

- First**
- Second**
- Third**

**Amendment to Standard City of San José Consultant Agreement**  
(Non-Capital Projects)

Consultant's Name: THE PUN GROUP, LLC

**(Standard Agreement AC No. 30648, Vendor No. A1026)**

This Amendment is made and entered into this 12th day of June 2023. The City and Consultant amend the above-referenced agreement as set forth herein.

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1. Capitalized words in this Amendment have the same meaning as in the Agreement.
  2. The provisions of this Agreement (including any previous amendments) not modified by this Amendment remain in full force and effect.
  3. The provisions of this Amendment are effective upon execution of the Amendment by both parties.
  4.  **Agreement Term:** Subsection 2.1 is amended to extend the expiration date from June 30, 2023, to June 30, 2024.
  5.  **Maximum Total Compensation:** Subsection 10.1 is amended to  Increase  Decrease Maximum Total Compensation by \$451,500 from \$100,000 to \$551,500.
  6.  **Agreement Section(s):** Section(s) 2- Agreement Term, and 10 - Compensation is amended to read as Set forth in Attachment A of the Amendment.  Original  First Revised  Second Revised
  7.  **Scope of Basic Services – Exhibit A:** The  Original  First Revised  Second Revised Exhibit A is amended to read as set forth in the attached  First  Second  Third Revised Exhibit A which is incorporated by reference into this Amendment.
  8.  **Compensation – Exhibit B:** The  Original  First Revised  Second Revised Exhibit B is amended to read as set forth in the attached  First  Second  Third Revised Exhibit B which is incorporated by reference into this Amendment.
  9.   **Additional Services:** The Consultant is authorized to perform the Additional Services set forth in the attached Additional Services Exhibit, which is incorporated by reference into this Amendment.
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This Amendment is executed by the authorized representatives of the City and Consultant as follows:

**City of San José**



Email: sarah.zarate@sanjoseca.gov  
Date: 06/12/2023 GMT

Name: Sarah Zarate  
Title: Director, City Manager's Office

**Approval as to Form (City Attorney):**

**Form Approved by the Office of the City Attorney.**  
(Maximum Total Compensation, as amended, is \$100,000 or less, and the provisions of the form are not altered.)

**Approved as to Form:**



Email: andrew.malek@sanjoseca.gov  
Date: 06/08/2023 GMT

Name: Andrew Malek  
Title: Deputy City Attorney

**Consultant**



Email: ken.pun@pungroup.com  
Date: 06/08/2023 GMT

Name: Kenneth Pun  
Title: Managing Partner



Email: vanessa.burke@pungroup.com  
Date: 06/08/2023 GMT

Name: Vanessa Burke  
Title: Partner

**First**

**Attachment A**

**Second**

**Agreement Provision Amendment(s)**

**Third**

(Non-Capital Project)

This Attachment A is an attachment to the  First  Second  Third amendment to Agreement.

The Section(s) set forth in the original Agreement, or in any previous amendment to the original Agreement, is/are amended as follows:

**Section 2 – Agreement Term**

2.1 The Agreement is from the Contract Date to June 30, 2024, inclusive, unless terminated earlier pursuant to Section 19 below.

**Section 10 – Compensation**

10.1 Mmaximum Total Compensation: The maximum amount the city will pay the Consultant for all professional fees, costs, charges, and expenses related to performing Basic Services and any Additional Services, if applicable, is \$551,500 (“Maximum Total Compensation”).

**First**

**Revised Exhibit A: Scope of Basic Services**

**Second**

(Non-Capital Project)

**Third**

This Attachment A is an attachment to the  First  Second  Third, amendment to Agreement.

The tasks set forth in the original Exhibit A, or in any previous amendment to the original Exhibit A, are amended as follows:

**Task No.1, entitled "Subrecipient Monitoring Webinar," is amended to read as follows:**

- A. Services: Consultant will plan, organize, facilitate, and debrief a webinar session with City staff and recipients of Federal Entitlement Grants through the City of San Jose. The consultant will provide an overview of subrecipient monitoring activities, procedures, methods, requirements, and expectations. Consultant will familiarize staff and recipient with Federal monitoring standards and requirements. Consultant will answer any questions of staff or recipients and provide feedback.
- B. Deliverable: The Consultant will plan, organize, facilitate, and debrief a webinar session with City staff and recipients of Federal Entitlement Grants.
- C. Completion Time: The Consultant must complete the services and deliverable for this task in accordance with whichever one of the following times is marked:

On or before the following date: April 28, 2022.

