

OAKLAND CITY COUNCIL <sup>2004 FEB 11 PM 1:21</sup>RESOLUTION NO. 78409 = C. M. S.

INTRODUCED BY COUNCILMEMBER \_\_\_\_\_

RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A PROFESSIONAL SERVICES CONTRACT WITH HINDERLITER, DE LLAMAS AND ASSOCIATES FOR TAX AUDITING, CONSULTING, ECONOMIC ANALYSIS AND DATA SERVICES FOR AN AMOUNT NOT TO EXCEED \$362,100 IN FIXED COSTS PLUS ADDITIONAL AUDIT FEES FOR AN INITIAL THREE-YEAR PERIOD ENDING MARCH 31, 2007, PLUS TWO OPTIONAL ANNUAL EXTENSIONS; AND AUTHORIZING AN INCREASE IN THE FINANCE AND MANAGEMENT AGENCY'S BASELINE BUDGET BY \$137,800 IN FY 2004-05 AND \$66,800 IN FY 2005-06, INCREASING BUSINESS TAX REVENUE EXPECTATIONS FOR FY 2004-05 AND FY 2005-06, AND USING A PORTION OF SUCH INCREASE IN REVENUES TO PAY FOR THE BUSINESS TAX SERVICE COMPONENT INCLUDED IN THE CONTRACT

**WHEREAS**, the City of Oakland seeks to increase its revenue by securing payment of all taxes owed to the City; and

**WHEREAS**, in order to best achieve such an increase in revenue, the Finance and Management Agency ("FMA") and the Community and Economic Development Agency ("CEDA") have determined that a joint-agency contract with a tax auditing firm would provide the City with valuable information and services; and

**WHEREAS**, in June 2003, FMA and CEDA issued a joint request for proposals ("RFP") for tax auditing, consulting, economic analysis and data services; and

**WHEREAS**, based upon a review and evaluation of the responses to the RFP, staff recommends entering into a contract with Hinderliter, de Llamas and Associates ("HdL"); and

**WHEREAS**, the data to be obtained through the contract with HdL will be used by FMA, CEDA and the City Manager's Budget Office for tax auditing, economic analysis, business attraction analysis and business retention analysis, and budget forecast and trend analysis purposes; and

**WHEREAS**, the City has been under contract with HdL for Sales and Use Tax and Property Tax consulting and auditing services since 1998 and has realized an \$1,800,000 in additional revenue as a result of services provided by HdL; and

**WHEREAS**, FMA, the Budget Office and CEDA have reviewed and monitored the services and determined that this firm continues to provide the best and most cost-effective combination of services; and

**WHEREAS**, HdL presents the best package of services and cost effectiveness;

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF OAKLAND HEREBY RESOLVES:**

1. That the City Manager is authorized to enter into a three-year professional services contract, ending March 31, 2007, with HdL for tax auditing, consulting, economic analysis. On or before March 31, 2007, and, as the case may be, March 31, 2008, the City Manager, at her or his sole discretion, may exercise an option to extend the contract for an additional one-year term.


2. That the amount of the contract shall be: \$169,300 in year one, \$98,300 in year two, and \$31,500 in each subsequent year, for a total amount not to exceed \$362,100 in fixed costs plus audit fees based on a percentage of the increased revenues caused to be brought in by HdL's documentable efforts.

3. That an increase is authorized in the FMA's baseline budget by \$137,800 in FY 2004-05 and \$66,800 in FY 2005-06; increasing business license tax revenue expectations for FY 2004-05 and FY 2005-06, and using a portion of such increase in revenues to pay for the business license tax service component included in the HdL contract.

IN COUNCIL, OAKLAND, CALIFORNIA, MAR 16 2004, 2004

**PASSED BY THE FOLLOWING VOTE:**

AYES- ~~BROOKS~~, BRUNNER, CHANG, NADEL, QUAN, REID, WAN AND PRESIDENT DE LA FUENTE -7  
NOES- 0  
ABSENT- BROOKS -1  
ABSTENTION- 0

ATTEST:   
CEDA FLOYD  
City Clerk and Clerk of the Council  
of the City of Oakland, California