

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 AGREEMENT

2 **30790**

3 THIS AGREEMENT is made and entered, in duplicate, as of June 18, 2008,
4 for reference purposes only, pursuant to a minute order adopted by the City Council of
5 the City of Long Beach at its meeting on June 17, 2008, by and between HINDERLITER,
6 DE LLAMAS & ASSOCIATES, a California corporation a place of business at 1340 Valley
7 Vista Drive, Suite 200, Diamond Bar, California 91765 ("Consultant"), and the CITY OF
8 LONG BEACH, a municipal corporation ("City").

9 WHEREAS, City requires specialized services requiring unique skills to be
10 performed in connection with recovery of local sales tax, use tax and other revenue
11 ("Project"); and

12 WHEREAS, City has selected Consultant in accordance with City's
13 administrative procedures and City has determined that Consultant and its employees
14 are qualified, licensed, if so required, and experienced in performing these specialized
15 services; and

16 WHEREAS, City desires to have Consultant perform these specialized
17 services, and Consultant is willing and able to do so on the terms and conditions in this
18 Agreement;

19 NOW, THEREFORE, in consideration of the mutual terms, covenants, and
20 conditions in this Agreement, the parties agree as follows:

21 1. SCOPE OF WORK OR SERVICES.

22 A. Consultant shall furnish specialized services more particularly
23 described in Exhibit "A", attached to this Agreement and incorporated by this
24 reference, in accordance with the standards of the profession, and City shall pay
25 for these services in the manner described below, not to exceed \$692,000, at the
26 rates or charges shown in Exhibit "A".

27 B. Consultant may select the time and place of performance for
28 these services; provided, however, that access to City documents, records and the

1 like, if needed by Consultant, shall be available only during City's normal business
2 hours and provided that milestones for performance, if any, are met.

3 C. (1) City shall pay to Consultant for services rendered prior to
4 September 30, 2007, relating to the establishment of databases for sales tax and
5 audits, or providing reports and analysis, and for making available its computer
6 program a monthly fee of Seven Hundred Fifty Dollars (\$750.00), after receipt of a
7 quarterly invoice from Consultant. (2) City shall pay to Consultant for services
8 rendered prior to November 30, 2009, an audit fee equal to fifteen percent (15%)
9 of all new sales and use tax revenue received by the City as a result of audit and
10 recovery work performed by Consultant. New sales and use tax revenue shall not
11 include any amounts determined by the City or Consultant to be increments
12 attributable to causes other than Consultant's services hereunder. If Consultant is
13 responsible for an increase in the tax reported by businesses already properly
14 making tax payments to the City, then Consultant shall separate such incremental
15 amounts attributable to its efforts prior and support them with appropriate
16 documentation prior to submitting an invoice for payment of the audit fee. The
17 audit fee will apply to state funds transfer received for previous quarter allocations
18 and monies received in the first eight (8) consecutive reporting quarters following
19 completion of the audit by Consultant and confirmation of corrections by the State
20 Board of Equalization. Consultant shall provide to the City an itemized quarterly
21 invoice showing calculations on which the audit fee in such invoice is based.

22 D. Consultant shall obtain the City's written approval prior to
23 beginning services relating to correction of tax reporting methodology or "point of
24 sale" for specific businesses where Consultant intends to submit an invoice for the
25 audit fee related to such services. City shall pay audit fees related to such
26 services following Consultant's submittal of evidence of State Fund Transfers and
27 payments to the City from businesses identified in the audit and approved by the
28 City.

1 E. City shall not be liable to pay for any other fees or
2 reimbursable costs or expenses.

3 F. CAUTION: Consultant shall not begin work until this
4 Agreement has been signed by both parties and until Consultant's evidence of
5 insurance has been delivered to and approved by City.

6 G. Consultant may submit invoices for work performed pursuant
7 to Scope of Services Sections B, C and D up to and including September 30,
8 2007. Consultant may submit invoices for work performed pursuant to Scope of
9 Services Section A up to and including November 30, 2009.

