Legislation Details (With Text)

File #:	17-1125	**Version:** 1	**Name:**	FM - Contract w/MuniServices for tax-auditing	
Type:	Contract		**Status:**	CCIS	
File created:	11/21/2017		**In control:**	City Council	
On agenda:	12/12/2017		**Final action:**	12/12/2017	

Title: Recommendation to authorize City Manager, or designee, to execute all documents necessary to amend Contract No. 34743 with MuniServices, LLC, for continued sales or transaction and use tax auditing, projection, recovery and consultant services, by $38,000 for a revised total amount not to exceed $306,000, and extend the term to August 31, 2018. (Citywide)

Sponsors: Financial Management

Indexes:

Code sections:

Attachments: 1. 121217-C-10sr.pdf

Date	Ver.	Action By	Action	Result
12/12/2017	1	City Council	approve recommendation	Pass

Recommendation to authorize City Manager, or designee, to execute all documents necessary to amend Contract No. 34743 with MuniServices, LLC, for continued sales or transaction and use tax auditing, projection, recovery and consultant services, by $38,000 for a revised total amount not to exceed $306,000, and extend the term to August 31, 2018. (Citywide)

City Council approval is requested to amend Contract No. 34743 with MuniServices, LLC (MuniServices), to increase contract authority by $38,000 and extend the term through August 31, 2018. This approval will allow for continuation and payment of current services until a new contract is awarded. The Financial Management Department is preparing to issue a Request for Proposals (RFP) for sales or transaction and use tax auditing, projection, recovery and consultant services and, therefore needs this extension to ensure uninterrupted services until a new contract is in place.

A formal procurement process was completed in 2014 (RFP FM14-115) to identify the most qualified firm for sales and use tax auditing, projection and recovery, and other revenue audit services. The City has retained MuniServices, since 2007 to provide technical expertise to perform these services, which are not available within the City. These services include the examination of sales or transaction and use tax records to ensure that these taxes are properly attributed to the City. Additionally, they facilitate the process of correcting misallocations by the State Board of Equalization (BOE) so that revenue is accurately remitted to the City. MuniServices' scope of work also includes review of the City's Measure A revenues.

MuniServices' compensation covers sales or transaction and use tax projection, reporting,

and access to its sales tax database, in addition to 20 percent of new or misallocated sales and use tax revenues realized by the City as a direct result of MuniServices detection, documentation and correction. MuniServices supports the development and implementation of a use tax self-accrual program, trains City staff to assist businesses with its implementation, and provides the City with a user-friendly database containing monthly sales tax data from the BOE.

This matter was reviewed by Deputy City Attorney Amy R. Webber and by Assistant Finance Director Lea Eriksen on November 20, 2017.

City Council action is requested on December 12, 2017, to allow for uninterrupted consulting services related to sales and use tax until August 31, 2018.

The MuniServices, LLC, contract is a revised, not to exceed amount of $306,000. The additional contract authority of $38,000 is budgeted in the General Fund (GF) in the Citywide Activities Department (XC). The requested increase includes a continuation of services related to sales or transaction and use tax projection, reporting and access to the sales tax database. Additionally, it also includes MuniServices' compensation for 20 percent of new or misallocated sales and use tax revenues realized by the City as a direct result of MuniServices detection, documentation and correction efforts. There is no local job impact associated with this recommendation.

Approve recommendation.

JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER