

## **Work Authorization No. 1**

### **Leadership Services Staff Augmentation**

This Work Authorization is effective October 21, 2025 (the “Work Authorization Effective Date”), issued under and subject to the terms and conditions of the Master Professional Services Agreement identified by Agreement Number 20250825-1025 by and between Gradient Leadership Solutions, LLC (Company or Gradient) and the City of Farmers Branch, TX (Client).

#### **Section A – Scope of Services**

##### **Description of Services**

Gradient is engaged by the Client to act in an support and advisement capacity working with the Chief Financial Officer or Director of Finance during a focused period of time to assist the Client’s leadership in meeting certain finance-related objectives.

##### **Key Goals**

The following key goals are a part of this Work Authorization:

- Provide focused finance-related support to the Client’s finance team specifically relating to Bank Reconciliations including:
  - General Operating Bank Reconciliations from April 2025 – September 2025.
  - Review of General Operating Bank Reconciliations from October 2024 to March 2025.
  - Bank Reconciliation Procedure and Policy review.
  - Bank Reconciliation Munis process review and recommendations (as applicable)
- Provide focused support to the Client’s finance team relating to the reconciliation of the capital projects account in preparation for the external audit.
- Support the finance team’s completion of the external audit process by providing consulting feedback and support as requested by the finance team and agreed upon by Gradient.

##### **Key Tasks**

Gradient’s team will be available to assist the Client in a variety of ways. The following items are examples of the support available during this Work Authorization. The list is not intended to be complete.

- Participate in calls, meetings, or discussions with management on a variety of topics whether in-person or remote.
- Support Client-led teams in process assessment or process improvement initiatives.
- Provide feedback on policies, procedures, or other documents.
- Assist the Finance Director or Finance team in requests relating to the annual audit preparation, specifically document readiness and workplans focused on year-end bank reconciliations.
- Assist the Finance Director or Finance team in evaluating the bank reconciliation process or the coaching of staff within those processes including making any process recommendations to the Finance team and/or City Management.
- Create or review documents provided by the Finance Director or other staff.
- Check-in on a regular basis with Finance team, including onsite visits, when scheduled.
- Other similar requests from management and agreed upon by Gradient.

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### **Staffing**

Resources proposed for this project will include Jenny Hundt, Ryan Lofton, Calvin E. Webb III, and other Gradient resources on an as needed basis.

### **Schedule**

Gradient will be available beginning immediately upon execution of this Work Authorization or at a later date mutually agreed upon by the Client and Gradient.

### **Frequency**

This Work Authorization anticipates approximately 3 days per week of activity (remote or onsite) from Gradient's team in some capacity as preparation for the external audit kickoff September 22, 2025. Gradient's participation may vary some on a weekly basis and may be impacted by the availability of documents or staff as required.

### **Changes in Expectations**

Any changes in expectations or significant frequency differences during this Work Authorization or items requested beyond the scope of this document will be subject to a Work Authorization Change Order, which would be drafted and agreed upon by both parties as required.

### **Expiration**

This Work Authorization will expire effective December 31, 2025, unless terminated for convenience by either party with 30 days written notice delivered in accordance with the MPA Notices section.

### **Section B – Deliverables**

No specific deliverables are contemplated within this work authorization. Based on the Client's specific requests, Gradient could agree to provide certain deliverables during this Work Authorization.

### **Section C – Compensation and Billing**

#### **Compensation Method**

- Gradient will invoice the Client on a monthly basis, based on hours worked, using the following rate structure.
  - 40 hours or less in a calendar month - \$295 per hour
  - 41+ hours per calendar month - \$275 per hour
- Gradient will work with the Client's team to determine a reasonable on-site schedule.

#### **Billing Method**

Gradient will invoice the client for hours and expenses incurred on a monthly basis after the close of each month.

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### **Expenses**

Gradient will bill the Client for out-of-pocket expenses such as lodging, tolls, per diem, and mileage in accordance with Gradient's standard practices.