10 2. TERM. The term of this Agreement shall commence at midnight on
11 November 1, 2006, and shall terminate at 11:59 p.m. on November 30, 2009, unless
12 sooner terminated as provided in this Agreement, or unless the services or the Project is
13 completed sooner. City shall have the option to extend the term of the Agreement for
14 four (4) consecutive additional periods of one (1) year each by giving notice to Consultant
15 of City's desire to extend.

16 3. COORDINATION AND ORGANIZATION.

17 A. Consultant shall coordinate its performance with City's
18 representative, if any, named in Exhibit "B", attached to this Agreement and
19 incorporated by this reference. Consultant shall advise and inform City's
20 representative of the work in progress on the Project in sufficient detail so as to
21 assist City's representative in making presentations and in holding meetings on
22 the Project. City shall furnish to Consultant information or materials, if any,
23 described in Exhibit "C", attached to this Agreement and incorporated by this
24 reference, and shall perform any other tasks described in the Exhibit.

25 B. The parties acknowledge that a substantial inducement to City
26 for entering this Agreement was and is the reputation and skill of Consultant's key
27 employee Lloyd de Llamas. City shall have the right to approve any person
28 proposed by Consultant to replace that key employee.

1 4. INDEPENDENT CONTRACTOR. In performing its services,
2 Consultant is and shall act as an independent contractor and not an employee,
3 representative or agent of City. Consultant shall have control of Consultant's work and
4 the manner in which it is performed. Consultant shall be free to contract for similar
5 services to be performed for others during this Agreement; provided, however, that
6 Consultant acts in accordance with Section 9 and Section 11 of this Agreement.
7 Consultant acknowledges and agrees that (a) City will not withhold taxes of any kind from
8 Consultant's compensation; (b) City will not secure workers' compensation or pay
9 unemployment insurance to, for or on Consultant's behalf; and (c) City will not provide
10 and Consultant is not entitled to any of the usual and customary rights, benefits or
11 privileges of City employees. Consultant expressly warrants that neither Consultant nor
12 any of Consultant's employees or agents shall represent themselves to be employees or
13 agents of City.

14 5. INSURANCE.

15 A. As a condition precedent to the effectiveness of this
16 Agreement, Consultant shall procure and maintain, at Consultant's expense for the
17 duration of this Agreement, from insurance companies that are admitted to write
18 insurance in California and have ratings of or equivalent to A:V by A.M. Best
19 Company or from authorized non-admitted insurance companies subject to
20 Section 1763 of the California Insurance Code and that have ratings of or
21 equivalent to A:VIII by A.M. Best Company, the following insurance:

22 (a) Commercial general liability insurance (equivalent in scope to
23 ISO form CG 00 01 11 85 or CG 00 01 10 93) in an amount not less than
24 \$1,000,000 per each occurrence and \$2,000,000 general aggregate. This
25 coverage shall include but not be limited to broad form contractual liability,
26 cross liability, independent contractors liability, and products and
27 completed operations liability. City, its boards and commissions, and their
28 officials, employees and agents shall be named as additional insureds by

1 endorsement (on City's endorsement form or on an endorsement
2 equivalent in scope to ISO form CG 20 10 11 85 or CG 20 26 11 85), and
3 this insurance shall contain no special limitations on the scope of
4 protection given to City, its boards and commissions, and their officials,
5 employees and agents. This policy shall be endorsed to state that the
6 insurer waives its right of subrogation against City, its boards and
7 commissions, and their officials, employees and agents.

8 (b) Workers' Compensation insurance as required by the California
9 Labor Code and employer's liability insurance in an amount not less than
10 \$1,000,000. This policy shall be endorsed to state that the insurer waives
11 its right of subrogation against City, its boards and commissions, and their
12 officials, employees and agents.

13 (c) Professional liability or errors and omissions insurance in an
14 amount not less than \$1,000,000 per claim.

15 (d) Commercial automobile liability insurance (equivalent in scope
16 to ISO form CA 00 01 06 92), covering Auto Symbol 1 (Any Auto) in an
17 amount not less than \$500,000 combined single limit per accident.

18 B. Any self-insurance program, self-insured retention, or
19 deductible must be separately approved in writing by City's Risk Manager or
20 designee and shall protect City, its officials, employees and agents in the same
21 manner and to the same extent as they would have been protected had the policy
22 or policies not contained retention or deductible provisions.

