



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: CEO
Department No.: 012
For Agenda Of: June 28, 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:
SUBJECT: Fifth Amendment to the Agreement for Services of Independent Contractor with Ernst and Young for Disaster Cost Recovery Consulting Services
Mona Miyasato, County Executive Officer
Jeff Frapwell, Assistant County Executive Officer
DocuSigned by: Terri Maus-Nsich

County Counsel Concurrence

Auditor-Controller Concurrence

As to form: Yes

As to form: N/A

Other Concurrence: N/A

Recommended Actions:

That the Board of Supervisors:

- a) Approve and authorize the Chair to execute an amendment to the Agreement for Services of Independent Contractor Ernst and Young (EY) for disaster cost recovery services to increase funding in the amount of \$50,000 for a total Agreement amount not to exceed \$1,780,000, and to extend the term eight months through February 27, 2023;
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 approval of an amendment to the County's existing Agreement with EY to extend the term through February 27, 2023 and to increase funding in the amount of \$50,000. EY is currently under contract through June 30, 2022 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 Agreement. This amendment will allow the County to continue to utilize EY for the extended term for the COVID-19 emergency in order to strategically claim reimbursement from Federal Disaster Programs while preparing and retaining appropriate documentation for future audits. This amendment will also provide an additional amount to complete the remaining reimbursement work from the Thomas Fire and debris flow, 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 many 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 Agreement was first amended in May 2019 (Attachment C) to increase funding to continue providing services over an extended term. The Agreement 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 Agreement was amended a third time in May 2020 (Attachment E) to extend the term through June 30, 2021 and increase the amount by \$250,000 to aid with the COVID-19 emergency. The Agreement was amended a fourth time in June 2022 to extend the term through June 30, 2022. 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 fifth and final amendment to the Agreement (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 2022-23 Recommended Budget.

Attachments:

- Attachment A: Fifth Amendment for Services of Independent Contractor
- Attachment B: Agreement for Services of Independent Contractor – 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
- Attachment F: Fourth Amendment for Services of Independent Contractor – executed

Authored by:

Andrew Myung, Business Process Chief, Office of the Auditor-Controller