

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.

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, 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, 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.

PROFESSIONAL SERVICES TASK ORDER

TASK ORDER FY23-02 Annual Audit Plan

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.

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, 2023
4. TOTAL TASK ORDER PRICE: \$10,500
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 preparing the Annual Audit Plan involves two (2) primary steps:

- Step 1: Consultation with City Council and Management
- Step 2: Reporting

Step 1 – Consultation with City Council and Management

The Risk Matrix and Risk Assessment Report will serve as the primary drivers of the Annual Audit Plan. The project team will initiate discussions over Risk Assessment results, potential audit activities, and audit coverage with City Council and Management. The purpose of those conversations will be to understand the priorities of City Council, and to develop a Draft Annual Audit Plan:

The Draft Annual Audit Plan will identify the following components for each audit activity:

- Audit activity type – audit or consulting activity
- Audit objectives and scope
- Anticipated budget – both in terms of hours and budget
- Anticipated timeline

Step 2 – Reporting

The project team will present the Draft Annual Audit Plan to the City Council in order to obtain input on each potential audit activity. Upon refining the plan, the project team will finalize the Annual Audit Plan for presentation to City Council.

Deliverables

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

- Annual Audit Plan

Schedule of Performance

Anticipated Start Date: March 1, 2023

Anticipated End Date: June 30, 2023

Maximum Compensation Amount and Rate Schedule

The not-to-exceed maximum, inclusive of reimbursable expenses (as summarized below) for this Task is \$10,500. The not-to-exceed budget is based on an estimate of 50 total project hours, of which 10 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.

PROFESSIONAL SERVICES TASK ORDER

TASK ORDER FY22-4.12

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.

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.: FY22-004.12
2. CONSULTANT NAME: Baker Tilly US, LLP
3. PERIOD OF PERFORMANCE: START: January 10, 2022 COMPLETION: ~~June 30, 2022~~ March 31, 2023
4. TOTAL TASK ORDER PRICE: \$54,550
BALANCE REMAINING IN MASTER AGREEMENT/CONTRACT: Remaining in Task 4 FY22:
5. BUDGET CODE _____
COST CENTER _____
COST ELEMENT _____
WBS/CIP _____
PHASE _____
6. CITY PROJECT MANAGER'S NAME & DEPARTMENT:
Lydia Kou 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 Work Order Process Review involves three (3) primary steps:

- Step 1: Audit Planning
- Step 2: Process and Control Review
- Step 3: Reporting

Step 1 – Audit Planning

This step consists of the tasks performed to adequately plan the work necessary to address the overall audit objective and to solidify mutual understanding of the audit scope, objectives, audit process, and timing between stakeholders and auditors. Tasks include:

- Gather information to understand the environment under review
 - Understand the organizational structure and objectives
 - Review the City code, regulations, and other standards and expectations
 - Review prior audit results, as applicable
 - Review additional documentation and conduct interviews as necessary
- Assess the audit risk
- Write an audit planning memo and audit program
 - Refine audit objectives and scope
 - Identify the audit procedures to be performed and the evidence to be obtained and examined
- Announce the initiation of the audit and conduct kick-off meeting with key stakeholders
 - Discuss audit objectives, scope, audit process, timing, resources, and expectations
 - Discuss documentation and interview requests for the audit

Step 2 – Process and Control Review

This step involves executing the procedures in the audit program to gather information, interview individuals, and analyze the data and information to obtain sufficient evidence to address the audit objectives. The preliminary audit objective is to: (1) Determine whether adequate controls are in place and working effectively to ensure that all disbursements are valid and properly processed in compliance with City's policies and procedures; (2) Determine whether end user security awareness training is sufficient to prevent erroneous payments caused by phishing. Procedures include:

- Interview the appropriate individuals to understand the identified instance of wire fraud
- Interview the appropriate individuals to understand the process, the information system used, and manual and automated controls related to the disbursement process including vendor record creation and modification
- Interview the appropriate individuals to understand the end user awareness training
- Review policies and procedures as well as the regulations and standards to identify the criteria to be used for evaluation of control design and effectiveness
- Test disbursement transactions and new and modified vendor records as well as related key internal controls on a sample basis
- Compare the process and controls against the best practices