23 C. Each insurance policy shall be endorsed to state that
24 coverage shall not be reduced, non-renewed or canceled except after thirty (30)
25 days prior written notice to City, shall be primary and not contributing to any other
26 insurance or self-insurance maintained by City, and shall be endorsed to state that
27 coverage maintained by City shall be excess to and shall not contribute to
28 insurance or self-insurance maintained by Consultant. Consultant shall notify City

1 in writing within five (5) days after any insurance has been voided by the insurer or
2 cancelled by the insured.

3 D. If this coverage is written on a "claims made" basis, it must
4 provide for an extended reporting period of not less than one hundred eighty (180)
5 days, commencing on the date this Agreement expires or is terminated, unless
6 Consultant guarantees that Consultant will provide to City evidence of
7 uninterrupted, continuing coverage for a period of not less than three (3) years,
8 commencing on the date this Agreement expires or is terminated.

9 E. Consultant shall require that all subconsultants or contractors
10 that Consultant uses in the performance of these services maintain insurance in
11 compliance with this Section unless otherwise agreed in writing by City's Risk
12 Manager or designee.

13 F. Prior to the start of performance, Consultant shall deliver to
14 City certificates of insurance and the endorsements for approval as to sufficiency
15 and form. In addition, Consultant shall, within thirty (30) days prior to expiration of
16 the insurance, furnish to City certificates of insurance and endorsements
17 evidencing renewal of the insurance. City reserves the right to require complete
18 certified copies of all policies of Consultant and Consultant's subconsultants and
19 contractors, at any time. Consultant shall make available to City's Risk Manager
20 or designee all books, records and other information relating to this insurance,
21 during normal business hours.

22 G. Any modification or waiver of these insurance requirements
23 shall only be made with the approval of City's Risk Manager or designee. Not
24 more frequently than once a year, City's Risk Manager or designee may require
25 that Consultant, Consultant's subconsultants and contractors change the amount,
26 scope or types of coverages required in this Section if, in his or her sole opinion,
27 the amount, scope or types of coverages are not adequate.

28 H. The procuring or existence of insurance shall not be

1 construed or deemed as a limitation on liability relating to Consultant's
2 performance or as full performance of or compliance with the indemnification
3 provisions of this Agreement.

4 6. ASSIGNMENT AND SUBCONTRACTING. This Agreement
5 contemplates the personal services of Consultant and Consultant's employees, and the
6 parties acknowledge that a substantial inducement to City for entering this Agreement
7 was and is the professional reputation and competence of Consultant and Consultant's
8 employees. Consultant shall not assign its rights or delegate its duties under this
9 Agreement, or any interest in this Agreement, or any portion of it, without the prior
10 approval of City, except that Consultant may with the prior approval of the City Manager
11 of City, assign any moneys due or to become due Consultant under this Agreement. Any
12 attempted assignment or delegation shall be void, and any assignee or delegate shall
13 acquire no right or interest by reason of an attempted assignment or delegation.
14 Furthermore, Consultant shall not subcontract any portion of its performance without the
15 prior approval of the City Manager or designee, or substitute an approved subconsultant
16 or contractor without approval prior to the substitution. Nothing stated in this Section
17 shall prevent Consultant from employing as many employees as Consultant deems
18 necessary for performance of this Agreement.

19 7. CONFLICT OF INTEREST. Consultant, by executing this
20 Agreement, certifies that, at the time Consultant executes this Agreement and for its
21 duration, Consultant does not and will not perform services for any other client which
22 would create a conflict, whether monetary or otherwise, as between the interests of City
23 and the interests of that other client. And, Consultant shall obtain similar certifications
24 from Consultant's employees, subconsultants and contractors.

25 8. MATERIALS. Consultant shall furnish all labor and supervision,
26 supplies, materials, tools, machinery, equipment, appliances, transportation and services
27 necessary to or used in the performance of Consultant's obligations under this
28 Agreement, except as stated in Exhibit "C".