On or before \_\_\_\_\_ Business Days from \_\_\_\_\_.

**Task No. 2, entitled "Subrecipient Monitoring Plan – Review and Recommendations," is amended to read as follows**

- A. Services: In accordance with the requested Scope of Work from the Request for Proposal (RFP) and the objectives identified therein, Consultant will review the City's existing Subrecipient Monitoring Plan and provide initial feedback that the Consultant believes would help improve or streamline the existing City Plan.
- B. Deliverable: The Consultant will provide written feedback on the existing Monitoring Policies and Procedures Manual, provide recommendations for best practices in accordance with federal, state, local regulations.
- C. Completion Time: The Consultant must complete the services and deliverable for this task in accordance with whichever one of the following times is marked:

On or before the following date: October 31, 2022

On or before \_\_\_\_\_ Business Days from \_\_\_\_\_.

**Task No. 3, entitled “Monitoring Workplan and Schedule,” is amended to read as follows:**

**Task No. 3, entitled “Monitoring Workplan and Schedule, (Pre-Monitoring)”**

**Task No. 3, has been amended and restated as follows:**

**A. Services:** Consultant will:

1. Develop an Annual Monitoring Work Plan and Schedule for approval by the Director or Designee: Evaluate the City-prepared risk assessment of subrecipient risk classification and other City grants and contracts subject to review based on assessed level of risk to meet the overall monitoring schedule.
2. Consultant will then develop a work plan for monitoring the subrecipient, within the time frame specified in the task order. The work plan will include identifying the frequency of monitoring, the method of monitoring, (on-site or desk review), programs and areas to be monitored, type of monitoring (in-depth or limited) areas of technical assistance needed, and resources needed.

**B. Deliverable:** Produce Annual Monitoring Work Plan and Schedule.

**C. Completion Time:** The Consultant must complete the services and deliverable for this task in accordance with whichever one of the following times is marked:

- On or before the following date: Annually on or before December 31 (Initially, March 31 in Year 2)
- On or before \_\_\_\_\_ Business Days from \_\_\_\_\_.

**Task No. 4, entitled “Subrecipient Monitoring,” is amended to read as follows:**

**Task No.4, entitled “Subrecipient and Other Grants and Contracts Monitoring”**

**Task No. 4 has been amended and restated as follows:**

**A. Services:** Consultant will perform the Annual Monitoring Workplan based on the approved schedule in Task 2. The subrecipient monitoring will include, but not be limited to:

1. Sending City-approved Notification Letters to subrecipients with date of monitoring, contract(s) identifier, and grant accounting period to be monitored.
2. Schedule entrance and exit meetings, and site visits (as applicable) with recipients.
3. Test for adherence to applicable requirements as outlined in the subrecipient agreement, federal, state, and local regulations, and other program guidelines.
4. Select a sample of expenditures to determine program funds have been used in accordance with applicable program requirements and record keeping are in place to satisfy regulatory requirements. Sampling procedures are designed to provide “reasonable assurance” but not “absolute assurance” that the program requirements, internal controls, and record keeping have been met.
5. Subject to sampling procedures, test recipients’ internal controls for fiscal and programmatic compliance.
6. Subject to sampling procedures, perform tests of subrecipient client records for program eligibility, if applicable.
7. Gain an understanding of the design of key controls related to the management of program compliance

risks and that those controls are in place.

8. Determine if prior year findings were resolved.
9. For identified deficiencies, Consultant will prepare a written report of findings and observations and provide recommendations to address instances of noncompliance and if additional technical assistance and/or training may be needed.
10. Complete the monitoring of recipients based on the approved schedule with the City.

**B. Deliverable:** The Consultant will provide the following to the City's Contract Manager:

1. Access to Consultant's electronic working papers.
2. Written Monitoring Reports, to include:
  - a. Observations and Findings, if any,
  - b. Recommendations, and
  - c. Recipient Response Letter and Corrective Action Plan for Findings, if any.
3. Provide regular periodic reporting on the overall monitoring activities performed, with intervals to be determined by the Housing Department and approved in writing by the Contract Manager or its designee (initially quarterly).
4. Provide monthly written status updates to Contract Manager.
5. Attend Grants Team meeting monthly via Zoom to present project status updates, or more frequently as mutually agreed with the Contract Manager to supplement monthly written status update.

