

SECOND AMENDATORY AGREEMENT

THIS SECOND AMENDATORY AGREEMENT is made and entered into, effective as of the date set forth on the City's signature page, by and between the **CITY AND COUNTY OF DENVER**, a municipal corporation of the State of Colorado ("City"), and **HILLARD HEINTZE, LLC**, an Illinois limited liability company, with its principal place of business located at 30 South Wacker Drive, Suite 1400, Chicago, Illinois 60606 ("**Contractor**"), collectively referred to as the "Parties".

WITNESSETH:

WHEREAS, the Parties entered into an agreement dated November 17, 2014 and amended the agreement on April 9, 2015 for the Contractor to provide consulting services for a comprehensive, independent review of the Denver Sheriff Department and assistance with recruitment of a permanent Sheriff ("**Agreement**"); and

WHEREAS, the Parties desire to amend the Agreement to extend the term, update the scope of work and rates and increase the maximum compensation to the Contractor.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and obligations herein set forth, the Parties agree as follows:

1. All references to "**Exhibit A**" and "**Exhibit A-1**" in the Agreement shall be amended to read: "**Exhibit A, Exhibit A-1 and Exhibit A-2**, as applicable". The additional Scope of Work and Rates marked as **Exhibit A-2** is attached hereto and incorporated herein by this reference.

2. Article 2 of the Agreement entitled "**TERM**" is hereby amended to read as follows:

"2. TERM: The term of the Agreement is from October 29, 2014 until March 1, 2016, or until the Maximum Contract Amount specified in subsection 3.A. below is expended and all of the services specified in **Exhibit A, Exhibit A-1 and Exhibit A-2**, as applicable, have been satisfactorily performed, whichever is sooner, unless this Agreement is terminated earlier as provided in this Agreement or is extended as provided in a separate amendment to this Agreement ("**Term**"). Subject to the City Representative's prior written authorization, the Contractor shall complete any work in progress as of the expiration date and the Term of the Agreement will extend until the work is completed or earlier terminated by the City Representative."

3. Article 3, Section A of the Agreement entitled “**Maximum Contract Amount**” is hereby amended to read as follows:

“A. **Maximum Contract Amount**: The Maximum Contract Amount to be paid by the City to the Contractor for the performance of the work set out in **Exhibit A, Exhibit A-1** and **Exhibit A-2**, as applicable, shall in no event exceed the sum of **SEVEN HUNDRED THOUSAND DOLLARS AND ZERO CENTS (\$700,000.00)**, unless this Agreement is modified to increase said amount by a duly authorized and written amendment to this Agreement executed by the Parties in the same manner as this Agreement.”

4. Except as herein amended, the Agreement is affirmed and ratified in each and every particular.

[SIGNATURE PAGES FOLLOW]

Contract Control Number: SAFTY-201418970-02

Contractor Name: Hillard Heintze

By: Arnette Heintze

Name: ARNETTE HEINTZE
(please print)

Title: CEO
(please print)

ATTEST: [if required]

By: William V. Aslan

Name: William V. Aslan
(please print)

Title: CFO
(please print)



Contract Control Number:

IN WITNESS WHEREOF, the parties have set their hands and affixed their seals at Denver, Colorado as of

SEAL

CITY AND COUNTY OF DENVER

ATTEST:

By _____

APPROVED AS TO FORM:

REGISTERED AND COUNTERSIGNED:

By _____

By _____

By _____



EXHIBIT A-2

May 22, 2015

Ms. Stephanie Y. O'Malley, J.D.
Executive Director of Safety
Denver Department of Safety
City and County of Denver
1331 Cherokee Street, Room 302
Denver, Colorado 80204

Dear Ms. O'Malley:

Thank you for the opportunity to continue our dialogue regarding the advancement of the Denver Sheriff Department (DSD). We were again impressed with the professionalism, transparency, speed and genuine dedication you, your office and Mayor Hancock displayed with the public release and your resolve to addressing the 277 recommendations identified in our independent assessment report.