1 9. OWNERSHIP OF DATA. All materials, information and data
2 prepared, developed or assembled by Consultant or furnished to Consultant in
3 connection with this Agreement, including but not limited to documents, estimates,
4 calculations, studies, maps, graphs, charts, computer disks, computer source
5 documentation, samples, models, reports, summaries, drawings, designs, notes, plans,
6 information, material and memorandum ("Data") shall be the exclusive property of City.
7 Data shall be given to City, and City shall have the unrestricted right to use and disclose
8 the Data in any manner and for any purpose without payment of further compensation to
9 Consultant. Copies of Data may be retained by Consultant but Consultant warrants that
10 Data shall not be made available to any person or entity for use without the prior approval
11 of City. This warranty shall survive termination of this Agreement for five (5) years.

12 10. TERMINATION. Either party shall have the right to terminate this
13 Agreement for any reason or no reason at any time by giving fifteen (15) calendar days
14 prior notice to the other party. In the event of termination under this Section, City shall
15 pay Consultant for services satisfactorily performed and costs incurred up to the effective
16 date of termination for which Consultant has not been previously paid. The procedures
17 for payment in Section 1.B. with regard to invoices shall apply. On the effective date of
18 termination, Consultant shall deliver to City all Data developed or accumulated in the
19 performance of this Agreement, whether in draft or final form, or in process. And,
20 Consultant acknowledges and agrees that City's obligation to make final payment is
21 conditioned on Consultant's delivery of the Data to City.

22 11. CONFIDENTIALITY. Consultant shall keep all Data confidential and
23 shall not disclose the Data or use the Data directly or indirectly, other than in the course
24 of performing its services, during the term of this Agreement and for five (5) years
25 following expiration or termination of this Agreement. In addition, Consultant shall keep
26 confidential all information, whether written, oral or visual, obtained by any means
27 whatsoever in the course of performing its services for the same period of time.
28 Consultant shall not disclose any or all of the Data to any third party, or use it for

1 Consultant's own benefit or the benefit of others except for the purpose of this
2 Agreement.

3 12. BREACH OF CONFIDENTIALITY. Consultant shall not be liable for
4 a breach of confidentiality with respect to Data that: (a) Consultant demonstrates
5 Consultant knew prior to the time City disclosed it; or (b) is or becomes publicly available
6 without breach of this Agreement by Consultant; or (c) a third party who has a right to
7 disclose does so to Consultant without restrictions on further disclosure; or (d) must be
8 disclosed pursuant to subpoena or court order.

9 13. ADDITIONAL COSTS AND REDESIGN.

10 A. Any costs incurred by City due to Consultant's failure to meet
11 the standards required by the scope of work or Consultant's failure to perform fully
12 the tasks described in the scope of work which, in either case, causes City to
13 request that Consultant perform again all or part of the Scope of Work shall be at
14 the sole cost of Consultant and City shall not pay any additional compensation to
15 Consultant for its re-performance.

16 B. If the Project involves construction and the scope of work
17 requires Consultant to prepare plans and specifications with an estimate of the
18 cost of construction, then Consultant may be required to modify the plans and
19 specifications, any construction documents relating to the plans and specifications,
20 and Consultant's estimate, at no cost to City, when the lowest bid for construction
21 received by City exceeds by more than ten percent (10%) Consultant's estimate.
22 This modification shall be submitted in a timely fashion to allow City to receive new
23 bids within four (4) months after the date on which the original plans and
24 specifications were submitted by Consultant.

25 14. AMENDMENT. This Agreement, including all Exhibits, shall not be
26 amended, nor any provision or breach waived, except in writing signed by the parties
27 which expressly refers to this Agreement.

28 15. LAW. This Agreement shall be governed by and construed pursuant

1 to the laws of the State of California (except those provisions of California law pertaining
2 to conflicts of laws). Consultant shall comply with all laws, ordinances, rules and
3 regulations of and obtain all permits, licenses and certificates required by all federal, state
4 and local governmental authorities.

5 16. ENTIRE AGREEMENT. This Agreement, including all Exhibits,
6 constitutes the entire understanding between the parties and supersedes all other
7 agreements, oral or written, with respect to the subject matter in this Agreement.

