

NOTICE REQUESTING PROPOSALS

RFP # 1393

Notice is hereby given that sealed proposals will be received by the City of Culver City, California, for furnishing the following:

REQUEST FOR PROPOSALS TO PROVIDE BUSINESS TAX COMPLIANCE SERVICES

in strict accordance with the Specifications on file in the office of the CITY PURCHASING OFFICER, 4343 Duquesne Avenue, Culver City, California, 90232. Copies of specifications and proposal documents may be obtained from the PURCHASING OFFICE at that address, telephone number (310) 253-6550.

Original and two copies of the proposal must be filed with the CITY CLERK in CITY HALL, 9770 Culver Boulevard, Culver City, California, 90232, not later than **3:00 p.m. on July 3, 2008**, at which time they will be publicly opened in the Council Chambers on the first floor of City Hall. Facsimile proposals will not be accepted. Any bidder may withdraw his proposal, without obligation, at any time prior to the scheduled closing time for receipt of proposals. A withdrawal will not be effective unless made personally or by telephonic notification received prior to the closing date. Proposals may later be referred to the City Council for appropriate action. The City reserves the right to reject any or all proposals as the best interests of the City may dictate.

By: _____
Ela Valladares, Deputy City Clerk

Published in The Culver City News on **June 12, 2008**



REQUEST FOR PROPOSALS #1393

**TO PROVIDE BUSINESS TAX COMPLIANCE
SERVICES**

Prepared by
City of Culver City
Finance Department
June 2008

INTRODUCTION

The City of Culver City is soliciting qualified firm(s) with experience and interest to present their qualifications and capabilities to provide BUSINESS TAX COMPLIANCE SERVICES.

The evaluation process shall include review of qualifications by a panel of City staff appointed by the Chief Financial Officer and any other staff designated by the City. Oral interviews may be scheduled and the City may request further information deemed necessary for the qualifications of one or more Firms responding to this RFP.

Please note, the Business Tax Compliance Services to be contracted for will not replace or duplicate the current tax discovery and collection efforts undertaken by the employees of the Treasury Division. It is intended to complement the current efforts by bringing to the City more sophisticated technology and data investigations that may not currently be available to City staff.

In addition to Business Tax Compliance Services, the selected firm may be requested to provide services to modernize the Business Tax operations in order to meet industry standards and implement best management practices, including a review of the City's ordinance governing the application of the tax. Firms performing such a review are required to have qualified legal staff.

BACKGROUND

The City of Culver City encompasses five square miles, has a residential population of approximately 40,790, and a daily population of approximately 100,000. As of July 1, 2006, The City of Culver City operates under a City Council/City Manager form of government. Members of the City Council are elected for alternating four years terms, with the Mayor being selected annually by the Council from among its members.

The City Manager is appointed by the Council Members, and due to the charter changes both the elected City Treasurer and City Clerk positions were eliminated as of April 8, 2008. The City Council created the Finance

Department with the Chief Financial Officer as the head of the Department, to combine the functions previously performed by the City Treasurer's Office and the City Controller's Office.

Within the Finance Department, the Treasury Division is responsible for the comprehensive management of City and Redevelopment Agency revenue programs, billing fees for services provided, tax monitoring, collections, on-site visits to businesses as well as utility company and hotel audits. This division receives all payments to the City or Agency through mail, wire transfer or walk-in and ensures the timely deposit of funds to the proper accounts. This division handles all the Business Tax applications, renewals, compliances and collections. For fiscal year 2007-08 the Treasury Division is estimated to maintain 9,890 active business tax accounts, and is expected to issue 1,933 to newly registered business accounts

Scope of Services

The City of Culver City (City) collects a variety of local taxes, one being the Business Tax. The City is interested in receiving proposals to complement its existing tax collection efforts by contracting with outside professionals to conduct compliance services, to both determine compliance and to ultimately report on any additional tax and penalties that may be owed to the City.

The objectives of Business Tax Compliance Services are to identify, contact, register and bring businesses into compliance, as well as obtain payment of the appropriate taxes from those individuals or entities that are conducting business within the City. This includes identifying any person engaged in or carrying on any profession, trade, calling, occupation or business within the City, that is not registered with the City to ensure that the business is properly registered and has made all payments to the City.

The proposal will provide the means to identify the business, make contact with the business, ensure that the business is properly registered with all required entities (including the completion of Business Tax Application Form and required documents) and insure that the appropriate tax payment has been made to the City. Services and information provided must be in compliance with the Culver City Business Tax Code, in its present form or as amended upon recommendation from the Consultant. Certain information will be deemed confidential and will be specified in the agreement with the successful bidder.