A Key Opportunity - and Exciting Days Ahead

One of the most rewarding facets of this engagement for us - and virtually every member of our Denver team - has been the keen awareness on the part of the Mayor, yourself and the DSD Reform Executive Steering Committee (Executive Committee) of the opportunity you have here to quickly and dramatically improve DSD leadership, operations and reputation, and help shape it into a national example of an effective and efficient corrections agency committed to providing exceptional public service.

Moving Forward

You are at a critical juncture. Based upon our extensive understanding of DSD operations, we are prepared and eager to help you continue to enact positive and transformational change.

Five Suggested Objectives

We suggest, subject to your thoughts and feedback, that you consider establishing the following five strategic objectives that will be undertaken concurrently with the recruitment of the new sheriff, over the next phase or approximately four to six months:

1. Implementing the **reforms and recommendations** outlined in the Hillard Heintze assessment
2. Improving **leadership and supervision**
3. Clearly defining the **mission** at all levels
4. Executing **professional corrections services** throughout the agency at an increasingly best practice level
5. Developing **accountability** at all levels for the accomplishment of the mission

Supporting Your Interim Sheriff as Change Agents to Ensure Successful Reform

Based on our previous experience assisting communities implement similar reforms, we place our highest confidence in an approach that centers on driving reform by assisting, mentoring and supporting your existing leadership team to achieve the five objectives outlined above and meet your requirements.

This approach includes the dedication of two (2) key personnel and support from the entire Hillard Heintze Team as well as local experts such as Mr. LaCabe and Mr. Grayson. The team would provide direct support to your in-house Interim Sheriff with Rob Davis focusing on management and leadership and Brenda Welch focusing on the technical and operational recommendations. These two individuals would have extensive reach-back support to the full Hillard Heintze team of senior law enforcement and corrections leaders, subject-matter experts, and communications specialists. This approach includes a commitment of 900 hours over the next four to six months and total fees projected at \$250,000, billed monthly at \$275 per hour as work is completed.

Project Description

The Hillard Heintze team will:

- Serve under the general guidance and direction of the Executive Director of Safety (Executive Director), and help advise and transform the Denver Sheriff Department.
 - Create a clear, priority roadmap that includes short-, mid- and long-term activities with timelines and approximate cost based upon the Hillard Heintze/OIR assessment, the audit from the Office of the Auditor, City and County of Denver, and the community reports.
 - Perform a variety of complex managerial and professional initiatives to plan, design and advise on the day-to-day activities and long-term goals and objectives of DSD.
 - Provide effective leadership, ensuring that all functions within DSD support an environment conducive to deputies and civilian staff providing the highest level of service to both the inmates and the City and County of Denver.
 - Maintain a primary focus that ensures that DSD initiates reforms and improvements as identified by the Hillard Heintze assessment to create a culture of professionalism, integrity, leadership and accountability.
 - Advise and counsel DSD staff - including administration, operations, civilian operations and courts, directly or through subordinate supervisors.
 - Maintain an effective communication process with you as Executive Director, including preparing weekly and monthly reports regarding DSD activities and progress to implementing the all of the recommendations.
 - Comply with other responsibilities outlined in the Sheriff's job description as well as City and County of Denver policies and procedures.
- Provide additional independent Hillard Heintze experts from the assessment team, the local community and other disciplines as needed to act as advisors in implementing the recommendations in the assessment.

- As you direct, we will initiate the process of identifying, hiring and onboarding a new Sheriff who will lead DSD into its next phases of development.

Timing and Next Steps

With the plan and approach offered in this proposal, we are confident that significant progress can be achieved to implementing not only our 277 recommendations, but those of the Office of the Auditor and the various community reports. Our team will provide you weekly and monthly updates on our implementation and organizational transformation progress.

We Are Ready to Support You

We look forward to continuing in our role as advisor and will serve you and the City and County of Denver, the Denver Sheriff Department and your many constituents with integrity and distinction.