8 17. INDEMNITY. Consultant shall, with respect to services performed in
9 connection with this Agreement, indemnify and hold harmless City, its Boards,
10 Commissions, and their officials, employees and agents (collectively in this Section,
11 "City") from and against any and all liability, claims, allegations, demands, damage, loss,
12 causes of action, proceedings, penalties, costs and expenses (including attorney's fees,
13 court costs, and expert and witness fees) (collectively "Claims" or individually "Claim")
14 arising, directly or indirectly, in whole or in part, out of any negligent act or omission of
15 Consultant, its officers, employees, agents, sub-consultants or anyone under
16 Consultant's control (collectively "Indemnitor"), breach of this Agreement by Indemnitor,
17 misrepresentation or willful misconduct by Indemnitor, and Claims by any employee of
18 Indemnitor relating in any way to workers' compensation. Independent of the duty to
19 indemnify and as a free-standing duty on the part of Consultant, Consultant shall defend
20 City and shall continue this defense until the Claim is resolved, whether by settlement,
21 judgment or otherwise. No finding or judgment of negligence, fault, breach or the like on
22 the part of Indemnitor shall be required for the duty to defend to arise. Consultant shall
23 notify City of any Claim within ten (10) days. Likewise, City shall notify Consultant of any
24 Claim, shall tender the defense of the Claim to Consultant, and shall assist Consultant at
25 Consultant's sole expense, as may be reasonably requested, in the defense.

26 18. AMBIGUITY. In the event of any conflict or ambiguity between this
27 Agreement and any Exhibit, the provisions of this Agreement shall govern.

28 19. COSTS. If there is any legal proceeding between the parties to

1 enforce or interpret this Agreement or to protect or establish any rights or remedies under
2 it, the prevailing party shall be entitled to its costs, including reasonable attorneys' fees.

3 20. NONDISCRIMINATION.

4 A. In connection with performance of this Agreement and subject
5 to applicable rules and regulations, Consultant shall not discriminate against any
6 employee or applicant for employment because of race, religion, national origin,
7 color, age, sex, sexual orientation, AIDS, HIV status, handicap or disability.
8 Consultant shall ensure that applicants are employed, and that employees are
9 treated during their employment, without regard to these bases. These actions
10 shall include, but not be limited to, the following: employment, upgrading, demotion
11 or transfer; recruitment or recruitment advertising; layoff or termination; rates of
12 pay or other forms of compensation; and selection for training, including
13 apprenticeship.

14 B. It is the policy of City to encourage the participation of
15 Disadvantaged, Minority and Women-Owned Business Enterprises in City's
16 procurement process, and Consultant agrees to use its best efforts to carry out
17 this policy in its use of subconsultants and contractors to the fullest extent
18 consistent with the efficient performance of this Agreement. Consultant may rely
19 on written representations by subconsultants and contractors regarding their
20 status. City's policy is attached as Exhibit "D" to this Agreement. Consultant shall
21 report to City in May and in December or, in the case of short-term agreements,
22 prior to invoicing for final payment, the names of all subconsultants and
23 contractors hired by Consultant for this Project and information on whether or not
24 they are a Disadvantaged, Minority or Women-Owned Business Enterprise, as
25 defined in Section 8 of the Small Business Act (15 U.S.C. Sec. 637).

26 21. NOTICES. Any notice or approval required by this Agreement shall
27 be in writing and personally delivered or deposited in the U.S. Postal Service, first class,
28 postage prepaid, addressed to Consultant at the address first stated above, and to City at

1 333 West Ocean Boulevard, Long Beach, California 90802, Attn: City Manager, with a
2 copy to the City Engineer at the same address. Notice of change of address shall be
3 given in the same manner as stated for other notices. Notice shall be deemed given on
4 the date deposited in the mail or on the date personal delivery is made, whichever occurs
5 first.

6 22. COPYRIGHTS AND PATENT RIGHTS.

7 A. Consultant shall place the following copyright protection on all
8 Data: © City of Long Beach, California ____, inserting the appropriate year.

9 B. City reserves the exclusive right to seek and obtain a patent
10 or copyright registration on any Data or other result arising from Consultant's
11 performance of this Agreement. By executing this Agreement, Consultant assigns
12 any ownership interest Consultant may have in the Data to City.