Step 3 – Reporting

In Step 3, the project team will perform tasks necessary to finalize audit working papers, prepare and review a draft report with the stakeholders, and submit a final audit report. Tasks include:

- Develop findings, conclusions, and recommendations based on the supporting evidence gathered
- Validate findings with the appropriate individuals and discuss the root cause of the identified findings
- Complete supervisory review of working papers and a draft audit report
- Distribute a draft audit report and conduct a closing meeting with key stakeholders
 - Discuss the audit results, findings, conclusions, and recommendations
 - Discuss management responses
- Obtain written management responses and finalize a report
- Review report with members of City Council and/or the appropriate Council Committee
- Present the final report to the City Council and/or appropriate Council Committee

Deliverables:

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

- Audit Report

Schedule of Performance

Anticipated Start Date: January 10, 2022

Anticipated End Date: ~~June 30, 2022~~ March 31, 2023

Maximum Compensation Amount and Rate Schedule

The not-to-exceed maximum, inclusive of reimbursable expenses (as summarized below) for this Task is \$54,550. The not-to-exceed budget is based on an estimate of 270 total project hours.

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.

Audit Activity 4.13 – Remote and Flexible Work Study

PROFESSIONAL SERVICES TASK ORDER

TASK ORDER FY22-004.13

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.

CONTRACT NO. C21179340

OR PURCHASE ORDER REQUISITION NO. (AS APPLICABLE)

- 1A. MASTER AGREEMENT NO. (MAY BE SAME AS CONTRACT / P.O. NO. ABOVE):
- 1B. TASK ORDER NO.: FY22-004.13
2. CONSULTANT NAME: Baker Tilly US, LLP
3. PERIOD OF PERFORMANCE: START: March 1, 2022 COMPLETION: ~~December 31, 2022~~ March 31, 2023
- 4 TOTAL TASK ORDER PRICE: \$60,000
BALANCE REMAINING IN MASTER AGREEMENT/CONTRACT \$TBD
5. BUDGET CODE _____
COST CENTER _____
COST ELEMENT _____
WBS/CIP _____
PHASE _____
6. CITY PROJECT MANAGER'S NAME & DEPARTMENT:
~~Greer Stone~~ 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 Construction Controls Assessment involves four (3) primary steps:

- Step 1: Audit Planning
- Step 2: Control review and analysis
- Step 3: Reporting

Step 1 – Audit Planning

This step consists of the tasks performed to adequately plan the work necessary to address the overall audit objective and to solidify mutual understanding of the audit scope, objectives, audit process, and timing between stakeholders and auditors. Tasks include:

- Gather information to understand the environment under review
 - Understand the organization structure and objectives
 - Review the codes, regulations, policies, and other standards and expectations
 - Review the prior audit results, if any
 - Review previously conducted employee engagement and satisfaction surveys
 - Issue an employee survey centered on remote work capabilities
 - Issue a management survey centered on remote work capabilities
 - Review additional documentation and conduct interviews as necessary
- Assess the audit risk
- Write an audit plan and audit program
 - Define audit objectives and scope
 - Identify the audit procedures to be performed and the evidence to be obtained
- Announce the initiation of the audit and conduct a kick-off meeting with key stakeholders
 - Discuss audit objectives, scope, audit process, timing, resources, and expectations
 - Discuss documentation and interview requests for the audit

Step 2 – Control Review and Testing

This step involves executing the procedures in the audit program to gather information, interview individuals, and analyze the data and information to obtain sufficient evidence to address the audit objectives. The preliminary audit objective is to: (1) Assess employee and management perspectives for long-term remote and flexible work viability and associated challenges; (2) Evaluate positive outcomes and challenges for managing a mixed location workforce; (3) Identify policies, processes, management practices and work culture improvements that may improve the City's ability to manage a remote workforce. Tasks include but are not limited to:

