



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: County Executive
Office
Department No.: 012
For Agenda Of: November 10, 2020
Placement: Administrative
Estimated Time: NA
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department: Mona Miyasato, County Executive Officer
Director(s)
Contact Info: Jeff Frapwell, Assistant County Executive Officer

SUBJECT: Amendment No. 4 to Agreement for Services of Independent Contractor with KPMG LLP to Perform Department, Management, Organizational and Operational Reviews

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve and authorize the Chair to execute Amendment No. 4 to the Agreement for Services of Independent Contractor with KPMG LLP to:
 - i. Extend the term of the agreement to perform department management, organizational and operational reviews to December 31, 2021; and
 - ii. Add additional services in the amount of \$806,881 for a total contract amount of \$2,284,320; and
- b) Determine that the above actions are not a “project” within the meaning of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(5), because they are government organizational or administrative activities that will not result in direct or indirect physical changes in the environment.

Summary Text:

As part of Renew 22, the Board authorized independent assessments of all departments to review their management, organizational structures, and operations. Based on annual funding, it was estimated that this would take four years to complete. Nine departmental reviews have been completed or underway; this contract amendment would allow additional assessments to be completed by December 2021.

Under the initial agreement, approved by the Board on May 7, 2019, KPMG LLP conducted nine department reviews designed to provide a high-level assessment of the County departments, identify strengths, opportunities and weaknesses, compare financial and operational areas with similar jurisdictions, as well as identify baseline and enhanced levels of service and recommend evidence based best practices for implementation.

The nine departments reviewed under the initial agreement were the County Executive Office, Human Resources, General Services, Planning and Development, Public Defender, Sheriff-Coroner, Probation, District Attorney, and Public Health. To date, five of these reports, together with the departmental implementation plans, have been presented to your Board and the remaining reviews are nearing completion.

The Board has approved three subsequent amendments to the original agreement to expand the scope of work to have KPMG provide a more focused and detailed review of specific County programs and processes at the request of the departments reviewed. These included a review of the County's assessment appeal process; cannabis licensing and permitting process; the methodology for calculating the annual internal service fund charges between departments; a thorough review of the General Services Department's internal purchasing operating structure, policies and practices; as well as, the County's broader decentralized procurement model.

The proposed amendment No. 4 further expands scope of work to include the next set of departments and a focused review of the cannabis tax revenue assessment and collection process. The three additional departments included in this amendment are Fire, Social Services and Behavioral Wellness. The proposed cost of the work associated with this amendment is \$806,881 and the work is expected to be completed by December 31, 2021.

Background:

A Request for Proposal process was conducted during October and November 2018 for a contractor to perform a comprehensive financial, organizational and operational performance review of County departments. The Request for Proposal generated twelve responses. A multi-round interview process was conducted. KPMG LLP was determined to be the most qualified to conduct the series of departmental reviews.

The next set of departments to be evaluated in FY2020-21 are the Fire, Social Services and Behavioral Wellness departments. Given their department size, complexity of funding and diverse operations, only these three departments will be reviewed in this next year. Additional departments will be reviewed in future phases.

Performance Measure:

NA

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

Funding Sources	Current FY Cost:	Annualized On-going Cost:	Total One-Time Project Cost
General Fund	\$ 806,881.00		\$ 806,881.00
State			
Federal			
Fees			
Other:			
Total	\$ 806,881.00	\$ -	\$ 806,881.00

Narrative: Funds were appropriated for FY 2020-21 through the County Budget process.

Key Contract Risks:

The CEO’s Office views this contract as low risk because the County is only required to pay following satisfactory completion of specific milestones of each report.

Staffing Impacts:

Legal Positions: **FTEs:**

NA

Special Instructions:

Please send one copy to Jeff Frapwell.

Attachments:

Attachment A: Amendment No. 4 to the Agreement for Services of Independent Contractor with KPMG LLP

Attachment B: Agreement for Services of Independent Contractor with KPMG LLP

Attachment C: Amendment No. 1 to the Agreement for Services of Independent Contractor with KPMG LLP

Attachment D: Amendment No. 2 to the Agreement for Services of Independent Contractor with KPMG LLP

Attachment E: Amendment No. 3 to the Agreement for Services of Independent Contractor with KPMG LLP

Authored by: Jeff Frapwell, Assistant County Executive Officer

cc: