

South Bay Cities Council of Governments

August 27, 2015

TO: SBCCOG Board of Directors
FROM: SBCCOG Steering Committee
SUBJECT: Amendment with Jacki Bacharach & Associates

Adherence to Strategic Plan:

Goal D: Organizational Stability. Be a high performing organization with a clear path to long-term financial health, staffing continuity and sustained board commitment.

Background

Jacki Bacharach and Associates (JB&A) has a fixed fee contract with the SBCCOG to provide management, administrative services and staffing. The current contract period is July 1, 2013 to June 30, 2016. Compensation is set for the first year and then is subject to review in the subsequent years. Being a fixed fee contract, as the number of grants expands or contracts, the fee remains the same. In discussions several years ago with Michael Jenkins, SBCCOG legal counsel, he opined that an evaluation should be done as to whether the compensation fits the workload each year and if the work has gone down, it can be reduced and if the work has gone up, an increase can be considered.

The actual clause dealing with compensation in the JB&A Contract with the SBCCOG is as follows (Note that the full contract is attached for your information):

3. **Compensation.** *CONTRACTOR shall be compensated as follows:*

3.1 **Amount.** *Compensation under this Agreement shall not exceed \$348,000 for the general operations of the SBCCOG for the first year of the Term with an annual review by the Board of Directors during the budget deliberations.*

3.2 **Payment.** *For work under this Agreement, payment shall be made per monthly invoice. For extra work not a part of this Agreement, written authorization by SBCCOG will be required.*

3.3 **Expenses.** *Standard office supplies are included in the compensation. Budgeted costs for copying, additional supplies and equipment, mailings, meals, parking, and conferences will be paid upon presentation of receipts. Extraordinary expenses must be pre-approved.*

Per the JB&A contract, during the May presentation of the 2015-2016 budget to the Steering Committee and Board, it was highlighted by both Jacki Bacharach and Suzanne Charles that the budget included a 3.5% increase for JB&A. This amount was included in the adopted 2015-2016 budget.

Also discussed at the budget presentations was the fact that part of the work of Kim Fuentes' (a JB&A subcontractor) had previously been compensated in a special agreement from grant funds

not explicitly included in the JB&A contract. This arrangement was reviewed by the Ad Hoc Finance Committee. In the interest of transparency and under the new budget format, since Ms. Fuentes is a member of the JB&A team, the grant funds for Kim Fuentes have been included in the JB&A Contract and will still be paid for through grants and passed through to Ms. Fuentes.

Justification for the Increase

This is the 3rd year of the 3 year contract.

A history of the contract activity for the SBCCOG is as follows:

	# of Contracts	Total \$ in contracts	
2013-2014	13	\$ 2,158,094	
2014-2015	18	\$ 2,514,025	
2015-2016	17	\$ 3,038,876	(bigger contracts - more subcontractors required, more oversight)

A history of the contract compensation is as follows:

2013-2014 JB&A received \$348,000 + \$42,000 (Fuentes additional compensation) = \$390,000

2014-2015 JB&A received \$365,400 + \$42,000 (Fuentes additional compensation) = \$407,400

2015-2016 JB&A budgeted amount (includes additional Fuentes compensation) = \$421,659

RECOMMENDATION

The Steering Committee recommends Board approval of the contract amendment with JB&A to increase the total compensation by 3.5% in keeping with the adopted 2015-2016 budget.

SECOND AMENDMENT TO EXECUTIVE DIRECTOR SERVICES AGREEMENT

This Second Amendment to EXECUTIVE DIRECTOR SERVICES AGREEMENT ("Second Amendment") is made and entered into as of August 27, 2015 by and between the South Bay Cities Council of Governments, a joint powers authority ("SBCCOG") and Jacki Bacharach & Associates (JB&A), a sole proprietorship ("Contractor").

RECITALS:

A. The parties previously entered into an Executive Director Services Agreement dated July 1, 2013 ("Agreement"), wherein the SBCCOG retained the services of Contractor to serve as its Executive Director.

B. The parties now desire to make adjustments to the amount of compensation.

NOW THEREFORE, in consideration of the foregoing, the Agreement is amended as follows:

Paragraph 3.1 of Exhibit A to the Agreement (Scope of Services) is amended to read as follows:

3.1 Amount. Compensation under this Agreement shall not exceed \$421,659 for the general operations of the SBCCOG for the remaining Term with an annual review by the Board of Directors during the budget deliberations.

In all other respects, the Agreement as amended is hereby reaffirmed and in full force and effect.

"SBCCOG"
South Bay Cities Council of Governments
a joint powers authority

"Contractor"
Jacki Bacharach & Associates,
a sole proprietorship

By: _____
Jim Gazeley

By: _____
Jacki Bacharach

Title: Chair

Title: Principal

Date: _____

Date: _____

Attest: _____
SBCCOG Secretary – Marcy Hiratzka