- Analyze employee and management surveys to identify management and policy change opportunities and barriers for managing a mixed location workforce
- Interview (focus group and/or individual) the Human Resources, employee representatives and management representatives to understand the current state, benefits and barriers to
- Review relevant policies and procedures as well as the position eligibility standards for remote work to identify the criteria to be used for evaluation of control design and effectiveness
- Research best practices and practices of surrounding communities
- Analyze available data to assess current practices impact on recruitment and retention
- Validate analysis with Human Resources

Step 3 – Reporting

In Step 3, the project team will perform tasks necessary to finalize audit working papers and submit a final audit report. Tasks include:

- Develop findings, conclusions, and recommendations based on the supporting evidence gathered
- Validate findings with the appropriate individuals
- Complete the supervisory review of working papers and a draft audit report
- Distribute a draft audit report and conduct a closing meeting with key stakeholders
 - Discuss the audit results, findings, conclusions, and recommendations
 - Discuss management responses
- Obtain written management responses and finalize a report

Deliverables:

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

- Audit Report with remote and flexible work data analysis and best practice recommendation

Schedule of Performance

Anticipated Start Date: March 1, 2022

Anticipated End Date: ~~December 31, 2022~~ March 31, 2023

Maximum Compensation Amount and Rate Schedule

The not-to-exceed maximum, inclusive of reimbursable expenses (as summarized below) for this Task is \$60,000. The not-to-exceed budget is based on an estimate of 285 total project hours, of which 16 are estimated to be completed by the City Auditor.

Reimbursable Expenses

If circumstances allow, Baker Tilly anticipates planning one on-site fieldwork. Given this possibility, Baker Tilly could incur reimbursable expenses for this Task.

The not-to-exceed maximum for reimbursable expenses for this Task is \$5,000.

The following summarizes anticipated reimbursable expenses:

- Round-trip Airfare – \$1,200
- Rental Car - \$600
- Hotel accommodation - \$2,500 (8 nights)
- Food and incidentals – \$700

Note that, if current restrictions associated with COVID-19 continue, an on-site visit may not be possible. The project team will work with the City to consider circumstances at the time.

Audit Activity 4.14 – Cybersecurity Assessment

PROFESSIONAL SERVICES TASK ORDER

TASK ORDER FY22-004.14

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.

CONTRACT NO. C21179340

OR PURCHASE ORDER REQUISITION NO. (AS APPLICABLE)

- 1A. MASTER AGREEMENT NO. (MAY BE SAME AS CONTRACT / P.O. NO. ABOVE):
- 1B. TASK ORDER NO.: FY22-004.14
2. CONSULTANT NAME: Baker Tilly US, LLP
3. PERIOD OF PERFORMANCE: START: March 1, 2022 COMPLETION: ~~December 31, 2022~~ April 30, 2023
4. TOTAL TASK ORDER PRICE: \$110,000
BALANCE REMAINING IN MASTER AGREEMENT/CONTRACT \$TBD
5. BUDGET CODE _____
COST CENTER _____
COST ELEMENT _____
WBS/CIP _____
PHASE _____
6. CITY PROJECT MANAGER'S NAME & DEPARTMENT:
Greer Stone-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

Cybersecurity Maturity Assessment

Baker Tilly’s approach to conducting a cybersecurity assessment and developing a cybersecurity program strategy involves four (4) primary steps:

- Step 1: Assessment Planning and Kick-off
- Step 2: Information Gathering
- Step 3: Cybersecurity Capability Analysis and Recommendations
- Step 4: Reporting

Step 1 – Assessment Planning and Kick-off

This step consists of the tasks performed to adequately plan the work necessary to address the overall assessment objective and to solidify mutual understanding of the assessment scope, objectives, assessment process, and timing between stakeholders and assessors. Tasks include:

- Baker Tilly will work with the City to finalize the assessment scope and project timeline. Baker Tilly will also provide the City with an initial interview and documentation request list.
- Finally, Baker Tilly will perform a project kick-off discussion with the City to ensure alignment with the project timeline, interview schedule, and deliverables.