Key elements of any proposal are expected to include database-matching capability between the City's Business Tax database and other databases that the contractor shall obtain. The City may also request the contractor to match the City's Business Tax records against other databases, which the City may provide. The City may also request the contractor to provide a method(s) to pursue a limited number of taxpayers that the City has identified as owing additional taxes and/or where the taxpayer has failed to respond to the City's notice(s) of additional tax liability.

The City is looking for innovative approaches to accomplish this Scope of Services and more than one approach or option may be submitted. Each approach must include details of pricing structure as well as any City resources required.

The City plans to assign a staff member to provide ongoing oversight and input to the contractor's operation and system. City staff will also provide training and technical assistance in all matters of the application and interpretation of the City's Business Tax Code. Should the contractor propose to provide staff for operation of these services, all contractor staff will be required to be knowledgeable in the application of the City's Business Tax Code. The amount of Tax Code training required will be determined through discussion with the Finance Department and the selected contractor's representatives. The identification of a non-registered business may result in other types of liabilities due the City. City staff will be responsible for determining and collecting any other types of taxes, permit fees or other payments that may be due.

The selected contractor will be required to coordinate all discovery efforts with the Finance Department, Treasury Division. The coordination process must include a comparison of existing databases being used by City staff, to ensure that the unregistered business identification efforts are not duplicated. Any special information or access requirements must be clearly presented in the proposal for evaluation.

TECHNICAL ENVIRONMENT

The City of Culver uses the HdL Business Tax Module which tracks taxpayers, processes renewals and records payments. The City also receives Sales and Use Tax information from HdL and has ability to cross-reference this data.

The Finance Department will provide a listing of all registered businesses on file as well as a listing of pending applications.

CONFIDENTIALITY REQUIREMENTS

All information received from Taxpayer or City files related to gross receipts, shall be considered confidential under Section 11.01.215 of the Culver City Municipal Code. Additionally, contractor staff will be required to sign a confidentiality agreement. A current draft of the City's confidentiality agreement is attached, which may or may not be modified in final contract negotiations with the selected firm.

PROPOSAL DOCUMENTS/QUALIFICATIONS

The proposal should include the following information:

1. Names and qualifications of the specific individuals who would be assigned to this project. Please outline their relevant education and tax compliance experience.
2. References for related work that best illustrates your qualification for this project. Please submit a statement of similar work conducted in the past five years. Provide a description of relevant experience, the name and address of the agency, the tax discovery revenue generated annually, and indicate the fees or compensation received, the duration of the project, and the ending date.
3. Please provide three relevant compliance services previously conducted by your firm and indicate the nature or basis of business taxation as by flat tax, gross receipts, square footages of business entities, office space, apartment units, etc. Please provide the responsible contact name and phone numbers for each of these compliance services undertaken by your firm so the City can contact.
4. A written detailed description of the structure you will use to implement your proposal. As appropriate to the nature of the proposal, the description shall include: The major tasks to be performed by units within your organization, the types of controls and reporting systems that you will create; how you will maintain required confidentiality of City records; the interfaces you envision to be required with the City; the number of assigned City personnel including hours that will be required and any other details that allow the City to better understand the basis of your services. Provide a projected timeline for the project, and also confirm whether you can meet the City's desired timeline of completing

most services prior to the Business Tax renewal season which will begin in December 2008.

5. The City requires that the Proposal include the fee for services for the following criteria:

- Detail the formula(s) you will use to determine compensation. If there will be various levels of effort expended by your firm, the proposed compensation schedule should clearly detail any variables that will cause formula changes. Specify any condition changes that will cause modification in the compensation to be paid, and those conditions should be stated clearly in your proposal. If you offer any minimum revenue generation guarantees, state the conditions of the guarantee. If you have any special requirements that the City must undertake relative to the compensation to be paid, you must detail those requirements and how they are factored into your compensation plan. If your compensation formula is based on additional Business Tax revenues collected by the City, clearly state the method of calculation, and whether it is based on the tax only or includes penalties and interest. If there are certain portions of the engagement that are fixed-fee, differentiate those services clearly from those contingent upon revenues.
- The City will require detailed documentation of the findings before any fee compensation will be allowed. The fee billing should include methods for handling refunds, dishonored checks and other adjustments to payment that may occur.
- If any revenues other than Business Tax are identified through these compliance services, the Finance Department, Treasury Division will be responsible for the collection of these other liabilities. These other revenues will not be included in the contractor's fee compensation.
- The City requests that the proposal include rates by professional staff classification. The Schedule should reflect rates for compliance services. It should reflect the distribution of hours per staff classification as the City may be interested in engaging additional services.