Sincerely,

HILLARD HEINTZE LLC



Arnette F. Heintze
Chief Executive Officer

Travel Budget Estimate for Denver Sheriff's Department Implementation Phase

Rob Davis – May 30, 2015

The budget estimate listed below pertains to the travel and per diem costs for the Denver Sheriff's Department Implementation Phase of work. This estimate assumes the following data points/calculations:

- Denver hotel costs at a government rate of \$163, plus a 14.75% Denver Hotel Tax (\$24.04), for a total of \$187.04 per night at a Denver hotel.
- Taxi/Uber Expenses – Calculated at \$75 between the airport and downtown Denver or from Downtown Denver to the Airport
- Per Diem Expenses: \$75 per day
- Mileage costs for local subject matter experts: 57.5 cents per mile
- Hotel expenses plus per diem = \$262.04 per day
- Local Travel expenses plus Per diem = \$95 per day
- Airfare: average roundtrip airfare from West Coast or Chicago calculated at \$500
- Using the figure of \$262.04 per day, visits by Hillard Heintze employees or Subject Matter Experts traveling into Denver from out of state would break down as follows, excluding taxi fares and air flight expenses:
 - One day Visit: \$262.04
 - Two days visit: \$524.08
 - Three days visit: \$786.12
 - Fours days visit: \$1,048.16
 - Local Travel calculated at approximately 35 Miles per day: \$20

Tentative Site Visits:

Week of June 15-19 (Total of 120 Hours):

- Rob Davis – Four Days
- Brenda Welch – Four Days
- HH SME – Three Days
- Local SME – Two Days
- Local SME – Two Days

Week of June 29-July 3 (Total of 128 Hours):

- Rob Davis – Four Days
- Brenda Welch – Four Days
- HH SME – Two Days
- Local SME – Two Days
- Local SME - Two Days
- Ken Bouche (Recruiting) – Two Days

Week of July 13-17 (Total of 80 Hours):

- Rob Davis – Three Days
- Brenda Welch – Three Days
- HH SME – Two Days
- Local SME – One Day
- Local SME – One Day

Week of July 27-31 (Total of 64 Hours)

- Brenda Welch – Two Days
- HH SME – Two Days
- Local SME – One Day
- Local SME – One Day
- Ken Bouche (Recruiting) – Two Days

Week of August 10-14 (Total of 64 Hours):

- Rob Davis – Two Days
- Brenda Wells – Two Days
- HH SME – Two Days
- Local SME – One Day
- Local SME – One Day

Week of August 24-28 – (Total of 88 Hours)

- Rob Davis – Two Days
- Brenda Wells – Two Days
- HH SME – Two Days
- Local SME – One Day
- Local SME – One Day
- Ken Bouche (Recruiting) – Three Days

Week of September 8-11 – (Total of 104 Hours)

- Rob Davis – Two Days
- Brenda Wells – Two Days
- HH SME – Two Days
- Local SME – One Day
- Local SME – One Day
- Ken Bouche (Recruiting) – Three Days
- Arnette Heintze – Two Days

Week of September 21-25 – (Total of 64 Hours):

- Rob Davis – Three Days
- Brenda Wells – Three Days
- Local SME – One Day
- Local SME – One Day

BUDGET BREAKDOWN:

Flights: 27 roundtrip flights at \$500 Each: \$13,500

Hotel: 70 hotel nights at \$187.04 each night: \$13,092.80

Taxis: 27 flights X \$150 (\$75 Uber expense both to and from the airport): \$4,050

Meals/Incidentals: 85 Days X \$75: \$6,375

Local Travel Mileage for Local SMEs: 20 days X \$20: \$400

Transportation to/from home airport plus local airport parking: 27 trips x \$100: \$2,700

Contingency: \$3713.20

TOTAL ESTIMATED TRAVEL, LODGING, PER DIEM and LOCAL TRANSPORTATION COSTS: \$43,831