Step 2 – Information Gathering

This step involves conducting interviews with identified IT security personnel and key stakeholders to identify security capabilities, processes, and currently implemented technologies.

Baker Tilly will also review current IT security policy and procedure documentation, as well as network and infrastructure architecture documents.

Step 3 – Cybersecurity Capability Analysis and Recommendations

This step involves mapping current state security capabilities to the NIST Cybersecurity Framework and evaluate the maturity of current security processes. Baker Tilly will also identify current risks related to weaknesses in the City's cybersecurity program.

Baker Tilly will then review current state capabilities and risks with the City to ensure alignment on Baker Tilly's initial analysis and identify target state objectives utilizing the Capability Maturity Model (CMMI)

Finally, Baker Tilly will take the identified improvement areas and target state maturity objectives to develop our recommendations for the City's cybersecurity program to meet its target state objectives.

Step 4 – Reporting

The project team will perform tasks necessary to finalize the initial draft cybersecurity assessment report and review a draft report with the stakeholders. Additionally, the team will submit a final assessment report to the City. Tasks include:

- Develop findings, conclusions, and recommendations based on the supporting evidence gathered
- Validate findings with the appropriate individuals
- Distribute a draft assessment report and conduct a closing meeting with key stakeholders
 - Discuss the assessment results, findings, conclusions, and recommendations
- Obtain written management responses and finalize a report

Deliverables:

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

- Cybersecurity Assessment Report and Program Strategy

External Penetration Testing

Baker Tilly will perform external penetration testing on behalf of the City. Baker Tilly's approach to conducting these security testing activities involves four (4) primary steps:

- Step 1: Assessment Planning and Kick-off
- Step 2: Open-Source Information Gathering and Reconnaissance
- Step 3: External Penetration Testing
- Step 4: Reporting

Step 1 – Assessment Planning and Kick-off

This step consists of the tasks performed to adequately plan the work necessary to address the overall testing objective and to solidify mutual understanding of the testing scope, objectives, testing process, and timing between stakeholders and assessors. Tasks include:

- Baker Tilly will work with the City to finalize the testing scope and project timeline.
- Baker Tilly will perform a project kick-off discussion with the City to ensure alignment with the project timeline, testing approach, and deliverables.
- Baker Tilly will provide the City with an ISP authorization form and Rules of Engagement documents for signature to confirm testing scope and activities.

Step 2 – Open-Source Information Gathering and Reconnaissance

This step involves conducting interviews with identified IT security personnel and key stakeholders to identify security capabilities, processes, and currently implemented technologies.

Baker Tilly will also review current IT security policy and procedure documentation, as well as network and infrastructure architecture documents.

Step 3 – External Penetration Testing

Baker Tilly will conduct external penetration testing on up to 300 active and 208 dormant external IP addresses provided by the City. External penetration testing services include:

- Confirmation of active versus dormant IP addresses
- Identification of services and service versions running on each active system;
- Automated vulnerability discovery scanning for each active system;
- Penetration attempts on systems identified that have known exploitable vulnerabilities; and
- Deep dive exploitation of any identified exploitable vulnerabilities to gain unauthorized access to internal systems and/or data.

Step 4 – Reporting

The project team will perform tasks necessary to finalize our security testing report and review a draft report with City stakeholders. Additionally, the team will submit a final testing report to the City. Tasks include:

- Develop findings, conclusions, and recommendations based on the supporting evidence gathered
- Validate findings with the appropriate individuals
- Distribute a draft testing report and conduct a closing meeting with key stakeholders
 - Discuss the testing results, findings, conclusions, and recommendations
- Obtain written management responses and finalize a report

Deliverables:

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

- External Penetration Testing Report

Schedule of Performance

Anticipated Start Date: March 1, 2022

Anticipated End Date: ~~December 31, 2022~~ April 30, 2023

Maximum Compensation Amount and Rate Schedule

The not-to-exceed maximum, inclusive of reimbursable expenses (as summarized below) for this Task is \$110,000. The not-to-exceed budget is based on an estimate of 525 total project hours, of which 30 are estimated to be completed by the City Auditor.

