

THIRD AMENDMENT TO AGREEMENT NO. 33203

33203

THIS THIRD AMENDMENT TO AGREEMENT NO. 33203 is made and entered, in duplicate, as of February 15, 2017, for reference purposes only, pursuant to a minute order adopted by the City Council of the City of Long Beach at its meeting on February 14, 2017, by and between KPMG LLP, a Delaware limited liability partnership ("Consultant"), with a place of business at 20 Pacifica, Suite 700, Irvine, CA 92618-3391, and the CITY OF LONG BEACH, a municipal corporation ("City").

WHEREAS, City requires specialized services requiring unique skills to be performed in connection with its annual financial audits, including the audit of the Comprehensive Annual Financial Report ("CAFR"); and

WHEREAS, City and Consultant entered into Agreement No. 33203 (the "Agreement") whereby Consultant agreed to provide such services; and

WHEREAS, City and Consultant entered into a First Amendment to the Agreement to amend the payment of various programs and extend the term to June 30, 2016; and

WHEREAS, City and Consultant entered into a Second Amendment to the Agreement to amend the payment of various programs and extend the term to June 30, 2017; and

WHEREAS, City and Consultant desire to amend the payment of various programs, extend the term, and attach a revised rate sheet;

NOW, THEREFORE, in consideration of the mutual terms, covenants, and conditions in this Agreement, the parties agree as follows:

1. Section 2 of the Agreement is hereby amended to read as follows:

"2. PAYMENT. City shall pay Consultant a sum not to exceed Eight Hundred Fifty-Seven Thousand Dollars (\$857,000) for CAFR, Harbor Department, Water Department, Airport Passenger Facility Charges, and Single Audit services defined in Section 1 of the Agreement pertaining to fiscal year 2017. The total costs are based on the

1 A-133 audit covering up to six (6) Programs. If more than six (6) Programs are required,
2 costs for each additional Program will be negotiated based on the hourly rates in Exhibit
3 "B-1".

4 A. Consultant may select the time and place of performance for these
5 services, provided however, that access to City documents, records and the like, if needed
6 by Consultant, shall be available only during City's normal business hours and provided
7 that milestones for performance, if any, are met.

8 B. In the event that significant assistant or additional services are
9 required, but are considered outside the Scope of Services of this Agreement, such as
10 extraordinary assistance with implementation of future government Accounting Standards
11 Board Statement, the need and cost of these services must be communicated prior to
12 commencement of additional services. Cost must be based on hourly rates in Exhibit "B-
13 1".

14 C. Following services related to fiscal year 2017, the cost of services shall
15 be adjusted two and a half percent (2.5%) annually for services related to fiscal years 2018
16 and 2019.

17 D. Additional audit services, such as Agreed Upon Procedure
18 engagements or additional Programs as referenced in Section 2, may be necessary from
19 time to time for various accounting entities included in the proposal. The effective hourly
20 rate detailed in Exhibit "B-1" will be the rates used for such services. As additional work is
21 requested, Consultant must submit a cost proposal based on these hourly rates to the City
22 prior to initiation of work. With the exception of the hourly rates, any additional work shall
23 be subject to negotiations, mutual agreement, and the execution of a modification signed
24 by each Party."q

25 2. Section 3 of the Agreement is hereby amended to read as follows:

26 "3. TERM. The term of this Agreement shall commence at midnight on
27 July 1, 2013, and shall terminate at 11:59 p.m. on June 30, 2020, unless sooner terminated
28 as provided in this Agreement, or unless the services or the Project is completed sooner."

3. The Rates and Fees in Exhibit "B" to the Agreement is hereby amended to include a revised rate schedule more particularly described in Exhibit "B-1", attached hereto and incorporated by this reference.

3. Except as expressly amended in this Amendment, all terms and conditions in Agreement No. 33203 are ratified and confirmed and shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this document to be duly executed with all formalities required by law as of the date first stated above.

KPMG LLP, a Delaware limited liability partnership

March 7, 2017

By [Signature]
Name My Brook Romaine
Title Partner

_____, 2017

By _____
Name _____
Title _____

"Consultant"

CITY OF LONG BEACH, a municipal corporation

March 16, 2017

By [Signature]
City Manager

EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.

"City" Assistant City Manager

This Third Amendment to Agreement No. 33203 is approved as to form on
March 10, 2017.

CHARLES PARKIN, City Attorney

By [Signature]
Deputy

EXHIBIT “B-1”

Rates or Charges

Exhibit B-1
Rates Schedule

Labor Category	Hourly Base \$/Hour
Engagement Partner	\$ 359
Engagement Senior Manager	\$ 298
Engagement Manager	\$ 259
Engagement Senior Associate	\$ 193
Engagement Associate II	\$ 138
Engagement Associate I	\$ 116
IT Partner	\$ 403
IT Senior Manager	\$ 359
IT Mnager	\$ 348
IT Senior Associate	\$ 259
IT Associate II	\$ 193
IT Associate I	\$ 138
Actuarial Senior Manager	\$ 359
Valuation Senior Manager	\$ 359
Valuation Senior Associate	\$ 298