



**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: April 19, 2022
Placement: Administrative
Estimated Time: N/A
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
Nancy Anderson, Assistant County Executive Officer

DocuSigned by:

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SUBJECT: Agreement for Services of Independent Contractor with Ernst and Young for American Rescue Plan Act Consulting Services

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Risk Management: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve and authorize the County Executive Officer, or designee, to execute an Agreement for Services of Independent Contractor in a form substantially similar to that attached as Exhibit A, with Ernst and Young (EY) for American Rescue Plan Act (ARPA) consulting services with a term ending June 30, 2027 in an amount not to exceed \$1,500,000, to be paid from ARPA 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 County in strategically managing the project development and administration of its federal American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Fund (SLFRF) allocation related to the COVID-19 pandemic. The scope of services is detailed in the Agreement for Services of Independent Contractor (Attachment A). EY’s role is to provide staff work, technical assistance, and guidance to help ensure eligible costs incurred and accurate reporting by the County in connection with ARPA funds to comply with federal requirements. Additionally, the consultant will help ensure that County departments have sufficient supporting documentation to withstand any

future federal audits, which extends beyond the ARPA final expenditure date of December 31, 2026. This will help mitigate any risk of future repayment of the \$86 million received by the County. On October 19, 2021, the Board approved \$1,850,000 in ARPA funding for oversight of reporting and compliance with federal expenditure regulations and auditing standards.

Background:

U.S. Treasury guidance allows the use of ARPA funds for the following major statutory categories:

- 1) Replace lost public sector revenue attributable to the COVID-19 pandemic;
- 2) To respond to the COVID-19 public health emergency or its negative economic impacts or services to disproportionately impacted communities;
- 3) To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to such eligible workers of the recipient, or by providing grants to eligible employers that have eligible workers who performed essential work;
- 4) For the provision of government services, to the extent of the reduction in revenue of such recipient due to the COVID-19 public health emergency, relative to revenues collected in the most recent full fiscal year of the recipient prior to the emergency;
- 5) To make necessary investments in water, sewer, or broadband infrastructure; and
- 6) For administrative expenses, evaluation and data analysis or transfer to other government units as necessary.

The County Executive Office issued a Request for Statement of Qualifications and Proposal to Provide Professional Oversight and Compliance Services related to ARPA funds on November 23, 2021 in conformance with the competitive procurement requirements of the Uniform Guidance, 2 CFR Part 200. Fourteen responses were received through the competitive process, of which EY was determined to be the most qualified and responsive. Upon approval of the agreement, EY will begin reviewing project documentation, assessing expenditure tracking and accounting guidance and assisting to prepare reporting information to the US Treasury.

Key Contract Risks:

The Agreement recommended for approval (Attachment A) can be terminated by the County for convenience upon 30 days written notice. The Agreement provides that time spent by EY shall be reimbursed monthly by the County based on the compensation schedule attached to the Agreement as Exhibit B.

Fiscal and Facilities Impacts:

The Board allocated \$1,850,000 in ARPA funding for staff time and consultant for administrative expenses on October 19, 2021 to be spread over fiscal years through the December 2026 ARPA expenditure deadline. This item requests that \$1,500,000 of the funds be directed to EY as the awarded contractor in response to the competitive procurement process. The remaining \$350,000 of ARPA administrative funds approved by the Board will be used to reimburse staff time spent on ARPA SLFRF oversight and administration, in accordance with Treasury's allowable expenditure guidance.

Fiscal Analysis:

Budgeted: Yes. Total \$1,850,000 ARPA funding allocated for administrative expenses; \$1,500,000 to EY as the awarded contractor in response to the RFQ, remaining \$350,000 to reimburse eligible staff time.

<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	\$ 1,500,000.00	\$ -	\$ 1,500,000.00
Fees			
Total	\$ 1,500,000.00	\$ -	\$ 1,500,000.00

Payments will be made based on the rates set-forth in Exhibit B1 to the Agreement based on progress of work, up to a not-to-exceed amount of \$1,500,000 with a term expiring on June 30, 2027.

Special Instructions:

Please email a copy of the minute order to Ted Teyber at edteyber@countyofsb.org.

Attachments:

Attachment A – EY Professional Services Agreement

Authored by:

Ted Teyber, Fiscal & Policy Analyst