6. Proposed project plan and schedule indicating the date for deliverables, critical meetings, City staff hours required for the meetings, and the completion of each task.
7. Verification of firm's ability to act in a neutral capacity as an independent adviser, if there is a relationship to subsidiary corporations or other business partners, the nature and impact of the relationship should be fully disclosed as it relates to the proposed scope of services.
8. All proposals must state the period for which the proposal shall remain in effect. By submitting the proposal it is expected that the firm has carefully read and fully understands the information provided by the City to serve as the basis for submission of the proposal.
9. Please state clearly any addition information that you believe will be essential to complete the evaluation of your proposal.

DEADLINE AND SUBMITTAL OF PROPOSAL

Please submit one (1) original and two (2) copies of the proposal. Proposals should be submitted in a sealed envelope that is clearly marked "Proposal for Business Tax Compliance Services # 1393". Proposals will be received at the City Clerk's Office until **3:00 PM** on **Thursday, July 3, 2008**.

All proposals must be sent to the following address:

City Clerk's Office
City of Culver City
9770 Culver Blvd.
Culver City, CA. 90232

Proposal may be mailed or hand delivered, and the format is optional at the discretion of the consultant. The City will not pay for any costs incurred in preparation and submission of proposals or anticipation of a contract.

EVALATION/SELECTION PROCESS

Contact with City staff is encouraged up to the submittal of the proposal. Inquiries should be directed to the City in writing (preferably e-mail), and written responses will be provided within 3 business days. All inquiries must be submitted at least 7 days prior to the submission deadline. After the proposal is submitted, no further contact is permitted. The City contact coordinator is:

Nagam Rao, Treasury Division Manager
Phone: 310.253.5865.
E-mail: *nagam.rao@culvercity.org*

Each proposal must be signed and submitted to the City Clerk's Office in a sealed envelope.

Deadline for Submission – 3:00 PM on Thursday, July 3, 2008.

The evaluation process consists of the following steps:

1. The proposals will be evaluated and rated by City staff based on following criteria:

- Firm's demonstrated operational capabilities stressing the ability to provide Business Tax Compliance Services;
- The methodology and innovativeness in approach that the Firm proposes to follow to identify and collect the additional business tax amounts due to the City;
- The strength of the references provided;
- Conformance with guidelines and format in this Request for Proposals;
- Firm's verified history of customer service satisfaction;
- Any other criteria as best suits the City.

2. The finalists may be required to make an oral presentation to staff and the City Council Audit Committee.

3. A Recommendation will then be made to the City Council.

Selection of the successful proposal will be at the sole discretion of the City.

It is expected the City Council will be presented with a recommendation on or before **August 25, 2008**.

THE CITY REQUESTS THAT ONCE PROPOSALS HAVE BEEN SUBMITTED, NO UNSOLICITED CONTACT OR DISCUSSIONS CONCERNING THESE PROPOSALS BE MADE PRIOR TO THE EVALUATION OF ALL PROPOSALS.

Indemnification and insurance:

The successful Firm shall indemnify and hold City and its officers, agents, employees, and assigns harmless from any liability imposed for injury whether arising before or after completion of work hereunder or in any manner directly or indirectly caused, occasioned, or contributed to, or claims to be caused, occasioned, or contributed to, in whole or in part by reason of any act or omission, including strict liability or negligence of Firm, or of anyone acting under Firms direction or control or on its behalf, in connection with, or incident to, or arising out of the performance of this contract. The

successful Firm shall maintain and shall require of all its subcontractors to maintain Comprehensive General Liability Insurance with limits of not less than one million (\$1,000,000) per occurrence.

Firm shall obtain and cause to remain in full force and effect for the term of the agreement and for six (6) months thereafter Professional/Negligent Acts, Errors, and Omissions Insurance for five hundred Thousand dollars (\$500,000), as well as Automobile Liability in the minimum amount of \$500,000/\$500,000 and Workers Compensation Insurance in the statutory required amounts.

All insurance must be written by a surety, licensed to do business in California, and rated A or better in Best's rating guide. The City is to be named (where appropriate) as an additional insured on the endorsement forms.

