



Contra
Costa
County

To: Board of Supervisors
From: Monica Nino, County Administrator
Date: October 19, 2021

Subject: CONTRACT AMENDMENT WITH ERNST & YOUNG LLP

RECOMMENDATION(S):

APPROVE and AUTHORIZE the County Administrator, or designee, to enter into a contract amendment with Ernst and Young, LLP, subject to final approval by the County Administrator and County Counsel, increasing the payment limit by \$700,000, from \$300,000 to an amount not to exceed \$1,000,000 for COVID-19 cost recovery consulting services for the period June 2, 2020 through December 31, 2022.

FISCAL IMPACT:

Up to an additional \$700,000 for a total payment limit of \$1,000,000. All fees are 100% eligible for FEMA Category Z reimbursement; however, initial payments to the vendor come from the General Fund. To date, the County has paid Ernst & Young LLP \$209,130; however, as the County is actively developing FEMA reimbursement claims for COVID-19 related expenditures, average monthly invoices from Ernst & Young LLP will soon exhaust the current contract payment limit.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD
COMMITTEE

Action of Board On: **10/19/2021** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Diane Burgis, District III Supervisor
Karen Mitchoff, District IV Supervisor
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: October 19, 2021

Monica Nino, County Administrator and Clerk of the Board of Supervisors

By: June McHuen, Deputy

Contact: Timothy Ewell, (925)
655-2043

cc:

BACKGROUND:

Federal Disaster Relief Actions

On Friday, March 13, 2020, President Trump declared a nationwide emergency in response to the growing COVID-19 pandemic pursuant to Sec. 501(b) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121-5207 (the “Stafford Act”). That action provides access to the Federal Emergency Management Agency (FEMA) Public Assistance program, which allows for a 75% federal cost share on certain emergency protective measures taken at the direction or guidance of public health officials in response to the COVID-19 pandemic. Qualifying expenditures are those that are not supported by the authorities of another federal agency (i.e. reimbursement for response activities funded by another federal agency grant program). Examples of reimbursable activities include the activation of Emergency Operations Centers, National Guard costs, law enforcement and other measures necessary to protect public health and safety.

The Governor's Office of Emergency Services (CalOES) is facilitating the collection of FEMA Requests for Public Assistance (RPA) from agencies (public and private) impacted by the COVID-19 pandemic. CalOES advised that RPA documents, which do not include a specific dollar amount of public assistance being requested, be filed no later than April 17, 2020. Filing of this document allows agencies, including the County, to be on record stating that costs have been incurred as part of the response effort and allows for a request to FEMA that a portion of those costs be reimbursed in the future. In addition, CalOES requested that impacted agencies adopt required Project Assurances for federal Assistance and a resolution designating agents that can act on behalf of the impacted agency.

On March 31, 2020, the Board of Supervisors took action to adopt Resolution No. 2020/112 authorizing the County Administrator to submit the RPA documents discussed above to CalOES to ensure the opportunity for Federal cost reimbursement. The County subsequently filed its RPA with FEMA, which was approved on April 17, 2020.

State Disaster Request and Presidential Authorization

Following the President's action, Governor Newsom requested that the federal government declare a major disaster in California due to COVID-19. The President approved the State's request on Sunday, March 22, 2020, which activated additional federal resources directed to assist California, including deployment of mobile hospital units and a U.S. Navy hospital ship, among other things. Contra Costa County was a recipient of mobile field hospital equipment and took delivery of those resources at the Craneway Pavilion in Richmond, which served as a 250-bed alternate care site supporting the capacity of the County's hospital and clinic system.

Contract with Ernst & Young, LLP

On June 2, 2020, the Board of Supervisors authorized the County Administrator to execute

an agreement with Ernst & Young, LLP, a well known and respecting accounting and financial services firm, for assistance with cost recovery operations related to the COVID-19 pandemic. At that time, there was significant financial relief legislation being passed, such as the CARES Act, and varying guidance coming from FEMA as to what local costs may be eligible for the FEMA Public Assistance program reimbursement under the Stafford Act (discussed above). It was imperative for the County to secure financial advisory services before there was a rush by other jurisdictions to secure the same services and to begin strategizing how the County would weather the financial impacts of the pandemic, while attempting to align all of the varying revenue sources properly to maximize cost recovery. Costs related to the services provided by Ernst & Young, LLP are eligible for reimbursement from the FEMA Public Assistance program as a "Category Z" management expenditure of the County. Below is the current status of FEMA claiming activities related to COVID-19, which Ernst & Young, LLP is assisting the County with processing:

Claim Category	Estimate	Claimed	Obligated	Received
Non-Congregate Shelter	27,410,091	4,024,205	-	-
COVID Testing Costs	17,585,233			
Incremental Cleaning Costs	9,546,103	-	-	-
Great Plates	6,415,043	6,415,043	3,609,873	3,121,702
Cleaning, Materials, PPE	2,000,000			
Consultant Costs (Ernst & Young)	1,000,000			
Vaccination (Fire Mutual Aid)	820,000	-	-	-
General Costs - Rental Equipment, Other Costs	36,459			
Total	64,812,929	10,439,248	3,609,873	3,121,702

as of 10/11/2021

Today's action requests the Board to increase the Ernst & Young, LLP contract payment limit by \$700,000 from \$300,000 to \$1,000,000 and to extend the contract period through December 31, 2022. This will provide appropriate continuity of service to continue FEMA-claiming activity through calendar year 2022.

CONSEQUENCE OF NEGATIVE ACTION:

The payment limit on the existing contract with Ernst & Young, LLP will be exhausted shortly and the firm will not be able to assist the County to develop its claims for reimbursement to the FEMA Public Assistance Program related to certain COVID-19 response expenditures.