



AGENDA REPORT


TO: Jestin D. Johnson
City Administrator

FROM: Joe DeVries
Deputy City
Administrator/Chief
Resilience Officer

SUBJECT: Avenu Insight & Analytics

DATE: May 8, 2024

City Administrator Approval


Jestin Johnson (Jun 14, 2024 11:22 PDT)

Date: Jun 14, 2024

RECOMMENDATION

Staff Recommends That City Council Adopt A:

Resolution Waiving The Competitive Request For Proposal/Qualification Requirements And The Local/Small Local Business Enterprise Requirements And Awarding A Three-Year Professional Services Agreement To Avenu Insight & Analytics, LLC In An Amount Not To Exceed \$540,000 For Tax Collection Services Through June 30, 2027; And Authorizing The City Administrator To Extend The Agreement For An Additional Two Years For A Total Contract Amount Over The Five-Year Term Of \$900,000

EXECUTIVE SUMMARY

This report recommends awarding a Professional Services Agreement with Avenu Insight & Analytics, LLC (Avenu), for three years, with the possibility of extension for a further two. Avenu was selected through a competitive Request for Proposal (RFP) process in 2023 to provide Sugar-Sweetened Beverage (SSB) tax collection services for the City of Oakland. The proposed extension aims to ensure efficient tax collection services, leveraging Avenu's proven expertise and advanced technological infrastructure.

BACKGROUND/LEGISLATIVE HISTORY

The City of Oakland passed the Sugar-Sweetened Beverage Tax (SSBT) in 2016. Recognizing the importance of effective tax collection and compliance monitoring, the City initiated a competitive RFP process in 2023 to select a vendor for SSBT outreach, communication, and management services. Avenu emerged as the preferred vendor based on evaluations conducted by city staff in the City Administrator's Office and the Finance Department, scoring 85 out of 100 points. HDL Companies also submitted a proposal but scored lower, with 80 out of 100 points.

Finance and Management Committee
June 25, 2024

Criteria	HDL	Avenu
Expertise (30%)	25	25
Experience (30%)	25	30
Project Approach (20%)	10	20
Cost (20%)	20	10
Total (100%)	80	85

In the interest of time, we entered a one-year agreement with Avenu to ensure continuity and no gap in the collection of SSBT funds.

ANALYSIS AND POLICY ALTERNATIVES

Conducting a new RFP process to select a vendor for SSB tax collection services was evaluated as an alternative strategy. However, this would take significant time and resources and could disrupt the continuity of service. Given Avenu's strong performance and established partnership with the City, continuing with Avenu ensures stability in tax collection operations and aligns with important citywide goals, including holistic community safety, economic and cultural security, and trustworthy government.

Avenu's track record and institutional knowledge play a crucial role in maintaining seamless tax collection operations, which directly contributes to the **holistic community safety** of the community by minimizing disruptions and ensuring consistent revenue for essential community programs. Their expertise supports efforts to ensure the safety and well-being of Oakland residents.

Waiving the competitive multiple-step solicitation process is justified because Avenu has proven its ability to meet the City's needs effectively and efficiently. The process of finding another vendor with the same specialized skills can be complicated and time-consuming. Avenu's performance reduces the risks of changing to a new vendor. Additionally, Avenu's advanced technological infrastructure and analytical capabilities have been essential in improving tax collection efficiency, reducing tax evasion, and supporting the City's financial planning and budgeting.

Waiving the Local/Small Local Business Enterprise requirements is also in the City's best interest due to the unique qualifications and specialized expertise required for SSB tax collection services. Identifying a local or small business with the same level of expertise and infrastructure within the necessary timeframe is unlikely, so this waiver is needed to ensure continuous tax collection services.

Avenu's work also supports the **housing, economic and cultural security** of Oakland residents by facilitating the collection of SSB tax revenue, which funds programs promoting healthy living, combating chronic diseases, and addressing disparities in healthcare access. These programs improve the overall health and well-being of residents and contribute to the city's economic productivity and cultural vibrancy.

By maintaining stability and efficiency in tax collection operations through the Agreement with Avenu, the City of Oakland demonstrates its commitment to a **responsive and trustworthy government**. Transparent and accountable financial management practices, facilitated by Avenu's expertise, build public trust and confidence in governmental institutions.

FISCAL IMPACT

Avenu will receive compensation of 2.1% of the tax proceeds collected and remitted to the city. This percentage was determined based on the competitive RFP process in 2023, which assessed the cost-effectiveness and value of services provided by Avenu compared to other bidders.

- At a rate of 2.1%, Avenu's annual compensation will not exceed \$180,000.
- For a three-year term, this compensation will not exceed \$540,000.
- If the agreement is extended for an additional two years, the total compensation for the five-year term will not exceed \$900,000.

Funding for this contract is budgeted and available in the following funding sources.

Table 1: Funding Sources for Avenu PSA

Fund	Org	Project	Program	Account #
1030	08411	1003817	IP59	54919

PUBLIC OUTREACH / INTEREST

Avenu was originally chosen via an RFP process in 2023. This ensured a transparent and competitive selection process that evaluated vendors based on expertise, experience, project approach, and cost.

COORDINATION

No specific coordination beyond standard procurement procedures was necessary for this contract. The selection and recommendation for awarding the Professional Services Agreement followed the established protocols outlined in the Oakland Municipal Code and relevant city guidelines.

PAST PERFORMANCE, EVALUATION AND FOLLOW-UP

Avenu has previously provided SSBT collection services for the City and has performed well. Their past performance has demonstrated reliability and efficiency, contributing to consistent revenue generation and compliance with tax collection regulations.

SUSTAINABLE OPPORTUNITIES

Economic: Avenu's services facilitate the efficient collection of SSBT revenue, which funds essential community programs promoting health and wellness, thereby contributing to the economic stability and growth of the City.

Environmental: The programs funded by the SSB tax often include initiatives that promote healthy living and environmental sustainability, such as community gardens and educational campaigns on reducing SSB consumption.

Race and Equity: The SSBT revenue supports programs that address health disparities in underserved communities, ensuring equitable access to resources and promoting racial equity in healthcare and wellness initiatives.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That City Council Adopt A Resolution Waiving The Competitive Request For Proposal/Qualification Requirements And The Local/Small Local Business Enterprise Requirements And Awarding A Three-Year Professional Services Agreement To Avenu Insight & Analytics, LLC In An Amount Not To Exceed \$540,000 For Tax Collection Services Through June 30, 2027; And Authorizing The City Administrator To Extend The Agreement For An Additional Two Years For A Total Contract Amount Over The Five-Year Term Of \$900,000

For questions regarding this report, please contact Michael Akanji, City Administrator Analyst, at 238-6454

Respectfully submitted,



JOE DEVRIES
Deputy City Administrator /Chief Resilience
Officer

Prepared by: Michael Akanji, City Administrator
Analyst