**C. Completion Time:** The Consultant must complete the services and deliverable for this task in accordance with whichever one of the following times is marked:

- Initial 10 Contracts selected by the City: On or before the following date: June 30, 2023
- Complete Annual Monitoring Workplan and Schedule (\*): On or before the following date: December 31
- On or before \_\_\_\_\_ Business Days from \_\_\_\_\_.

\*Total contracts and grant contract period to be monitored will be identified as part of the Annual Monitoring Work Plan in Task 3.

**Task No.5**, entitled "Technical Assistance and Training," is amended to read as follows:

**A. Services:** Consultant will provide training services for City staff once per quarter, provide one online webinar training to grant recipient staff for federal, state, and local and provide ongoing technical assistance to City staff.

**B. Training topics** may be selected from the following courses offered by the Consultant:

- Taking Subrecipient Monitoring to the Next Level
- Preparing for your Audit
- Time and Effort Reporting
- Fraud Prevention and Detection in Grants
- Surviving the Single Audit
- Internal Controls – What They Are and How to Ensure Compliance
- 2023 Compliance Supplement Update
- Indirect Cost Plan 101
- Subrecipient Monitoring Training Webinar

**C. Deliverable:** The Consultant will provide educational based trainings to assist City with staff

knowledge and development.

- D. Completion Time:** The Consultant must complete the services and deliverable for this task in accordance with whichever one of the following times is marked:
1. **Training Program:** Four quarterly training session will be held annually for City Staff and one online webinar for grant recipients each year at the start of the Annual Monitoring Plan.
  2. **Technical Assistance:** Ongoing technical support will be provided to City Staff.

- Training Program:** Annually on or before the following date: June 30
- Technical Assistance:** On or before the following date: June 30, 2024
- On or before \_\_\_\_\_ Business Days from \_\_\_\_\_.

**First**    **Second**    **Third**   **Revised Exhibit B: Compensation** (Non-Capital Projects)

This revised Exhibit B is an attachment to the  **First**    **Second**    **Third** amendment to the Agreement.

**Section 1 – Compensation Table**

Part 1 – Compensation for Basic Services			
Column 1	Column 2	Column 3	Column 4
Task Nos.	Basis of Compensation	Invoice Period	Compensation
1-4	<input checked="" type="checkbox"/> Time & Materials <input type="checkbox"/> Fixed Fee	<input type="checkbox"/> Monthly <input type="checkbox"/> Completion of Task(s) <input type="checkbox"/> Completion of Work	\$ 501,500
5	<input checked="" type="checkbox"/> Time & Materials <input type="checkbox"/> Fixed Fee	<input type="checkbox"/> Monthly <input type="checkbox"/> Completion of Task(s) <input type="checkbox"/> Completion of Work	\$ 23,000
	<input type="checkbox"/> Time & Materials <input type="checkbox"/> Fixed Fee	<input type="checkbox"/> Monthly <input type="checkbox"/> Completion of Task(s) <input type="checkbox"/> Completion of Work	\$
Part 2 – Reimbursable Expenses			
<input type="checkbox"/> No expenses are separately reimbursable. The amount(s) in Column 4 of Part 1 include(s) payment for all expenses.		<input checked="" type="checkbox"/> Expenses are separately reimbursable in accordance with Subsection 10.5 of the Agreement. The maximum amount of reimbursable expenses is:	\$ 27,000
Part 3 – Subconsultant Costs			
<input checked="" type="checkbox"/> The amount(s) in Column 4 of Part 1 include(s) payment for subconsultants. Subconsultant costs are <b>not</b> separately compensable.		<input type="checkbox"/> Subconsultant costs are separately compensable in accordance with Subsection 10.6 of the Agreement. The maximum amount of compensation for subconsultant costs is:	\$
Part 4 – Additional Services			
<input checked="" type="checkbox"/> No money is budgeted for Additional Services, and the Director cannot authorize any Additional Services.		<input type="checkbox"/> The Director may authorize the Consultant to perform Additional Services up to the following maximum amount:	\$
<b>Maximum Total Compensation</b> (sum of Parts 1 through 4):			\$ 551,500



**A. Section 2 – Schedule of Rates and Charges**

- Omitted.** No Schedule of Rates and Charges is included because the City will not be compensating the Consultant for any Basic Services on a “time & materials” basis.
- The following is the Schedule of Rates and Charges applicable to this Agreement:

Description	Labor Category	Hourly Rate
Partner	Partners	\$ 289.00
Director	Managers	\$ 236.00
Senior Manager	Managers	\$ 210.00
Manager	Managers	\$ 184.00
Supervisor	Managers	\$ 158.00
Senior	Professional Staff	\$ 131.00
Staff	Professional Staff	\$ 105.00
Administrative Support	Clerical	\$ 79.00

## II. EXHIBIT C

### INSURANCE REQUIREMENTS

CONSULTANT, at CONSULTANT's sole cost and expense, shall procure and maintain for the duration of this AGREEMENT insurance against claims for injuries to persons or damages to property which may arise from, or in connection with, the performance of the services hereunder by CONSULTANT, its agents, representatives, employees, or subcontractors.