Reimbursable Expenses

We plan to complete the audit work remotely, including all interviews and documentation review. However, if the City requests the assessment team to travel on-site for meetings, interviews, or assessment report readouts, these travel related expenses will be billed in addition to the fees above.

Audit Activity 4.15 – Wastewater Treatment Plant Agreement

PROFESSIONAL SERVICES TASK ORDER

TASK ORDER FY22-004.15

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.

CONTRACT NO. C21179340

OR PURCHASE ORDER REQUISITION NO. (AS APPLICABLE)

- 1A. MASTER AGREEMENT NO. (MAY BE SAME AS CONTRACT / P.O. NO. ABOVE):
- 1B. TASK ORDER NO.: FY22-004.15
2. CONSULTANT NAME: Baker Tilly US, LLP
3. PERIOD OF PERFORMANCE: START: March 1, 2022 COMPLETION: ~~December 31, 2022~~ May 31, 2023
- 4 TOTAL TASK ORDER PRICE: \$82,500
BALANCE REMAINING IN MASTER AGREEMENT/CONTRACT \$TBD
5. BUDGET CODE _____
COST CENTER _____
COST ELEMENT _____
WBS/CIP _____
PHASE _____
6. CITY PROJECT MANAGER'S NAME & DEPARTMENT:
~~Greer Stone~~ 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 a Wasterwater Treatment Plant Agreement Review involves three (3) primary steps:

- Step 1: Audit Planning
- Step 2: Process and Control Review
- Step 3: Reporting

Step 1 – Audit Planning

This step consists of the tasks performed to adequately plan the work necessary to address the overall audit objective and to solidify mutual understanding of the audit scope, objectives, audit process, and timing between stakeholders and auditors. Tasks include:

- Gather information to understand the environment under review
 - Understand the organizational structure and objectives
 - Review the City code, regulations, and other standards and expectations
 - Review prior audit results, as applicable
 - Review additional documentation and conduct interviews as necessary
- Assess the audit risk
- Write an audit planning memo and audit program
 - Refine audit objectives and scope
 - Identify the audit procedures to be performed and the evidence to be obtained and examined
- Announce the initiation of the audit and conduct kick-off meeting with key stakeholders
 - Discuss audit objectives, scope, audit process, timing, resources, and expectations
 - Discuss documentation and interview requests for the audit

Step 2 – Process and Control Review

This step involves executing the procedures in the audit program to gather information, interview individuals, and analyze the data and information to obtain sufficient evidence to address the audit objectives. The preliminary audit objective is to: (1) Determine whether adequate controls are in place and working effectively to ensure that costs for treatment plan operations are properly accounted for and allocated; (2) Assess the compliance with contracts and regulations. Procedures include:

- Interview the appropriate individuals to understand the process, the information system used, and internal controls related to accounting and allocation of costs for treatment plan operations.
- Review the contracts, policies and procedures as well as the regulations and standards to identify the criteria to be used for evaluation of compliance and control design and effectiveness
- Review the documents (such as contracts and supporting documents for allocation) for the selected allocation transactions
- Compare the cost accounting and allocation methodology against the requirements

Step 3 – Reporting

In Step 3, the project team will perform tasks necessary to finalize audit working papers, prepare and review a draft report with the stakeholders, and submit a final audit report. Tasks include:

- Develop findings, conclusions, and recommendations based on the supporting evidence gathered
- Validate findings with the appropriate individuals and discuss the root cause of the identified findings
- Complete supervisory review of working papers and a draft audit report
- Distribute a draft audit report and conduct a closing meeting with key stakeholders
 - Discuss the audit results, findings, conclusions, and recommendations
 - Discuss management responses
- Obtain written management responses and finalize a report
- Review report with members of City Council and/or the appropriate Council Committee
- Present the final report to the City Council and/or appropriate Council Committee

Deliverables:

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

- Audit Report

Schedule of Performance

Anticipated Start Date: March 1, 2022

Anticipated End Date: ~~December 31, 2022~~ May 31, 2023

Maximum Compensation Amount and Rate Schedule

The not-to-exceed maximum, inclusive of reimbursable expenses (as summarized below) for this Task is \$82,500. The not-to-exceed budget is based on an estimate of 400 total project hours, of which 20 are estimated to be completed by the City Auditor.

