



**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: General Services
Department No.: 063
For Agenda Of: July 7, 2020
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Director(s) Janette D. Pell, Director
Contact Info: Lynne Dible, Assistant Director

SUBJECT: Amendment No. 3 to the Agreement for Services of Independent Contractor with KPMG LLP to Perform Department Financial, Organizational, and Operational Reviews

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

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 Amendment No. 3 to the Agreement for Services of Independent Contractor with KPMG LLP to
 - i. add additional services in the amount of \$61,240 for a total contract amount not to exceed \$1,477,439; and
- b) Determine that the proposed actions are administrative activities that will not result in direct or indirect physical changes in the environment, and are therefore not a project as defined by State California Environmental Quality Act Guidelines section 15378(b)(5).

Summary Text:

KPMG LLP is contracted to perform management, organizational and operational performance reviews of County departments to assist in identifying operational effectiveness opportunities. In the course of the review of the General Services department, more in-depth analysis was requested for certain functions. KPMG LLP will expand the depth of the review of the General Services Internal Service Fund (ISF) rate setting and management process, through benchmarking comparable counties ISF operating models, researching leading practice frameworks and methodologies, developing a communication strategy and assisting with plan implementation.

Background:

The original KPMG contract (\$1.2 million) is to provide Operational Performance Review reports for the County Executive, General Services, Human Resources, Public Health, Planning and Development, Sheriff, Public Defender, District Attorney and Probation departments. Findings and recommendations will be brought to the Board at the appropriate intervals.

Previously, the Board approved Amendment 1 to the contract to broaden the depth of understanding of the Planning and Development process and help address the current, and eliminate the future, backlog of cannabis permits. Amendment 2 was recently approved by the Board on June 16, 2020, and included an extension of the term of the agreement from June 30, 2020 to December 31, 2020, and to add additional services to expand the depth of review of both the County's multi-departmental assessment appeals process and the General Services Purchasing Division operating structure and the County's decentralized procurement model.

An additional assessment is requested to broaden the evaluation of the County's ISF rate setting and management process. It is expected that this more in-depth evaluation, and the ensuing recommendations, will provide a clear path for the County to improve the efficiency and effectiveness of the ISF rate setting and management process by utilizing benchmarking and leading practice operating models to determine suitable ISF framework options. The ISF review is anticipated to take 4 weeks and cost \$61,240.

Fiscal and Facilities Impacts:

Budgeted: Yes **Fiscal Analysis:**

<u>Funding Sources</u>	<u>FY 2020-21 Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund	\$ -	\$ -	\$ -
Fund 1900-Vehicle Ops	\$ 15,310.00	\$ -	\$ 15,310.00
Fund 1915-IT	\$ 15,310.00	\$ -	\$ 15,310.00
Fund 1919-Communications	\$ 15,310.00	\$ -	\$ 15,310.00
Fund 1920-Utilities	\$ 15,310.00	\$ -	\$ 15,310.00
Total	\$ 61,240.00	\$ -	\$ 61,240.00

Narrative: Funding for Amendment No. 3 is appropriated through the FY 2020-21 Budget Process.

Special Instructions:

Please send one copy to Lynne Dible.

Attachments:

Attachment A: Amendment No. 3 to the Agreement for Services of Independent Contractor with KPMG LLP

Attachment B: Agreement for Services of Independent Contractor with KPMG LLP

Attachment C: Amendment No. 1 to the Agreement for Services of Independent Contractor with KPMG LLP

Attachment D: Amendment No. 2 to the Agreement for Services of Independent Contractor with KPMG LLP

Authored by:

Lynne Dible, General Services