



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: Public Works
Department No.: 054
For Agenda Of: January 10, 2023
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Scott D. McGolpin, P.E., Public Works Director, (805)568-3010
Director:
Contact Info: Julie A. Hagen, Deputy Director, (805)568-3999
SUBJECT: **Agreement for Services of Independent Contractor with Ernst and Young for financial services at the ReSource Center, Third Supervisorial District**

County Counsel Concurrence

As to form: Yes

Other Concurrence: County Executive Office

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 an Agreement for Services of Independent Contractor (Ernst and Young) for consulting services in an amount not to exceed \$100,000 for the period of December 13, 2022 to June 30, 2024 as attached in Exhibit A, to be paid from Resource Recovery Enterprise Funds; and
- b) Determine that the proposed action is an administrative activity that will not result in direct or indirect physical changes in the environment, and therefore is not a project as defined by State California Environmental Quality Act Guidelines section 15378 (b)(5).

Summary Text:

Staff recommends the Board's approval of a professional services agreement with Ernst and Young (EY) to assist the Public Works Department in managing the financial aspects of the contract between the County and MSB Investors, LLC (MSB), for the development and operation of the ReSource Center. Now that the facility is close to full operations, the on-going monitoring of financial performance and compliance with the agreement requirements is critical. The scope of services is detailed in the Agreement for Services of Independent Contractor (Attachment A). EY's role is to provide technical

Subject: Agreement for Services of Independent Contractor with Ernst and Young for financial services at the ReSource Center

Agenda Date: January 10, 2023

Page 2 of 3

assistance and guidance to help ensure the financial aspects of the agreements are followed and to provide review of operational proformas and transactions.

Background:

The County-owned ReSource Center, located at the Tajiguas Landfill, is a state-of-the-art facility that processes and recovers municipal solid waste, recyclables and organics generated by the unincorporated areas of the South County, Santa Ynez Valley, and Cuyama Valley, as well as the cities of Buellton, Goleta, Santa Barbara, and Solvang.

The County entered into an agreement with MSB Investors, LLC to design, construct, and operate the facilities. There are a number of financial provisions within the contract including proformas for construction and operation, financial performance metrics, and processes for adjusting tipping fees and making modifications due to market fluctuations. As the project is nearing completion and transitioning to full operations, the County is seeking assistance with compliance tracking, forensic accounting, reviewing proposed adjustments to projections and assistance with establishing reporting processes and procedures that would be transitioned to staff. Ernst & Young has experience assisting the County with financial and forensic accounting work.

Fiscal and Facilities Impacts:

Budgeted: Yes

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			
State			
Federal			
Fees			
RRWMD Enterprise Fund	\$ 100,000.00		\$ 100,000.00
Total	\$ 100,000.00	\$ -	\$ 100,000.00

Narrative: The proposed contract has a total not-to-exceed amount of \$100,000 for the remainder of FY 22-23 and for FY 23-24.

Key Contract Risks:

Key risk factors for this agreement that contribute to an overall low to moderate contract risk rating due to contract size and because the contractor has significant experience performing similar services successfully for the County with no significant issues during their performance over the past years.

Staffing Impacts:

None.

Subject: Agreement for Services of Independent Contractor with Ernst and Young for financial services at the ReSource Center

Agenda Date: January 10, 2023

Page 3 of 3

Special Instructions:

Direct the Clerk of the Board to retain one (1) original executed Agreement and send two (2) originals of the executed Agreement and the minute order of these actions to:

Public Works, Resource Recovery and Waste Management Division: Attn: Leslie Wells,
130 E. Victoria Street, Suite 100, Santa Barbara, CA 93101.

Attachments:

Attachment A: Agreement for Services of Independent Contractor with Ernst and Young for financial services at the ReSource Center

Authored by:

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Leslie Wells, Public Works Deputy Director, x23611