

## PROFESSIONAL SERVICES TASK ORDER

### TASK ORDER FY23-01 Citywide Risk Assessment

Consultant shall perform the Services detailed below in accordance with all the terms and conditions of the Agreement referenced in Item 1A below. All exhibits referenced in Item 8 below are incorporated into this Task Order by this reference. The Consultant shall furnish the necessary facilities, professional, technical and supporting personnel required by this Task Order as described below.

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CONTRACT NO. C21179340

OR PURCHASE ORDER REQUISITION NO. (AS APPLICABLE)

- 1A. MASTER AGREEMENT NO. (MAY BE SAME AS CONTRACT / P.O. NO. ABOVE): C21179340
- 1B. TASK ORDER NO.: FY23-01
2. CONSULTANT NAME: Baker Tilly US, LLP
3. PERIOD OF PERFORMANCE: START: March 1, 2023 COMPLETION: ~~June 30~~ October 31, 2023
4. TOTAL TASK ORDER PRICE: \$55,000  
BALANCE REMAINING IN MASTER AGREEMENT/CONTRACT: TBD
5. BUDGET CODE \_\_\_\_\_  
COST CENTER \_\_\_\_\_  
COST ELEMENT \_\_\_\_\_  
WBS/CIP \_\_\_\_\_  
PHASE \_\_\_\_\_
6. CITY PROJECT MANAGER'S NAME & DEPARTMENT:  
Greg Tanaka, Chair of the City Council's Policy and Services Committee
7. DESCRIPTION OF SCOPE OF SERVICES (Attachment A)  
MUST INCLUDE:
- SERVICES AND DELIVERABLES TO BE PROVIDED
  - SCHEDULE OF PERFORMANCE
  - MAXIMUM COMPENSATION AMOUNT AND RATE SCHEDULE (*as applicable*)
  - REIMBURSABLE EXPENSES, if any (with "not to exceed" amount)
8. ATTACHMENTS: A: Task Order Scope of Services B (if any): N/A

**I hereby authorize the performance of the work described in this Task Order.**

**I hereby acknowledge receipt and acceptance of this Task Order and warrant that I have authority to sign on behalf of Consultant.**

**APPROVED:**  
CITY OF PALO ALTO

**APPROVED:**  
COMPANY NAME: \_\_\_\_\_

BY: \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_

BY: \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_

## Attachment A DESCRIPTION OF SCOPE OF SERVICES

### Introduction

Attachment A, the Description of Scope of Services, contains the following four (4) elements:

- Services and Deliverables To Be Provided
- Schedule of Performance
- Maximum Compensation Amount and Rate Schedule (*As Applicable*)
- Reimbursable Expenses, if any (With “Not To Exceed” Amount)

### Services & Deliverables

Baker Tilly’s approach to conducting the Citywide Risk Assessment involves four (4) primary steps:

- Step 1: Project Planning & Management
- Step 2: Information Gathering
- Step 3: Analysis
- Step 4: Reporting

#### Step 1 – Project Planning & Management

This step includes those tasks necessary to solidify mutual understanding of the risk assessment scope, objectives, deliverables, and timing as well as ensuring that appropriate client and consultant resources are available and well-coordinated. Tasks include:

- Finalize project design – The first project activities will be to:
  - Identify communication channels and reporting relationships and responsibilities of project staff
  - Review and confirm project timelines
  - Review and confirm deliverables
- Arrange logistics/administrative support – Matters to be addressed include schedules for interviews and data collection, contact persons in the departments, any other logistical matters, etc.
- Conduct kick-off meeting with key project stakeholders

#### Step 2 – Information Gathering

This step involves gathering information, through various means, that will enable the project team to understand the various risks facing the City. Tasks include:

- Request and review background information – the project team will develop an information request(s) in order to obtain various background information from the City. The request will include, but not be limited to:

- Strategic plan(s)
- Financial reports, including the most recent City Budget and Comprehensive Annual Financial Report (CAFR)
- Operational policies and procedures
- Municipal code
- Consulting reports
- Other relevant information and reports
- Conduct interviews with City Council and management
  - Risk assessment interviews, aimed at understanding City functions and identifying risks, will be conducted with City Council members as well as department and division
- Conduct a risk assessment survey, if necessary
- Conduct research into key risks in order to identify relevant information to assess risks

Overall, the project team will consider the following risk types:

- Strategic
- Financial
- Operational
- Technology
- Compliance
- Reputational
- Political

### Step 3 – Risk Analysis

In Step 3, the project team will develop a risk matrix consisting of auditable areas (also referred to as an audit or risk universe). The risk matrix will include the following risk categories:

- Environment, Strategy, and Governance – risks that have an organization wide impact and are not subject to a specific department or function (e.g., ethics)
- Significant Projects and Initiatives – risks associated with large projects (e.g., capital projects, technology implementation) or City initiatives (e.g., employee engagement initiative).
- Function Specific Risks – risks associated with a specific department or function (e.g., procurement policy compliance)

After assembling a risk matrix, the project team will assess the likelihood and impact of potential adverse events in order to quantitatively score each auditable area for purposes of prioritizing audit activities.

### Step 4 – Reporting

In Step 4, the project team will finalize the draft Risk Matrix and prepare a draft Risk Assessment Report. The project team will ask for input (general completeness, risk scoring) on the Risk Matrix from key project stakeholders. Upon finalization of the Risk Matrix, the project team will finalize the Risk Assessment Report.

### Deliverables:

The following deliverables will be prepared as part of this engagement:

- Risk Matrix
- Risk Assessment Report
- Presentation of Results to City Council (note that this may be combined with presentation of the Task 2 Annual Audit Plan)

### Schedule of Performance

Anticipated Start Date: March 1, 2023

Anticipated End Date: ~~June 30~~ October 31, 2023

### Maximum Compensation Amount and Rate Schedule

The not-to-exceed maximum, inclusive of reimbursable expenses (as summarized below) for this Task is \$55,000. The not-to-exceed budget is based on an estimate of 250 total project hours, of which 40 are estimated to be completed by the City Auditor.

### Reimbursable Expenses

We plan to complete all work remote including all interviews and documentation review. If at any point the City and Baker Tilly mutually determine it will be beneficial to perform a portion of the work on-site, we will submit an estimate of our reimbursable expenses for the City's approval prior to traveling to Palo Alto.