The total compensation for all services rendered under this Work Authorization, including hourly fees and reimbursable expenses, shall not exceed Ninety Thousand Dollars (\$90,000.00).

### **Section D – Client Responsibilities**

#### **General**

- The Client's management team will provide direction on the tasks or scope for Gradient's hours.
- The Client will provide a copy of relevant documents requested by Gradient.
- The Client will participate in meetings, discussions, calls, or web meetings applicable to projects requested by the Client under this Work Authorization.
- The Client will provide office, conference room, or other space along with an Internet connection for Gradient when meeting at the Client's facilities.
- The Client will make all management and implementation decisions stemming from any work performed by Gradient.
- The Client will review any information submitted by Email and remove any personally identifiable information (PII) before sending. The use of a shared portal is advisable.

#### **Management & Oversight**

- The Client is responsible for the proper execution, management, oversight, and decision making of all financial operations, including those overseen or advised upon by Gradient. The Client agrees to provide the necessary resources, personnel, and support to effectively carry out the strategies and recommendations proposed by Gradient.
- Gradient may recommend actions, policies, or strategies as part of its Leadership Services. The Client is solely responsible for the decision to implement, modify, or reject any recommendations provided by Gradient. Gradient is not liable for the outcomes of decisions made by the Client, even if such decisions were based on Gradient's advice or recommendations. Gradient does not have the authority to unilaterally implement or execute any financial decision or strategy on behalf of the Client.

#### **Communication**

- The Client shall not imply that the Gradient holds a full-time or permanent position within the Client or has authority beyond that explicitly granted in this Work Authorization.

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### **Section E – Other Matters**

- Gradient does not contemplate connecting to the Client's internal information technology systems using our devices as part of this Work Authorization other than guest access to the internet while Gradient staff are working on-site at a Client facility.
  - If access to an internal financial system is required, the Client will provide appropriate devices, under their control, for use in the internal IT environment as well as any security training (if required).
  - Gradient will not directly access any banking or treasury related accounts nor act as a signer on any accounts.
  - Gradient will not be able to sign any documents, electronic or physical, on behalf of the Client or enter into any contracts on behalf of the Client.
  - Gradient will not make any personnel decisions on behalf of the Client.
  - These Services will not entail Gradient's assessment of the employees' capabilities in performing their identified tasks or supervision of any employees.
  - Tasks to be performed may be conducted onsite and remotely.
  - It is understood and agreed that Gradient's relationship and use of Azure or any similar server hosting company, Diligent, InterWorks Inc. or Brindle Solutions in Gradient's delivery of the services is not a subcontractor relationship and is a relationship between Gradient and Vendors.
  - The Client makes all procurement decisions relating to this Work Authorization. Gradient has no part or recommendation in the process.
  - The Services do not constitute work, examinations, or any other similar steps in accordance with Generally Accepted Auditing Standards, the Institute of Internal Audit Standards, Government Accountability Office Standards, or any other authoritative body. Gradient's engagement does not constitute an audit, compilation, review, attestation service, investigation, or fraud examination.
  - Gradient will not make any management decisions including setting policy or strategic direction; accepting responsibility for or directing Client employees; authorizing, executing, consummating, or otherwise exercising authority on behalf of the Client; preparing source documents for the Client; deciding which recommendations from Gradient or a third-party to implement or prioritize; reporting to a governing body on behalf of management; accepting project management responsibility for the Client; accepting responsibility for designing, implementing, or maintaining internal controls; or other similar activities.
  - Gradient is not a public accounting firm.

\*\*Continued on following page\*\*

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**IN WITNESS WHEREOF**, the Parties voluntarily execute this Agreement by an authorized representative of the named Party below as of the Effective Date.

	<b>City of Farmers Branch, TX</b>	<b>Gradient Leadership Solutions, LLC</b>
<b>By:</b>		
<b>Name:</b>		
<b>Title:</b>		
<b>Email:</b>		