Reimbursable Expenses

If circumstances allow, Baker Tilly anticipates planning one on-site fieldwork week. Given this possibility, Baker Tilly could incur reimbursable expenses for this Task.

The not-to-exceed maximum for reimbursable expenses for this Task is \$4,750.

The following summarizes anticipated reimbursable expenses (for three team members):

- Round-trip Airfare – \$1500
- Rental Car - \$400
- Hotel accommodation - \$2500 (4 nights)
- Food and incidentals – \$750

Note that, if current restrictions associated with COVID-19 continue, an on-site visit may not be possible. The project team will work with the City to consider circumstances at the time.

PROFESSIONAL SERVICES TASK ORDER

TASK ORDER FY23-4.19 Disaster Recovery Preparedness

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.

CONTRACT NO. C21179340

OR PURCHASE ORDER REQUISITION NO. (AS APPLICABLE)

- 1A. MASTER AGREEMENT NO. (MAY BE SAME AS CONTRACT / P.O. NO. ABOVE):
- 1B. TASK ORDER NO.: FY23-4.19
2. CONSULTANT NAME: Baker Tilly US, LLP
3. PERIOD OF PERFORMANCE: START: March 1, 2023 COMPLETION: June 30, 2023
4. TOTAL TASK ORDER PRICE: \$87,500
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

Disaster Recovery Assessment

Baker Tilly’s approach to conducting a disaster recovery assessment involves four (4) primary steps:

- Step 1: Assessment Planning and Kick-off
- Step 2: Information Gathering
- Step 3: Disaster Recovery Analysis and Recommendations
- Step 4: Reporting

Step 1 – Assessment Planning and Kick-off

This step consists of the tasks performed to adequately plan the work necessary to address the overall assessment objective and to solidify mutual understanding of the assessment scope, objectives, assessment process, and timing between stakeholders and assessors. Tasks include:

- Baker Tilly will work with the City to finalize the assessment scope and project timeline. Baker Tilly will also provide the City with an initial interview and documentation request list.
- Finally, Baker Tilly will perform a project kick-off discussion with the City to ensure alignment with the project timeline, interview schedule, and deliverables.

Step 2 – Information Gathering

This step involves conducting interviews with identified IT security personnel and key stakeholders to gain an understanding of the operating environment and understand the desired outcome of the disaster recovery plan.

Baker Tilly will also review current IT disaster recovery policy and procedure documentation, as well as review current infrastructure in place.

Step 3 – Disaster Recovery Analysis and Recommendations

This step involves assessing the documentation of current disaster recovery plan for high priority application and supporting infrastructure to identify the adequacy of the documentation and identify additional documentation requirements.

Baker Tilly will perform a gap assessment between the current disaster recovery capabilities, desired disaster recovery strategy, and industry best practices.

Baker Tilly develop recommendation to remediate the identified documentation and capability gaps.

Baker Tilly will provide recommendations to update the disaster recovery documentation to address the gaps identified.

Step 4 – Reporting

The project team will perform tasks necessary to finalize the initial draft disaster recovery assessment report and review a draft report with the stakeholders. Additionally, the team will submit a final assessment report to the City. Tasks include:

- Develop findings, conclusions, and recommendations based on the supporting evidence gathered
- Validate findings with the appropriate individuals
- Distribute a draft assessment report and conduct a closing meeting with key stakeholders
 - Discuss the assessment results, findings, conclusions, and recommendations
- Obtain written management responses and finalize a report

Deliverables:

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

- Disaster Recovery Assessment Report

Schedule of Performance

Anticipated Start Date: March 1, 2023

Anticipated End Date: June 30, 2023

Maximum Compensation Amount and Rate Schedule

The not-to-exceed maximum, inclusive of reimbursable expenses (as summarized below) for this Task is \$87,500. The not-to-exceed budget is based on an estimate of 400 total project hours, of which 20 are estimated to be completed by the City Auditor.

