

(ATTACHMENT 3) ACTION ON THE AWARD OF PROFESSIONAL SERVICES CONTRACTS

Purchase Requisition Number: CR050863
Contract Number: C029472
Vendor Number: V006288

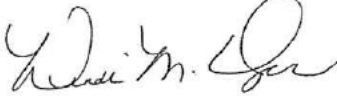
**MILWAUKEE BOARD OF SCHOOL DIRECTORS
PROFESSIONAL SERVICES CONTRACT
FIRST MODIFICATION**

On April 1, 2020, the Milwaukee Board of School Directors and Baker Tilly US, LLP (formerly Baker Tilly Virchow Krause, LLP) entered into Professional Services Contract number C029472 ("Contract"), with a term of July 1, 2020 through June 30, 2023.

In accordance with ¶ 20 of the Contract, the parties modify those terms and conditions identified below.

MODIFIED TERMS:

1. All references in the Contract to "Baker Tilly Virchow Krause, LLP" are hereby replaced with "Baker Tilly US, LLP"
2. Paragraph 1 of the Contract is modified to include the following provision: "Contractor shall provide accounting assistance in preparation for the June 30, 2020 audit as detailed in the "Engagement Letter", which is attached hereto as "Exhibit A" and incorporated by reference."
3. Paragraph 3 of the Contract is deleted in its entirety and replaced with the following provision: "Total compensation under this Contract shall not exceed \$964,590.00 in the Initial Term."

CONTRACTOR
By: 

Date: November 24, 2020

Baker Tilly US, LLP
777 E. Wisconsin Ave, 32nd Floor
Milwaukee, WI 53202
(414) 777-5423

Tax ID: [REDACTED]

Budget code(s):
SCF-0-0-CTG-DW-EAUS-ECTS \$799,590.00
ADT-0-A-1Ax-OB-EAUS-ECTS \$150,000.00
SCF-0-0-CTG-DW-EAUS-ECTS \$15,000

Reviewed By: 
Risk Management

MILWAUKEE BOARD OF SCHOOL DIRECTORS

By: 
Martha Kreitzman
Chief Financial Officer

Date: 12-3-2020

By: Not Required
Keith P. Posley, Ed.D.
Superintendent of Schools

Date: _____

By: Not Required
Larry Miller, President
Milwaukee Board of School Directors

Date: _____

Date: 12-3-2020

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Baker Tilly US, LLP
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November 5, 2020

Ms. Martha J. Kreitzman
Chief Financial Officer
Milwaukee Public Schools
5225 W. Vliet Street
Milwaukee, Wisconsin 53201

Dear Ms. Kreitzman:

Thank you for engaging Baker Tilly US, LLP ("Baker Tilly" or "we" or "our") to assist the Milwaukee Public Schools ("the District", "Client") with the project as described below. We appreciate the opportunity to serve District.

The purpose of this letter (the "Engagement Letter") is to confirm our understanding of the terms and objectives of this engagement and the nature of the services we will provide as consultants of the District. This Engagement Letter is subject to the terms of the Professional Services Contract, Contract Number C029472, entered between the parties dated April 1, 2020, as subsequently amended (hereinafter "Contract"), and is intended to modify the scope of services of the Contract to include this engagement.

Services

The services ("Services") we provide under this Engagement Letter will be directed by District's management. The types of Services to be provided are as follows:

Based on our discussions, we will provide accounting assistance in preparation for the June 30, 2020 audit the work papers and footnotes for all GASB 68, 73, 75 related items. We will prepare workpapers and provide feedback to management for consideration of any proposed adjustments.

We will provide individuals from our State and Local Government practice for this assistance.

For this service, the District will be billed for time incurred at an amount not to exceed \$15,000. Invoices for these fees will be rendered monthly and are payable on presentation. In the event a unique or complex issue arises, or additional assistance is requested by the District not related to the items noted above we will work with you to determine the level of assistance required and bill for these services at the hourly rate and time required to perform additional service of the person preparing. We will tell you if the assistance you require is outside the scope of our agreed-upon engagement.

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Milwaukee Public Schools

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None of these services can be relied on to detect errors, fraud, or illegal acts that may exist; however, we will inform the appropriate level of management of any material errors that come to our attention and any fraud or illegal acts that come to our attention, unless they are clearly inconsequential. In addition, we have no responsibility to identify and communicate significant deficiencies or material weaknesses in your internal controls as part of this engagement. Our services under this contract do not constitute an audit of any information. We will not be verifying the accuracy of underlying data or your internal records.

Management Responsibilities

Management is responsible for making available to us, on a timely basis, all of the client's original accounting records and related information and for the completeness and accuracy of that information, and client personnel to whom we may direct inquiries.