13 C. Consultant warrants that the Data does not violate or infringe
14 any patent, copyright, trade secret or other proprietary right of any other party.
15 Consultant agrees to and shall protect, defend, indemnify and hold City, its officials
16 and employees harmless from any and all claims, demands, damages, loss,
17 liability, causes of action, costs or expenses (including reasonable attorney's fees)
18 whether or not reduced to judgment, arising from any breach or alleged breach of
19 this warranty.

20 23. COVENANT AGAINST CONTINGENT FEES. Consultant warrants
21 that Consultant has not employed or retained any entity or person to solicit or obtain this
22 Agreement and that Consultant has not paid or agreed to pay any entity or person any
23 fee, commission or other monies based on or from the award of this Agreement. If
24 Consultant breaches this warranty, City shall have the right to terminate this Agreement
25 immediately notwithstanding the provisions of Section 10 or, in its discretion, to deduct
26 from payments due under this Agreement or otherwise recover the full amount of the fee,
27 commission or other monies.

28 24. WAIVER. The acceptance of any services or the payment of any

1 money by City shall not operate as a waiver of any provision of this Agreement or of any
2 right to damages or indemnity stated in this Agreement. The waiver of any breach of this
3 Agreement shall not constitute a waiver of any other or subsequent breach of this
4 Agreement.

5 25. CONTINUATION. Termination or expiration of this Agreement shall
6 not affect rights or liabilities of the parties which accrued pursuant to Sections 7, 10, 11,
7 17, 19, 22 and 28 prior to termination or expiration of this Agreement.

8 26. TAX REPORTING. As required by federal and state law, City is
9 obligated to and will report the payment of compensation to Consultant on Form 1099-
10 Misc. Consultant shall be solely responsible for payment of all federal and state taxes
11 resulting from payments under this Agreement. Consultant's Employer Identification
12 Number is [REDACTED] If Consultant has a Social Security Number rather than an
13 Employer Identification Number, then Consultant shall submit that Social Security
14 Number in writing to City's Accounts Payable, Department of Financial Management.
15 Consultant acknowledges and agrees that City has no obligation to pay Consultant until
16 Consultant provides one of these numbers.

17 27. ADVERTISING. Consultant shall not use the name of City, its
18 officials or employees in any advertising or solicitation for business or as a reference,
19 without the prior approval of the City Manager or designee.

20 28. AUDIT. City shall have the right at all reasonable times during the
21 term of this Agreement and for a period of five (5) years after termination or expiration of
22 this Agreement to examine, audit, inspect, review, extract information from and copy all
23 books, records, accounts and other documents of Consultant relating to this Agreement.

24 29. THIRD PARTY BENEFICIARY. This Agreement is not intended or
25 designed to or entered for the purpose of creating any benefit or right for any person or
26 entity of any kind that is not a party to this Agreement.

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IN WITNESS WHEREOF, the parties have caused this document to be duly executed with all formalities required by law as of the date first stated above.

HINDERLITER, DE LLAMAS & ASSOCIATES, a California corporation

June 17, 2008

By [Signature]

Lloyd de Llamas
Type or Print Name

By [Signature]

JEFFREY SCHEHR
Type or Print Name

"Consultant"

CITY OF LONG BEACH, a municipal corporation

April 4, 2008

By [Signature] Assistant City Manager

City Manager

"City"

EXECUTED PURSUANT TO SECTION 301 OF THE CITY CHARTER.

This Agreement is approved as to form on July 25, 2008.

ROBERT E. SHANNON, City Attorney

By [Signature]
Deputy

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

SCOPE OF SERVICES

The Consultant shall perform the following tasks related to sales and use tax: audits, ongoing consultation, economic analysis, data services and computer mapping.