Reimbursable Expenses

If circumstances allow, Baker Tilly anticipates planning one on-site fieldwork. The maximum compensation amount reflected above will be inclusive of any travel related expenses.

Note that, if current restrictions associated with COVID-19 continue, an on-site visit may not be possible. The project team will work with the City to consider circumstances at the time.

PROFESSIONAL SERVICES TASK ORDER

TASK ORDER FY23-4.20 Procurement Process Review

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.

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.: FY23-4.20
2. CONSULTANT NAME: Baker Tilly US, LLP
3. PERIOD OF PERFORMANCE: START: March 1, 2023 COMPLETION: September 30, 2023
4. TOTAL TASK ORDER PRICE: \$61,550
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 an internal audit of Procurement Process involves three (3) primary steps:

- Step 1: Audit Planning
- Step 2: Control Review and Testing
- Step 3: Reporting

Step 1 – Audit Planning

This step consists of the tasks performed to adequately plan the work necessary to address the overall audit objective and to solidify mutual understanding of the audit scope, objectives, audit process, and timing between stakeholders and auditors. Tasks include:

- Gather information to understand the environment under review
 - Understand the organizational structure and objectives
 - Review the City code, regulations, and other standards and expectations
 - Review prior audit results, as applicable
 - Review additional documentation and conduct interviews as necessary
- Assess the audit risk
- Write an audit planning memo and audit program
 - Refine audit objectives and scope
 - Identify the audit procedures to be performed and the evidence to be obtained and examined
- Announce the initiation of the audit and conduct kick-off meeting with key stakeholders
 - Discuss audit objectives, scope, audit process, timing, resources, and expectations
 - Discuss documentation and interview requests for the audit

Step 2 – Control Review and Testing

This step involves executing the procedures in the audit program to gather information, interview individuals, and analyze the data and information to obtain sufficient evidence to address the audit objectives. The preliminary audit objective is to: (1) Determine whether adequate controls are in place and working effectively to ensure that the appropriate vendors are selected properly to achieve desired objectives. (2) Identify the opportunities to improve the efficiency and effectiveness of the procurement process. Procedures include, but not limited to:

- Interview the appropriate individuals to gain an understanding of the organizational structure, processes, and controls related to procurement processes from the need assessment and market analysis to contract awarding and administration.
- Review policies and procedures as well as the legislative and regulatory requirements to identify the criteria to be used for evaluation of control design and effectiveness.
- Review the documents (such as contracts and related procurement files and performance reviews) for the selected contracts.
- Analyze the data and information related to procurement, as appropriate.
- Compare the process and controls against the best practices.

Step 3 – Reporting

In Step 3, the project team will perform tasks necessary to finalize audit working papers, prepare and review a draft report with the stakeholders, and submit a final audit report. Tasks include:

- Develop findings, conclusions, and recommendations based on the supporting evidence gathered
- Validate findings with the appropriate individuals and discuss the root cause of the identified findings
- Complete supervisory review of working papers and a draft audit report
- Distribute a draft audit report and conduct a closing meeting with key stakeholders
 - Discuss the audit results, findings, conclusions, and recommendations
 - Discuss management responses
- Obtain written management responses and finalize a report
- Review report with members of City Council and/or the appropriate Council Committee

Deliverables:

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

- Audit Report

Schedule of Performance

Anticipated Start Date: March 1, 2023

Anticipated End Date: September 30, 2023

Maximum Compensation Amount and Rate Schedule

The not-to-exceed maximum, inclusive of reimbursable expenses (as summarized below) for this Task is \$61,550. The not-to-exceed budget is based on an estimate of 350 total project hours, of which 20 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.