



## Legislation Details (With Text)

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**Title:** CONSIDER APPROVING AMENDMENT NO. 1 TO AN AGREEMENT WITH HDL COREN AND CONE TO PROVIDE PROFESSIONAL AUDIT AND ECONOMIC FORECASTING ANALYSIS OF THE CITY PROPERTY TAX REVENUE; AND CONSIDER APPROVING AMENDMENT NO. 1 TO AN AGREEMENT WITH HDL (HINDERLITER, DE LLAMAS AND ASSOCIATES) TO PROVIDE PROFESSIONAL AUDIT AND ANALYSIS OF CITY SALES TAX; AND CONSIDER APPROVING AMENDMENT NO. 1 TO AN AGREEMENT WITH HDL SOFTWARE TO PROVIDE SOFTWARE FUNCTIONALITY AND WEB-BASED APPLICATIONS (CITY COUNCIL)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. 2020 HDL Property Taxes Amendment No. 1, 2. 2020 HDL Sales Tax Amendment No. 1, 3. 2020 HDL Software Amendment No. 1

Date	Ver.	Action By	Action	Result
6/23/2020	1	City Council		

## Report to Mayor and City Council

Tuesday, June 23, 2020

Discussion

### SUBJECT:

CONSIDER APPROVING AMENDMENT NO. 1 TO AN AGREEMENT WITH HDL COREN AND CONE TO PROVIDE PROFESSIONAL AUDIT AND ECONOMIC FORECASTING ANALYSIS OF THE CITY PROPERTY TAX REVENUE; AND CONSIDER APPROVING AMENDMENT NO. 1 TO AN AGREEMENT WITH HDL (HINDERLITER, DE LLAMAS AND ASSOCIATES) TO PROVIDE PROFESSIONAL AUDIT AND ANALYSIS OF CITY SALES TAX; AND CONSIDER APPROVING AMENDMENT NO. 1 TO AN AGREEMENT WITH HDL SOFTWARE TO PROVIDE SOFTWARE FUNCTIONALITY AND WEB-BASED APPLICATIONS (CITY COUNCIL)

### I. SUMMARY

On July 20, 2017, Hinderliter, De Llamas (HDL) was awarded a 3-year contract service agreement for the following 3 separate contract services:

- Professional audit and analysis of the City's Sales Tax contract

- Professional audit and analysis of the City's Property Tax contract
- Operating software for the City's Business Licenses contract

Staff is requesting approval of Amendments No.1 (Exhibits 1, 2 and 3) to amend the term of the three contracts until completion of the services but not exceeding June 30, 2020. These 3 amendments are necessary to allow for continued City's tax audits and analysis.

Although Amendments no. 1 is a request for a one-year extension, staff intends to do an RFP shortly to ensure the City is getting the best service for the price.

## **II. RECOMMENDATION**

Take the following actions:

1. APPROVE Amendment No. 1 to Agreement for Contract Services by and between the City of Carson and HdL COREN and CONE for professional audit and analysis of City property tax for July 1, 2020 - June 30, 2021.
2. APPROVE Amendment No. 1 to Agreement for Contract Services by and between the City of Carson and Hinderliter, DeLlamas and Associates ("HdL") for professional audit and analysis of City sales tax for July 1, 2020 - June 30, 2021.
3. APPROVE Amendment No. 1 to Agreement for Contract Services by and between the City of Carson and HdL Software, LLC for Prime Business License and False Alarm billing software for July 1, 2020 - June 30, 2021.
4. AUTHORIZE the Mayor to execute the amendments No. 1 to the contracts with HdL

## **III. ALTERNATIVES**

TAKE another action the City Council deems appropriate.

## **IV. BACKGROUND**

On July 20, 2017, the City awarded a separate three-year contracts with HdL Coren and Cone, Hinderliter, DeLlamas and Associates (HdL), and HdL Software, LLC. The City conducted an RFP process, with proposals due on April 24, 2017. The proposal was placed on the City's website and emailed directly to 11 companies. On April 24<sup>th</sup>, the City received only one proposal and it was from HdL. Because HdL operates under three separate corporations, three separate contracted were approved and each contract allows the City to extend the term for two (2) additional one-year extensions. Although amendments no. 1 is a request for a one-year extension, staff intends to do an RFP shortly to ensure the City is getting the best service for the price.

In comparison to our current contract costs, we anticipate about \$8,140 savings over the span of the one-year amendment as HdL agreed to reduce its fees at the City Manager's request by:

- 10% for HdL Coren and Cone property tax analysis contract (\$1,000)
- 10% for Hinderliter, DeLlamas and Associates (HdL) sales tax analysis contract (\$2,000)
- 2% for Hinderliter, DeLlamas and Associates (HdL) sales tax audit recovery rate (\$5,000)
- CPI-U decrease for HdL Business License Software (\$140)

These amendments are the first extension for all three contracts and if approved all amendments expire June 30, 2021, and all provisions of the agreements shall remain unchanged and in full force and effect.

**Property Tax** - HdL Coren and Cone provides quarterly analysis, reporting, legislative updates impacting property tax, prepare annual statistical information for the Comprehensive Annual Financial Report (CAFR), audit and analyze the City's property tax records received from the Los Angeles County.

**Sales Tax** - Hinderliter, DeLlamas and Associates (HdL) provides quarterly sales tax analysis reports detailing top taxpayers and any significant information that could negatively impact the City, identifies and files paperwork for reallocation of misallocated tax, and provide fiscal year annual reports.

**Software** - HdL Software provides software for staff to enter alarm permits, new Business License applications and renewals. Also, the City purchased HdL's internet-based module, which enables the public to apply for a new business license, pay invoices, query a City issued business license, and renew a business license and a false alarm permit online.

## **V. FISCAL IMPACT**

There is no additional funding requested at this time. The total appropriation is available within the Finance department budget of the General Fund.

## **VI. EXHIBITS**

1. HdL Property Tax Coren and Cone amendment (pgs. 4-9)
2. HdL Sales Tax Hinderliter, DeLlamas and Associates amendment (pgs. 10-15)
3. HdL Software amendment (pgs. 16-25)

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