



**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: October 17, 2023
Placement: Administrative
Estimated Time: NA

Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

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

DocuSigned by:
Mona Miyasato
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SUBJECT: **Amendment No. 9 to Agreement for Services of Independent Contractor with KPMG LLP to Perform Department Financial, Organizational and Operational Reviews**

County Counsel Concurrence

As to form: Yes

Risk Management 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. 9 to the Agreement for Services of Independent Contractor with KPMG LLP to:
 - a. Extend the term of the agreement to perform department management, organizational and operational reviews to December 31, 2024; and
 - b. Add additional services in an amount not to exceed \$100,000 for a total contract amount not to exceed \$3,746,340; 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.

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Summary:

This contract amendment with KPMG will complete the five-year engagement started under Renew 22 for management, organizational and operation reviews of all County departments to ensure efficiency of operations and best management practices. The final department to be reviewed is Child Support Services.

The County of Santa Barbara entered into an Agreement for Services with KPMG LLP in 2019 to conduct management, organizational, and operational reviews of County Departments. These reviews are designed to provide high-level assessments of the County departments and have been successful at identifying strengths, weaknesses, and opportunities. These reviews have also been an opportunity to compare financial and operational areas with comparable jurisdictions, as well as identify baseline and enhanced levels of service and recommend evidence-based best practices for implementation. To-date, eighteen department level reviews have been completed or are in process. An additional seven subject-specific reviews have also been completed or are in progress. Through this process, Renew initiatives, and other efforts, departments reached the countywide goal of reaching 1% efficiencies and new resource opportunities valued at approximately \$66 million over the five-year period. This proposed Amendment No. 9 aims to further expand the contract with KPMG for a departmental review of Child Support Services at a proposed cost of \$100,000.

Background:

In 2018, a Request for Proposal process was conducted for a contractor to perform a comprehensive performance review of County Departments. KPMG was subsequently contracted to perform financial, organizational and operational performance reviews of County departments to assist the Board of Supervisors in identifying budgetary priorities and allocations and operational effectiveness opportunities. These in-depth reviews provide the County Executive Officer with a high-level assessment of the County departments, identify strengths, opportunities and weaknesses, compare financial and operational areas with comparable jurisdictions, as well as identify baseline and enhanced levels of service and recommend evidence-based best practices for implementation.

As part of the established contract, KPMG has agreed to examine, analyze, and make findings and recommendations focusing on staffing, workload, and identification of efficiencies and opportunities for reinvestment. KPMG will review budget, existing and enhanced department service levels, prepare a cost benefit analysis (if needed) and prepare a priority-based phasing of recommended improvements. KPMG will also provide service delivery performance measures and benchmarks. A final report will be written for each department review and the recommendations provided by KPMG will be reviewed by the CEO's office to ensure appropriateness. Additionally, the CEO's office will track all recommendations and the associated progress of implementation made by departments.

KPMG has completed a review of the majority of departments, in addition to other requested reviews of specific County programs and processes. Several departmental reviews are currently underway and include Agricultural Commissioner/W&M, Auditor-Controller, Clerk-Recorder-Assessor-Elections, and Public Works. Through approval of this amendment, Child Support Services will be added to the list, rounding out the balance of departmental reviews remaining.

The agreement with KPMG has already provided a number of realized benefits to the County. To name a couple, technological advances to improve services have been implemented or are in process in multiple

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departments, including, but not limited to the Sheriff’s Department, County Counsel, and the Clerk of the Board division within the CEO’s office. The Renew ‘22 (now referred to as “Renew”) program was implemented which has generated a cultural shift within the County and its approach to doing business, promoting a more empowered workforce with a mindset of strategic innovation and the tools to carry out changes that not only improve efficiency but also provide better service to our residents.

Fiscal and Facilities Impacts:

Budgeted: Yes

Funding has been budgeted annually in the General County Programs General Fund as part of the Renew initiative for this work. Departments’ efforts to implement the recommendations from the reviews are tracked and monitored by the County Executive Office through quarterly status reports provided by the departments. Efficiency savings and resource opportunities implemented as part of the recommendations are contributing in part to the overall cumulative 1% Renew big picture goal valued at approximately \$66 million over the past five-years.

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund	\$ 100,000.00		\$ 100,000.00
State			
Federal			
Fees			
Other:			
Total	\$ 100,000.00	\$ -	\$ 100,000.00

Narrative: Funds were appropriated for FY 2023-24 through the County Budget process.

Key Contract Risks:

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

Special Instructions:

Please send one copy to Assistant County Executive Officer, Jeff Frapwell.

Attachments:

Attachment A: Amendment No. 9 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

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

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Attachment G: Amendment No. 5 to the Agreement for Services of Independent Contractor with KPMG LLP

Attachment H: Amendment No. 6 to the Agreement for Services of Independent Contractor with KPMG LLP

Attachment I: Amendment No. 7 to the Agreement for Services of Independent Contractor with KPMG LLP

Attachment J: Amendment No. 8 to the Agreement for Services of Independent Contractor with KPMG LLP

Authored by: Jeff Frapwell, Assistant County Executive Officer