



CITY OF LONG BEACH

FINANCIAL MANAGEMENT DEPARTMENT

C-6

333 West Ocean Boulevard 6th Floor • Long Beach, CA 90802 • (562) 570-6200

February 7, 2012

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach
California

RECOMMENDATION:

Adopt Specifications RFP No. DV11-062 authorizing the City Manager to execute an agreement and any amendments thereto with HdL Coren and Cone, of Diamond Bar, CA (SBE), to provide property tax management and auditing services, in an annual amount not to exceed \$18,750 plus a 25 percent recovery fee with a maximum of \$250,000, for a period of one-year, with the option to renew for two additional one-year periods, at the discretion of the City Manager. (Citywide)

DISCUSSION

Property tax revenue is one of three major sources of revenues for the City. Due to its significance, the City needs to carefully track this revenue source to ensure that none of its revenues are misallocated to other jurisdictions. Due to Los Angeles County's (County) method of operation, the City often receives limited information on property tax matters from the County. As a result, staff is unable to validate the accuracy of actual property values and changes thereto, nor determine if tax revenue from parcels have been directed to other jurisdictions, or whether parcels are in the right tax rate area. Revenues due to the City are not always properly allocated and remitted to the City.

HdL Coren and Cone (HdL) services include auditing tax rolls to ensure that property taxes are properly allocated to the City, and will work directly with the County to recover monies due as a result of misallocated parcels. HdL has provided this service to the City for the last ten years and has recovered approximately \$446,000 in misallocated property tax revenue for the City.

The Request for Proposals (RFP) for Property Tax Consulting Services was advertised in the Press-Telegram on November 22, 2011, and 527 potential bidders specializing in property tax consulting were notified. Of those bidders, 21 downloaded the RFP via our electronic bid system. The RFP was made available from the Purchasing Division, located on the seventh floor of City Hall and the Division's website at www.longbeach.gov/purchasing. An announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which is sent to 30 local, minority and women-owned business groups. One proposal was received on December 13, 2011 from HdL Coren and Cone, of Diamond Bar, CA (SBE).

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This matter was reviewed by Deputy City Attorney Amy R. Webber and Budget Management Officer Victoria Bell on January 18, 2012.

TIMING CONSIDERATIONS

City Council action to adopt Specifications RFP No. DV11-062 and award an agreement concurrently is requested on February 7, 2012 to ensure that an agreement is in place in a timely manner.

FISCAL IMPACT

The annual cost of this agreement, comprised of an annual retainer fee not to exceed \$18,750 plus a 25 percent recovery fee, with a maximum of \$250,000 applied against the net recovered revenues actually received, is budgeted in the General Fund (GP) in the Citywide Activities (XC). There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

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APPROVED:



PATRICK H. WEST
CITY MANAGER