A. Sales Tax and Use Tax Revenue Auditing Recovery

The City of Long Beach ("City") requests that the Consultant conduct an ongoing audit of sales and use tax collections including, but not limited to, the following tasks:

1. Obtain sales and use tax information monthly from the State Board of Equalization ("SBE") and transfer the information to a user-friendly, windows based, database. The program will have seller's permit and allocation information for all registered in-city business outlets.
2. Identify businesses with potential point of sale reporting errors based on a comprehensive inventory and evaluation of all businesses in the City.
3. Submit to the SBE a list of businesses with a point of sale reporting error.
4. Ensure the SBE makes the necessary corrections plus retroactive adjustments for eligible amounts improperly distributed in prior quarters.
5. On a quarterly or as needed basis, monitor and analyze reports with an audit focus on the following:
 - a. Accounts with previously reported point of sale distribution errors to ensure the corrections are made for current quarters plus retroactive adjustments for eligible amounts improperly distributed in prior quarters.
 - b. Identify any aberrations and irregularities in state allocations and reversal of allocations due to state audits, fund transfers, receivables with late or double payments, and ensure that the City does not receive less than it is entitled.
 - c. Investigate accounts with a use tax designation and determine why the tax is classified as use tax rather than sales tax.
6. Coordinate sales and use tax audit efforts with City staff to avoid duplicated efforts.

B. Economic Analysis

1. Consultant shall establish and maintain a database identifying the name, address and quarterly allocations of the sales tax producers with the City for the most current and previous twelve quarters. This database will be utilized to generate special reports to the City on major sales tax producers by rank and category, analysis of sales tax activity by category, and business districts or development areas specified by the City, analysis of reporting aberrations, and per capita and outlet comparisons with neighboring cities, regions, county and state wide trends.
2. Consultant shall provide updated reports each quarter identifying changes in sales by major outlets and by category; area growth and decline comparisons; and current graphics, tables, and the top 100 listings.
3. Consultant shall additionally provide a summary newsletter for the City or its Redevelopment Agency to share with the economic groups (i.e., Chamber of Commerce) that analyze the City's sales tax trends by major groups, and geographic areas without disclosing confidential information.
4. Consultant shall make available to City staff the database computer program containing seller's permit and allocation information for all in-city business outlets registered with the SBE.
5. Consultant shall profile the most economically desirable types of developments and business users along with the reasons for the designation, for economic development and community redevelopment purposes.
6. Consultant shall assist in defining specific geographic areas for which the City would have an interest in knowing the sales tax produced.

C. Sales Tax Consultation

1. Consultant shall provide ongoing consulting services in the audit and economic analysis of sales tax and will work with City staff on questions and issues related to the following: tenant mix alternatives for maximum sales return and provide sales tax projections on specific projects for redevelopment negotiation and City budget purposes. Consultant shall schedule a minimum of four meetings in the City of Long Beach annually to discuss findings and assumptions related to its sales tax analysis.
2. Other economic analytical and related services to be provided include, but are not limited to, the following:
 - a. Provide recommendations to further enhance the City's revenue base in areas such as sales and use tax, property tax, utility users tax and defined economic development goals.

- b. Conduct a technical seminar on California's local sales and use tax distribution process to City staff.
- c. Train City staff in the fundamentals and related aspects of sales tax auditing for purposes of supporting the City's implementation of an in-house sales tax function.
- d. Analyze lists of the City's major sales tax producers in order to advise and assist the City in developing a public relations program to prevent the loss of these important businesses.
- e. Provide periodic updates of state and federal regulations affecting sales tax procedures and collections, including analysis and recommended positions.
- f. Provide sales tax data on computer terminals at several selected City offices and provide training to City staff in appropriate use of such terminals and information.

D. Use Tax - Self Accrual

Consultant shall:

1. Develop with City staff a business cooperative program to identify businesses within the City that could self-accrue use tax.
2. With City staff, meet with businesses to discuss and develop a self-accrual program.
3. Train City staff to assist businesses in implementing self-accrual of use tax programs.
4. Review participating businesses to ensure the effectiveness of the self-accrual program.
5. Provide monthly status reports to the City.
6. Keep the City informed of any legislative actions that may impact the self-accrual use tax revenues of the City.

EXHIBIT “B”

City’s Representative: Rosie Bouquin, Revenue Officer

EXHIBIT “C”

Materials/Information Furnished: None

CITY OF LONG BEACH POLICY FOR DISADVANTAGED, MINORITY-OWNED AND WOMEN-OWNED BUSINESS ENTERPRISES

It is the policy of the City of Long Beach to utilize Disadvantaged, Minority-Owned and Women-Owned Business Enterprises in all aspects of contracting, including construction, the purchase of materials and services, including professional services, leases and the granting of concessions.

EXHIBIT "D"