

and receive disaster recovery preparedness-related services from EY focused on updating the County's fiscal operating policies and procedures related to disasters.

Background:

Following the 2017 Thomas Fire and 2018 Debris Flow, the County sought the assistance of a qualified accounting firm with experience in Federal Emergency Management Agency (FEMA) programs and reimbursement protocols to help compile, document, and submit all cost recovery claims to FEMA and the California Governor's Office of Emergency Services (CalOES). The County does not have this specialized type of experience or staffing. A panel of County financial professionals requested and reviewed proposals from various firms providing disaster cost recovery services and selected EY due to their qualifications and extensive experience in managing disaster cost recovery for local governments. The County has been satisfied with the professional services provided by EY and wishes to continue using their services for cost recovery assistance specifically for the ongoing COVID-19 emergency.

The scope of services is detailed in the original Agreement for Services of Independent Contractor (Attachment B). Highly summarized, EY's role is to provide staff work, technical assistance, and guidance to ensure eligible costs incurred by the County in connection with declared emergencies or disasters are submitted for federal and state reimbursement. In addition to helping maximize cost recovery, one of their most critical roles is to ensure that our claims contain sufficient supporting documentation to withstand any future federal audits. Recovery will take years. Management of the federal and State grants will extend beyond the recovery period and staff will need to continue to manage documentation that meets the audit standards of the Federal Office of Inspector General (OIG).

The contract was first amended in May 2019 (Attachment C) to increase funding to continue providing services over an extended term. The contract was amended a second time in December 2019 (Attachment D) to extend the term through June 30, 2020 to provide additional time for FEMA review and to close out projects with the State. The contract was amended a third time in May 2020 (Attachment E) to extend the term through June 30, 2021 and increase the contract by \$250,000 to provide assistance for the COVID-19 emergency. Given the complex and unique nature of the pandemic, evolving FEMA guidelines, lack of specialized disaster recovery expertise on staff, and significance of eligible costs expected to be incurred, staff recommends approval of this fourth amendment to the contract (Attachment A) to continue the use of EY services for cost recovery for the remaining work for the Thomas Fire and Debris Flow and the COVID-19 pandemic, and receive disaster recovery preparedness-related services focused on updating the County's fiscal operating policies and procedures related to disasters.

Fiscal Analysis:

Budgeted: Yes, funding for this amendment is provided in the CEO-General Fund fiscal year 2021-22 Recommended Budget.

Attachments:

- Attachment A: Fourth Amendment for Services of Independent Contractor
- Attachment B: Agreement for Services of Independent Contractors – executed
- Attachment C: First Amendment for Services of Independent Contractor – executed
- Attachment D: Second Amendment for Services of Independent Contractor – executed
- Attachment E: Third Amendment for Services of Independent Contractor – executed

Authored by:

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