



Legislation Text

File #: 2024-0284, Version: 1

Report to Mayor and City Council

Tuesday, April 16, 2024

Consent

SUBJECT:

CONSIDER APPROVING AMENDMENT NO. 2 OF THE AGREEMENT WITH BRI CONSULTING GROUP, INC. TO PROVIDE AUDIT SERVICES FOR THE OIL INDUSTRY BUSINESS LICENSE TAX (CITY COUNCIL)

I. SUMMARY

Staff is seeking City Council approval of Amendment No. 2 for amendment of the contract with BRI Consulting to extend the term of agreement by 13 months, add additional scope of work to allow BRI Consulting to continue audit services for six taxpayers within the City filing tax returns during 2023, and increase the total compensation for the audits by \$302,946.95 thereby increasing the not-to-exceed-amount to \$552,946.95. Of the \$302,946.95 amount, \$52,946.95 is attributable to completion of work under Amendment No. 1 and \$250,000.00 is allocated to new services to be performed under Amendment No. 2.

II. RECOMMENDATION

TAKE the following actions:

1. APPROVE Amendment No. 2 to Agreement for Contract Services by and between the City of Carson and BRI Consulting Group Inc. to increase the contract sum to \$552,946.95 and extend the term to March 31, 2025; and
2. AUTHORIZE the Mayor to execute the amendment following approval as to form by the City Attorney.

III. ALTERNATIVES

TAKE another action as deemed appropriate by the City Council.

IV. BACKGROUND

City and BRI Consulting Group, Inc. (BRI) under City Manager authority entered into a contract dated December 31, 2021 where BRI agreed to provide the City services for review and analysis of oil engineering reports for Marathon and Philips 66 oil refineries and their impacts on oil tax audit reports previously prepared by BRI for a total not to exceed contract amount of \$24,999 during a term of one year. Under sole source procurement authorized under CMC Section 2611(e), after City Council approval, on May 9, 2022, City and BRI entered into Amendment No. 1 of the agreement to expand the Scope of Services to include tax compliance reviews of Marathon, Phillips 66, Kinder Morgan, and Equilon for compliance with the Oil Industry Business License Tax as allowed by Carson Municipal Code Section 63516, and increase the contract sum by \$225,001 bringing the total not to exceed amount to \$250,000, and to extend the contract term to February 29, 2024. However, when BRI provided City the price estimate for these additional services, BRI underestimated the amount of work required to complete the services and as a result, BRI incurred an additional \$52,946.95 beyond the budget approved by the City Council to fund Amendment No. 1.

Staff now seeks City Council approval of Amendment No. 2 effective retroactive to February 29, 2024, to increase the contract sum by \$52,946.95 and to extend the term by one month, to accommodate the additional time BRI needed to complete the additional services. Amendment No. 2 will also allow BRI to perform continued audit services for six taxpayers within the City filing tax returns during 2023 for an additional \$250,000, thereby bringing the total adjusted Contract Sum to \$552,946.95, and further extend the term by an additional year so that the Agreement will expire March 31, 2025.

Similar to Amendment No. 1, Amendment No. 2 will be procured as a sole source procurement permitted under Section 2611(e) of City's Municipal Code because the services are unique due to their quality and fitness for a particular use and availability only from one (1) source. BRI is the only consultant that can perform these additional services because it has already worked on similar audits for the City and it would be highly infeasible for the City to pivot to another consultant at this juncture. For this reason, the City's Purchasing Manager has approved such procurement. Additionally, the work proposed under Amendment No. 2 qualifies as a change order under Section 2611(m) of City's Municipal Code thereby rendering procurement without bidding permissible.

V. FISCAL IMPACT

There is no fiscal impact to the General Fund. Auditing services costs are included in the 2023-2024 proposed budget. FY 2024-25 expenditures are included in the proposed budget.

VI. EXHIBITS

1. Contract Services Agreement Amendment No. 2 (pgs. 4-12)
2. BRI Consulting Group, Inc. COI (pgs. 13-49)

Prepared by: William Jefferson, Finance Director