



Legislation Text

File #: 17-0235, **Version:** 1

Recommendation to authorize City Manager, or designee, to execute all documents necessary to amend Blanket Purchase Order No. BPFM15000026 with MuniServices, LLC, for continued sales and use tax auditing, projection, recovery and consultant services, to increase the contract by \$183,000, for a total amount not to exceed \$268,000, and extend the term to December 31, 2017. (Citywide)

City Council approval is requested to increase the existing Blanket Purchase Order (BPO) with MuniServices, LLC, by \$183,000, and extend the term through December 31, 2017. 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 new Request for Proposals (RFP) for sales and use tax auditing, projection, recovery and consultant services.

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 retained MuniServices, LLC (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 and use tax records to ensure that taxes are properly attributed to the City. Additionally, MuniServices facilitates 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 Measure A revenues and the City's local Utility Users Tax (UUT).

MuniServices' compensation covers sales and use tax projection, reporting and access to the sales tax database, in addition to 20 percent of new or misallocated sales and use tax revenues realized by the City as 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 Assistant Finance Director Lea Eriksen on March 16, 2017.

City Council action is requested on April 4, 2017, to allow for uninterrupted consulting services related to sales and use tax.

The total annual cost will not exceed \$268,000. The additional cost of \$183,000 is budgeted in the General Fund (GF) in the Citywide Activities Department (XC). There is no local job impact associated with this recommendation.

Approve recommendation.

JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER