

**CONTRACT MODIFICATION No. 1**  
**SERVICE SHARING AND GOVERNMENT EFFICIENCY STUDY**

THIS MODIFICATION No. 1 is being entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2011, by and between the CITY OF LAS VEGAS (hereinafter the "City"), a municipal corporation within the State of Nevada having its principal office at 400 Stewart Avenue, Las Vegas, Nevada 89101, and MANAGEMENT PARTNERS, INC. (hereinafter the "Company") having its principal office at 2107 North First Street, Suite 470, San Jose, California 95131.

The purpose of the Modification is to add scope of work and funding to the Contract.

The Contract between the City and the Company dated October 7, 2010 is hereby modified as follows:

**1. Increase Contract Amount**

REFERENCE: Section B-3 Prices/Costs

INCREASE: the total contract amount from \$75,000.00 to \$175,000.00.

ADD:

- (b) The City will pay the Company for services described in Section C-4, Implementation Services, in an amount not to exceed \$100,000.

The City will pay the Company a fixed hourly labor rate for actual time worked, in accordance with the rates outlined in section (a) above. The City will reimburse the Company for reasonable expenses incurred in the performance of Contract services, such as travel, printing and postage costs. The City will not reimburse expenses that are included in the Company's overhead accounts, in accordance with the Company's normal accounting practices. Other expenses specifically excluded from reimbursement are: incoming/outgoing faxes, office supplies, and expenses not solely for the benefit of the City (unless fairly and clearly apportioned). The Company will invoice reimbursable expenses at cost, with no mark-up. The Company will invoice for travel expenses in accordance with section (c) below.

- (c) If travel is required in performance of services under this Contract, reasonable travel expenses will be paid. Reimbursement is subject to certain limitations. The City will reimburse airfare up to the cost of a coach fare, with 7-day advance purchase. Reimbursement for all other expenses including, but not limited to, lodging, meals, transportation, rental cars, parking, and incidental expenses, will be paid at cost up to that currently authorized by the Internal Revenue Service on the day travel is completed. At the time of signing, rates are found in IRS publication 1542. This rate will start concurrently with the first day of work performed on site at the City and end with the last day of scheduled on site work at the City. The Company must complete a minimum of six (6) hours of work for every day expenses are paid. The Company shall coordinate all travel in advance with the City's Project Manager. The City will not reimburse personal entertainment expenses, alcoholic beverages, travel expenses for family members, use of health facilities (unless included in the basic price of hotel accommodations), movies in a hotel, or other non-business related costs. The City's Project Manager must approve in writing any deviations to these procedures.
- (d) The Company shall provide written notification to the City when it has reached 85% of the not to exceed amount. If the Company believes the work cannot be completed within the not to exceed amount, it shall provide a revised budget estimate.

- (e) On City approval of the Service Area Project Proposal (Proposal) as described in Section C-4, below, the Company may begin invoicing monthly for services described in the Proposal and actually performed during the preceding month. The Company may not invoice in excess of the guaranteed maximum price included as a part of the Proposal.

## 2. Additional Scope

REFERENCE: SECTION C – Statement of Work

### ADD: Section C-4, Implementation Services

The Company shall develop, in collaboration with staff from both cities, detailed Implementation Action Plans for the following seven selected service sharing areas

1. Safekey before and after school program
2. Joint purchasing
3. Radio maintenance
4. Fire plan check and fire code enforcement
5. Traffic operations – traffic signals, street lighting and area lighting maintenance
6. Information technologies
7. Business licensing

Initial feasibility for these seven service sharing areas were established by the Preliminary Service Sharing and Government Efficiency Study, by the Company dated February 2011, and by a staff report prepared by local government entities in the summer of 2010. The Company's services shall include the development of an Implementation Action Plan for each service sharing area. To this end, the Company shall:

- (a) At the request of the Project Manager, schedule one initial scoping meeting for each of the seven service sharing areas, to include a team of appropriate, knowledgeable individuals from both jurisdictions. During each initial scoping meeting, items to be decided shall include:
- (i) desired outcome of the service integration,
  - (ii) issues of concern that must be addressed in implementation business planning,
  - (iii) barriers or impediments to implementation,
  - (iv) forces that will be helpful to implementation,
  - (v) key individuals inside and outside the two cities who should be involved,
  - (vi) a suggested process going forward,
  - (vii) a schedule for implementation planning, including key milestones, and
  - (viii) other issues pertaining to success of service integration implementation.

With the approval of the Project Manager, to be granted or withheld at the Project Manager's discretion, multiple scoping meetings may be scheduled on the same day or on consecutive days, to minimize travel on the part of the Company. The first scoping meeting (or meetings, if held on the same or consecutive days) shall be performed free of charge, to satisfy the requirements of Section C-1, Activity 6. The Company shall not invoice for travel costs for any scoping meeting.

- (b) After each initial scoping meeting, write a Service Area Project Proposal (Proposal) for implementation planning. Each Proposal shall include:
- (i) number of on-site meetings to be held,
  - (ii) further analysis needed,
  - (iii) work schedule,

- (iv) other details necessary to provide an Implementation Action Plan, and
  - (v) a guaranteed maximum price for the service sharing area, including number of hours by classification to be expended and a cap for reimbursable expenses. Prices shall be as shown in Section B-3, Prices/Costs.
- (c) Submit the Proposals to the Project Manager for review. The Project Manager may request changes and revisions as necessary. The Company shall revise the Proposal to incorporate the Project Manager's requested changes. The Project Manager shall issue a Notice to Proceed with services as described in the Proposal. The City shall incorporate each Proposal into the Contract by notification in accordance with Section D-1, Legal Notice.
- (d) Facilitate the development of an Implementation Action Plan, in accordance with the approved Proposal, by working with individuals from both cities to collaborate in the achievement of all elements of the Proposal.
- (e) For each service sharing area, the Company shall deliver one detailed Implementation Action Plan, which shall include a timeline, responsibilities and action steps for implementation. The Project Manager may request changes and revisions as necessary. The Company shall revise the Implementation Action Plan to incorporate the Project Manager's requested changes.

### **3. Additional Deliverables**

REFERENCE: Section C-2 Deliverables

ADD:

- (c) Service sharing area-specific Service Area Project Proposals, as described in Section C-4 (b), above.
- (d) Service sharing area-specific Implementation Action Plans, as described in Section C-4 (e) above.

### **4. General**

In the event of any conflict between the Contract and this modification, the provisions of Modification No. 1 take precedence. All other contract terms and conditions remain unchanged.

IN WITNESS WHEREOF, the parties hereto have caused this Modification No. 1 to be executed by their duly authorized representatives.

CITY OF LAS VEGAS

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KATHLEEN C. RAINEY, Manager  
Purchasing & Contracts

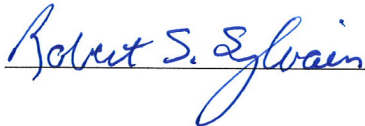
"City"

ATTEST:

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BEVERLY K. BRIDGES, CMC  
City Clerk

APPROVED AS TO FORM:

 4-6-11  
Date

MANAGEMENT PARTNERS, INC.

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GERALD NEWFARMER, President and CEO

"Company"