- > Management is responsible for recording all transactions into the client's general ledger including, but not limited to cash disbursements; cash receipts; and general, adjusting, or correcting journal entries.
- > Management shall be solely responsible for reviewing and approving any and all work we perform.
- > Because of the importance of oral and written representations to an effective project, the District releases Baker Tilly and its current, former or future partners, principals, employees and personnel from any and all claims, liabilities, costs and expenses attributable to any misrepresentations by management.
- > The terms of this Engagement Letter shall apply to any claims of any kind, including, but not limited to, contract, tort, or negligence of any party, including the District or Baker Tilly that may arise from this Engagement Letter.

Non-Attest Services

The services that we will be providing are non-attest services. To ensure that our independence is maintained with respect to the financial audit, it is your responsibility to review our work in addition to understanding the nature of our work.

We will not perform any management functions or make management decisions on your behalf with respect to any non-attest services we provide. In addition, we will not enter transactions into the District's general ledger, approve District transactions or supervise District staff.

In connection with our performance of any non-attest services, you agree that you will:

- > Continue to make all management decisions and perform all management functions, including approving our work product when it is submitted to you.
- > Designate an employee with suitable skill, knowledge and/or experience, preferably within senior management, to oversee the services we perform.
- > Evaluate the adequacy and results of the non-attest services we perform.
- > Accept responsibility for the results of our non-attest services.
- > Establish and maintain internal controls, including monitoring ongoing activities related to the non-attest function.

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Legal Terms

In no event shall either party be liable for any punitive damages arising out of or related to this Engagement Letter, even if the other party has been advised of the possibility of such damages.

Resolution of Disagreements

In the unlikely event that differences concerning services or fees should arise that are not resolved by mutual agreement, both parties agree to attempt in good faith to settle the dispute by mediation administered by the American Arbitration Association (AAA) under its mediation rules for professional accounting and related services disputes before resorting to litigation or any other dispute-resolution procedure. Each party shall bear their own expenses from mediation.

Our services shall be evaluated solely on our substantial conformance with the terms expressly set forth herein, including all applicable professional standards. Any claim of nonconformance must be clearly and convincingly shown.

Other Matters

Because the services we provide may prove to be useful to the District in situations where the District is involved in investigations or litigation that does not involve Baker Tilly US, LLP, our assistance may be necessary. Therefore, in the event we are requested or authorized by the District, or required by government regulation, subpoena, or other legal process to produce our working papers or our personnel as witnesses with respect to our engagement for the Milwaukee Public Schools, Wisconsin will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our reasonable professional time and expenses, as well as the reasonable fees and expenses of our counsel, incurred in responding to such a request.

Neither this Engagement Letter, any claim, nor any rights or licenses granted hereunder may be assigned, delegated or subcontracted by either party without the written consent of the other party. Either party may assign and transfer this Engagement Letter to any successor that acquires all or substantially all of the business or assets of such party by way of merger, consolidation, other business reorganization, or the sale of interest or assets, provided that the party notifies the other party in writing of such assignment and the successor agrees in writing to be bound by the terms and conditions of this Engagement Letter.

Baker Tilly US, LLP is an independent member of Baker Tilly International. Baker Tilly International Limited is an English company. Baker Tilly International provides no professional services to clients. Each member firm is a separate and independent legal entity and each describes itself as such. Baker Tilly US, LLP is not Baker Tilly International's agent and does not have the authority to bind Baker Tilly International or act on Baker Tilly International's behalf. None of Baker Tilly International, Baker Tilly US, LLP, nor any of the other member firms of Baker Tilly International has any liability for each other's acts or omissions. The name Baker Tilly and its associated logo is used under license from Baker Tilly International Limited.

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The provisions of this Engagement Letter, which expressly or by implication are intended to survive its termination or expiration, will survive and continue to bind both parties. If any provision of this Engagement Letter is declared or found to be illegal, unenforceable or void, then both parties shall be relieved of all obligations arising under such provision, but if the remainder of this Engagement Letter shall not be affected by such declaration or finding and is capable of substantial performance, then each provision not so affected shall be enforced to the extent permitted by law or applicable professional standards.

If because of a change in the District's status or due to any other reason, any provision in this Engagement Letter would be prohibited by, or would impair our independence under laws, regulations or published interpretations by governmental bodies, commissions or other regulatory agencies, such provision shall, to that extent, be of no further force and effect and this agreement shall consist of the remaining portions.

This agreement shall be governed by and construed in accordance with the laws of the state of Wisconsin, without giving effect to the provisions relating to conflict of laws.

We appreciate the opportunity to be of service to you.

If there are any questions regarding the Engagement Letter, please contact Wendi M. Unger, the engagement partner on this engagement who is responsible for the overall supervision and review of the engagement and determining that the engagement has been completed in accordance with professional standards. Wendi M. Unger is available at 414 777 5423 or wendi.unger@bakertilly.com.

Sincerely,

BAKER TILLY US, LLP (formerly known as Baker Tilly Virchow Krause, LLP)

Baker Tilly US, LLP

Enclosures

The services and terms set forth in the Engagement Letter are agreed to by:

Official's Name Martha Kreitzman

Official's Signature *Martha Kreitzman*

Title Chief Financial Officer

Date 12-3-2020

Date