#### A. Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. The coverage provided by Insurance Services Office Commercial General Liability coverage ("occurrence") Form Number CG 0001; and
2. The coverage provided by Insurance Services Office Form Number CA 0001 covering Automobile Liability. Coverage shall be included for all owned, non- owned and hired automobiles; and
3. Workers' Compensation insurance as required by the California Labor Code and Employers Liability insurance; and
4. Professional Liability Errors and Omissions insurance for all professional services rendered.

There shall be no endorsement reducing the scope of coverage required above unless approved by the CITY's Risk Manager.

#### B. Minimum Limits of Insurance

CONSULTANT shall maintain limits no less than:

1. Commercial General Liability: \$1,000,000 per occurrence for bodily injury, personal injury, and property damage. If Commercial Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit; and
2. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage; and
3. Workers' Compensation and Employers Liability: Workers' Compensation limits as required by the California Labor Code and Employers Liability limits of \$1,000,000 per accident; and
4. Professional Liability Errors and Omissions: \$1,000,000 per claim and

\$1,000,000 aggregate.

Any limits requirement may be met with any combination of primary and excess coverage so long as the excess coverage is written on a "follow form" or umbrella basis.

**C. Deductibles and Self-Insured Retentions**

Any deductibles or self-insured retentions must be declared to and approved by CITY's Risk Manager.

**D. Other Insurance Provisions**

The policies are to contain, or be endorsed to contain, the following provisions:

1. Commercial General Liability and Automobile Liability Coverages
  - a. The City of San Jose, its officers, employees and agents are to be covered as additional insureds as respects: Liability arising out of activities performed by or on behalf of, CONSULTANT; products and completed operations of CONSULTANT; premises owned, leased or used by CONSULTANT; and automobiles owned, leased, hired or borrowed by CONSULTANT. The coverage shall contain no special limitations on the scope of protection afforded to CITY, its officers, employees, and agents.
  - b. CONSULTANT's insurance coverage shall be primary insurance as respects CITY, its officers, employees, and agents. Any insurance or self-insurance maintained by CITY, its officers, employees, or agents shall be excess of CONSULTANT's insurance and shall not contribute with it.
  - c. Any failure to comply with reporting provisions of the policies by CONSULTANT shall not affect coverage provided CITY, its officers, employees, or agents.
  - d. Coverage shall state that CONSULTANT's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
  - e. Coverage shall contain a waiver of subrogation in favor of the City, its officers, employees, and agents.
2. Workers' Compensation and Employers' Liability

Coverage shall contain waiver of subrogation in favor of the City of San Jose, its officers, employees, and agents.

3. Claims Made Coverages

If coverage is obtained on a “claims made” policy form, the retroactive date shall precede the date services were initiated with the City and the coverage shall be maintained for a period of three (3) years after termination of services under this Agreement.

#### 4. All Coverages

Each insurance policy required by this AGREEMENT shall be endorsed to state that coverage shall not be suspended, voided, cancelled, or reduced in limits except after thirty (30) days' prior written notice has been given to CITY, except that ten (10) days' prior written notice shall apply in the event of cancellation for nonpayment of premium.

#### **E. Acceptability of Insurers**

Insurance is to be placed with insurers acceptable to CITY's Risk Manager.

#### **F. Verification of Coverage**

CONSULTANT shall furnish CITY with certificates of insurance and endorsements affecting coverage required by this AGREEMENT. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

Proof of insurance shall be emailed in pdf format to: [Riskmgmt@sanjoseca.gov](mailto:Riskmgmt@sanjoseca.gov):

#### Certificate Holder

City of San Jose—Finance  
Risk Management & Insurance  
200 East Santa Clara Street, 14th Floor Tower  
San Jose, CA 95113-1905

#### **G. Subcontractors**

CONSULTANT shall include all subcontractors as insureds under its policies or shall obtain separate certificates and endorsements for each subcontractor.