Report to Mayor and City Council

Tuesday, October 06, 2020

Consent

SUBJECT:

CONSIDER APPROVAL OF AMENDMENT NO. 2 TO THE CONTRACT BETWEEN THE CITY AND HDL (HINDERLITER, DE LLAMAS AND ASSOCIATES) TO PROVIDE PROFESSIONAL AUDIT AND ANALYSIS OF CITY SALES TAX (CITY COUNCIL)

I. SUMMARY

At the City Council meeting on June 16, 2020, the Revenue Division presented an amendment seeking the City Council's approval to exercise the first-year contract extension with HdL (Hinderliter, De Llamas and Associates) for sales tax auditing and analysis. The City Council approved the amendment; however, the amendment was mistitled as Amendment No. 1 instead of Amendment No. 2. Additionally, the annual rate of compensation has been corrected and now accurately reflects a 10% rate reduction in 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 Hinderliter, De Llamas and Associates ("HdL") for professional audit and analysis of City sales tax for July 1, 2020 - June 30, 2021.

III. ALTERNATIVES

TAKE another action the City Council deems appropriate.

IV. BACKGROUND

On June 16, 2020, the City Council approved by Consent, the first-year extension for the 2017 contract with Hinderliter, De Llamas and Associates ("HdL") for professional audit and

analysis of City sales tax. After the Council approved the one-year contract extension and the amendment was being finalized by the City Clerk's Office, it was determined that on July 29, 2019, Amendment No. 1 was written and presented for the City Council's consideration. A memo was drafted and addressed to the City Manager (Exhibit No. 3) expressing the need for the amendment, which was necessary to clean-up ambiguous contract language and resulted in renegotiated financial terms to a lower annual cost. Since the 2019 amendment (Exhibit No. 1) is titled "No. 1", the June 2020 amendment (Exhibit No. 2) brought before the City Council, should have been titled Amendment No. 2. Additionally, because the annual rates were reduced in Amendment No. 1, Amendment No. 2 correctly reflects a 10% reduction for Fiscal Year 20/21 from $9,600 to $8,640, while retaining the 13% audit and recovery rate.

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. Amendment No. 1 (pgs. 3-9)
2. Amendment No. 2 (pgs. 10-14)
3. 2019 Amendment Memo (pg. 15)

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