



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: November 16, 2021
Placement: Administrative
Estimated Time: NA
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
Jeff Frapwell, Assistant County Executive Officer

DocuSigned by:

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SUBJECT: Amendment No. 6 to Agreement for Services of Independent Contractor with KPMG LLP to Perform Department Financial, Organizational and Operational Reviews

County Counsel Concurrence

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. 6 to the Agreement for Services of Independent Contractor with KPMG LLP to:
 - a. Extend the term of the agreement to perform department management, organizational and operational reviews to June 30, 2023; and
 - b. Add additional services in the amount of \$636,000 for a total contract amount of \$2,963,840; and
- b) Determine that the above actions are not a “project” within the meaning of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(5), because they are government organizational or administrative activities that will not result in direct or indirect physical changes in the environment.

Summary Text:

With the Board’s approval of the initial agreement with KPMG on May 7, 2019, the County began a multi-year process of conducting reviews of each County department. These reviews are designed to provide a high-level assessment of each County department, identify strengths, opportunities and weaknesses, compare financial and operational areas with similar jurisdictions, as well as identify baseline

and enhanced levels of service and recommend evidence based best practices for implementation. The nine departments reviewed under the initial agreement were the County Executive Office, Human Resources, General Services, Planning and Development, Public Defender, Sheriff-Coroner, Probation, District Attorney, and Public Health. To date, eight of these reports, together with the departmental implementation plans, have been presented to your Board and the remaining review is nearing completion. The review of the Public Health Department was placed on hold at the onset of the pandemic and will be revised and updated as part of this proposed amendment.

The Board has approved five subsequent amendments to the original agreement to expand the scope of work to have KPMG provide a more focused and detailed review of specific County programs and processes. These included a review of the County's: assessment appeal process; cannabis licensing and permitting process; the methodology for calculating the annual internal service fund charges between departments; a thorough review of the General Services Department's internal purchasing operating structure, policies and practices as well as the County's broader decentralized procurement model; cannabis tax revenue process; and an assessment of the financial impacts and staffing requirements associated with the creation of a dedicated dispatch center for fire and emergency medical services. Departmental reviews for Fire, Behavioral Wellness and Social Services were authorized as well.

The proposed amendment No. 6 further expands scope of work to include the next set of departments for KPMG to complete their departmental reviews. The four departments included in this amendment are Clerk-Recorder-Assessor-Elections, Community Services, Public Health, and Public Works. The proposed cost of the work associated with this amendment is \$636,000 and the work is expected to be completed by June 30, 2023.

Background:

A Request for Proposal process was conducted during October and November 2018 for a contractor to perform a comprehensive financial, organizational and operational performance review of County departments. The Request for Proposal generated twelve responses. A multi-round interview process was conducted. KPMG LLP was determined to be the most qualified to conduct a series of nine departmental reviews between May 2019 and June 2020.

KPMG will perform financial, organizational and operational performance reviews of nine County departments to assist the Board of Supervisors in identifying its budgetary priorities and allocations and operational effectiveness opportunities.

The purpose of the review is to provide the County Executive Officer with a high-level assessment of the County departments, identify strengths, opportunities and weaknesses, compare financial and operational areas with similar jurisdictions, as well as identify baseline and enhanced levels of service and recommend evidence based best practices for implementation. The Department reviews will provide foundational information to support the development of intermediate term (3-7 year) department development plans.

KPMG will examine, analyze, and make findings and recommendations focusing on staffing, workload and identification of efficiencies and opportunities for reinvestment. KPMG will review budget, existing and enhanced department service levels, prepare a cost benefit analysis (if needed) and prepare a priority-based phasing of recommended improvements. KPMG will also provide service delivery performance measures and benchmarks. A final report will be written for each department review.

The three departments included in this amendment are the Clerk-Recorder-Assessor-Elections, Community Services, Public Health, and Public Works.

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	\$ 636,000.00		\$ 636,000.00
State			
Federal			
Fees			
Other:			
Total	\$ 636,000.00	\$ -	\$ 636,000.00

Narrative: Funds were appropriated for FY 2021-22 through the County Budget process.

Key Contract Risks:

The CEO's Office views this contract as low risk because the County is only required to pay following satisfactory completion of specific milestones of each report.

Staffing Impacts:

Legal Positions: **FTEs:**

NA

Special Instructions:

Please send one copy to Jeff Frapwell.

Attachments:

Attachment A: Amendment No. 6 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

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

Attachment F: Amendment No. 4 to the Agreement for Services of Independent Contractor with KPMG LLP

Attachment G: Amendment No. 5 to the Agreement for Services of Independent Contractor with KPMG LLP

Authored by: Jeff Frapwell, Assistant County Executive Officer