflows and identifying process bottlenecks, among other problems. We will conduct three process mapping sessions focused on processes frequently used in the department in collaboration with you and your team.

The process mapping sessions will include key members of the department who are typically involved in the review and decision-making process. Following the session, we prepare up to three draft process maps (sometimes called a flowchart) to show the current process (as-is process maps). We provide the as-is maps to staff to solicit feedback and then make changes accordingly. After analyzing the workflow and staff input, we will prepare to-be process maps to illustrate recommended process changes derived from our analysis.

Activity 4 – Analyze service delivery

During this activity, we will analyze the information collected previously. We examine the results of our data gathering and assess the internal and external service delivery of the Community Development Department. We will prepare observations and preliminary recommendations and meet with you and others you designate to review them. This will be an opportunity to discuss what we learned and observed in our analysis and hear feedback about the opportunities for improvement we have identified. This discussion provides a preview of the issues and recommendations addressed in the project report (Activity 6).

Activity 5 – Prepare for and facilitate a GE Work-Out™ with frontline employees

While it is effective to have Baker Tilly examine the workflow and suggest improvements, true organizational change is only possible when the staff responsible for executing the work are engaged in developing the actual improvements to policies, procedures, and systems. To that end, Baker Tilly will plan and lead a three-day decision-making session involving members of frontline staff, supervisors and administrative personnel who have responsibility for the daily operations of the Permit Center and those with responsibility for application, intake, plan review, permitting, and inspection functions using the GE Work-Out™ technique. We will engage staff from Building and Safety, Engineering and Transportation, Planning, Alameda County Fire, Environmental Services and other reviewing entities in small and large group exercises.

This technique, developed by the General Electric Company, is effective for adapting elements of the existing organization and related business processes to address new performance expectations. Baker Tilly has used this technique successfully with frontline staff in nearly 50 local jurisdictions to improve the development review and permitting processes. Unlike a traditional re-engineering approach that is lengthy to complete, this process will challenge key staff members to work together based on goals set by city leaders to identify improvements and recommendations that are presented at the conclusion of the workshop. While some improvements identified by staff may be long-term, there is an emphasis on identifying short-term and immediate recommendations.

Baker Tilly will work closely with you to select staff participants to work together as Work-Out Teams. The charge to the workshop participants is set out in goals established by the City's management team. Baker Tilly will facilitate the process improvement teams' deliberations and a concluding session in which specific

3

City of San Leandro
May 3, 2024

action plan recommendations are presented to the City management team for approval. The actual decision-making dimension of this process is crucial; the basis upon which reform usually flounders is inaction and indecision. With an emphasis on decision making, results become the defined outcome of this activity.

At the conclusion of the Work-Out and after presentations by the participant teams, the City's leadership will be expected to confirm the outline of a written implementation plan documenting the recommendations and identify steps to be taken to complete the suggested action steps developed by staff participants.

Activity 6 – Report results

Next, we will finalize the project report in memorandum format. It will include recommendations about service delivery, process improvements, and other ideas for improving the work of the San Leandro Community Development Department. The goal of the recommendations is to improve internal and external customer service, help staff improve efficiency, and streamline processes.

Reports prepared by Baker Tilly are rich in detail, with recommendations supported by quality analysis. We take pains to ensure that our analysis and subsequent recommendations are organized in an easy-to-understand format and presented positively.

Activity 7 – Support implementation

Upon completion of the report memorandum, Baker Tilly will prepare a draft Implementation Action Plan. The Action Plan will serve as an executable roadmap that details the specific steps needed to accomplish each of the recommendations included in the report based on actual priorities of the City. It also includes a suggested priority for each recommendation (short-, medium- and long-term), and assigned responsibility.

Professional fee

The total cost of this project as described in this proposal is \$119,580 and includes Activities 1 through 4, 6 and 7 (\$69,080), and Activity 5 (\$50,500), a three-day facilitated GE Work-Out™ process improvement workshop to engage Permit Center, Engineering and Transportation, Building and Safety, Planning and other reviewing entities, in the identification of staff-generated recommendations. The total includes all fees and expenses. The ultimate test of a quality project is that the client is pleased with the results, and we are committed to achieving that goal.

Conclusion

The City of San Leandro will continue to be a valued client of Baker Tilly, and I will be personally involved in all aspects of our relationship, from planning through completion. We look forward to discussing your questions and feedback, along with scheduling a date to begin the work.

Sincerely,



Carol Jacobs, Managing Director
Baker Tilly US, LLP
+1 (949) 809 5588 | carol.jacobs@bakertilly.com

The information provided here is of a general nature and is not intended to address the specific circumstances of any individual or entity. In specific circumstances, the services of a professional should be sought. Baker Tilly US, LLP is currently undergoing a restructuring of its organization which is anticipated to occur on or around June 1, 2024. Following the closing of such restructuring, all consulting and tax engagements will be performed by Baker Tilly Advisory Group, LP. All assurance engagements will continue to be performed by Baker Tilly US, LLP. © 2024 Baker Tilly US, LLP.

Baker Tilly US, LLP, trading as Baker Tilly, is an independent member of Baker Tilly International. Baker Tilly International Limited is an English company. Baker Tilly International provides no professional services to clients. Each member firm is a separate and independent legal entity, and each describes itself as such. Baker Tilly US, LLP is not Baker Tilly International's agent and does not have the authority to bind Baker Tilly International or act on Baker Tilly International's behalf. None of Baker Tilly International, Baker Tilly US, LLP nor any of the other member firms of Baker Tilly International has any liability for each other's acts or omissions. The name Baker Tilly and its associated logo is used under license from Baker Tilly International Limited.

EXHIBIT B

Community Development Service Delivery Assessment Billing Rates

Position	Hourly Billing Rate
Managing Director	\$295
Special Advisor	\$225
Manager	\$180
Report Production	\$225

G.E. WorkOut™ Facilitated Process Improvement Session Billing Rates

Position	Hourly Billing Rate
Managing Director/Director	\$378
Special Advisor	\$185
Senior Consultant	\$180
Report Production	\$180