



BOARD OF SUPERVISORS
AGENDA LETTER

Clerk of the Board of Supervisors
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Santa Barbara, CA 93101
(805) 568-2240

Agenda Number:
Department Name: CEO
Department No.: 012
For Agenda Of: May 19, 2020
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director(s) Mona Miyasato, County Executive Officer
Contact Info: Jeff Frapwell, Assistant County Executive Officer
SUBJECT: **Third Amendment to the Agreement for Services of Independent Contractor with Ernst and Young for Disaster Cost Recovery Consulting Services**

County Counsel Concurrence

As to form: Yes

Other Concurrence: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

- a) Approve and authorize the Chair to execute an amendment to Agreement for Services of Independent Contractor with Ernst and Young (EY) for disaster cost recovery services to increase funding in the amount of \$250,000 for a total contract amount not to exceed \$1,430,000, and to extend the term one year through June 30, 2021;
- b) Determine that the proposed action is an administrative activity that does not involve commitment to any specific project, and therefore is not a project as defined by State California Environmental Quality Act Guidelines section 15378 (b)(5).

Summary Text:

This item is on the agenda to seek the Board's ratification and approval of an amendment to the County's existing contract with EY to extend the term through June 30, 2021 and increase funding in the amount of \$250,000. EY is currently under contract through June 30, 2020 to assist the County in strategically managing the project development and administration of various Federal and State Disaster Programs related to Presidentially-declared emergencies or disasters that occur during the term of the contract. This amendment will allow the County to continue to utilize EY for additional service over an extended term for the COVID-19 emergency in order to maximize the County's reimbursement from Federal and State Disaster Programs while preparing and retaining appropriate documentation for future audits.

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 all 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. While these remaining services are being completed, the County is actively responding to the recent presidentially declared COVID-19 emergency. The actions being taken by the County to save lives and protect public health and safety during this ongoing emergency are significant and unprecedented. 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 third amendment to the contract (Attachment A) to continue the use of EY services for cost recovery for the COVID-19 pandemic.

Fiscal Analysis:

Budgeted: Yes, funding for this amendment is provided in the CEO-General Fund fiscal year 2019-20 Adjusted Budgeted and the CEO-General Fund fiscal year 2020-21 Recommended Budget.

Attachments:

- Attachment A: Third 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

Authored by:

Kyle Slattery, Chief Deputy Controller, Office of the Auditor-Controller