Withdrawal:

A proposal may be withdrawn, without obligation, by an authorized representative of the Firm in writing at any time prior to the schedule bid closing date.

Rights to Materials:

All responses, inquiries, and correspondence relating to this RFP and all reports, charts, displays, schedules, exhibits, and other documentation produced by the Firm that are submitted as part of the proposal and not withdrawn prior to the scheduled Closing Date shall, upon receipt by City, become property of City. In addition, this proposal may only be reproduced by the Firm for purposes of bid preparation. It may not be copied, sold, or otherwise distributed to any individual, city, or business, unless prior written permission is obtained from City.

Costs:

City is not liable for costs incurred by Firm, or subcontractors, in the RFP process, including but not limited to costs for printing, mail, travel and lodging, oral presentations, software demonstrations, and contract negotiations.

Acceptance of Bid:

The contract entered into by the successful Firm and City shall be interpreted, construed, and given effect in all respects according to the laws of the State of California. The successful Firm shall secure a City Business Tax certificate through the Finance Department at the time the contract is awarded.

Award:

Although cost is an important factor in deciding which proposal will be selected, it is only one segment of the criteria used to evaluate consultants and systems. The City reserves the absolute right, in its sole discretion, to award a contract, if any, which under all the circumstances will best serve the public interest.

The City reserves the right to reject any or all proposals or to make no award at all, to determine whether any alternate proposals are equal to the specifications and general requirements and to accept proposals with minor variations from the specifications and/or conditions.

The final award **will** be subject to the approval of the Culver City City Council.

Disclosure of Bid Information:

After award, all written proposals are open to public inspection. The City assumes no responsibility for the confidentiality of information offered in a proposal. The RFP is worded in a manner so as not to elicit proprietary information. If proprietary information is submitted as part of the proposal, such information is to be labeled proprietary and be accompanied with a request that the information is to be returned by the City to the submitter. Any proposal submitted with a blanket statement or limitation that would prohibit or limit such public inspection shall be considered non-responsive and shall be rejected.

I understand that the City shall evaluate proposals in accordance with its Municipal Code, and that the City reserves the right to reject any or all proposals and to waive minor irregularities.

Date: _____

Signature: _____

Print Name & Title: _____

Company Name: _____

Business Address: _____

City, State, Zip Code: _____

Phone Number: _____

Fax Number: _____

E-Mail Address: _____

Attachment 'A'

EMPLOYEE/VOLUNTEER/CONTRACTOR CONFIDENTIALITY POLICY

City of Culver City

Finance Department – Treasury Division

The confidential nature of many of the materials to which employees/volunteers/contractors of the Finance Department – Treasury Division have access makes it especially important that every Treasury Division Employee/Volunteer/Contractor thoroughly understand what his/her special responsibilities are in respect to those sensitive materials. Therefore, you are required to read and sign a Confidentiality Agreement. **This does not imply a lack of trust or confidence, but ensures that each employee, volunteer and contractor understand his/her responsibility.**

This responsibility covers the following specific areas:

1. City files and records reviewed or handled by you and other materials and information related to those files and records are confidential. Except to the extent required for you to perform your duties as an employee, volunteer or contractor, you must not divulge or discuss those files, records or related materials and information with anyone.
2. You must not remove current or obsolete files, records or related materials and information from City Hall or the premises at which they are located.
3. You must not allow current or obsolete files, records or related materials and information reviewed or handled by you to be seen by any unauthorized person.
4. You must take whatever steps are necessary to safeguard City files, records or related materials and information reviewed or handled by you, and must call to the immediate attention of your supervisor or designated City representative any situation or incident which might indicate a violation of this Policy, including release of any breach of employment examination security.
5. You must not discuss or divulge information in any City files or records reviewed or handled by you, except to the extent required for you to perform your duties as a City employee, volunteer or contractor.

Confidentiality of Other Documents

Employee may learn of, or be assigned to work with, other confidential information in the course of their employment or assignment. Employee, volunteer or contractor must not divulge sensitive information to others.

(Acknowledgement on reverse side)

ACKNOWLEDGEMENT

I have read and received a copy of this Policy and completely understand my obligations in respect to the confidentiality of the Finance Department - Treasury Division records and security. I understand it is my duty to act only in ways which will uphold the reputation of the City of Culver City. I understand a copy of this Policy, as signed by me, will be maintained by the Finance Department and in my personnel file, if applicable.

Printed Name

Signature

Date

Department/Division Head
Title

Date