



Staff Report

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**File #:** 23-0494

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**REQUEST FOR CITY COUNCIL ACTION**

**DATE:** 06/07/2023

**TO:** Honorable Mayor and City Council Members

**FROM:** Finance Department

**SUBJECT:**

PROFESSIONAL SERVICES AGREEMENT WITH HINDERLITER DE LLAMAS AND ASSOCIATES FOR ADMINISTRATION OF THE BUSINESS LICENSE PROGRAM

**EXECUTIVE SUMMARY:**

This staff report asks City Council to award a Professional Services Agreement for Request for Proposals 23-065AT Business License Administration Services to Hinderliter de Llamas and Associates.

**RECOMMENDED ACTION:**

**That the City Council:**

- a. Award Request for Proposals 23-065AT to Hinderliter de Llamas and Associates for the administration of the business license program.
- b. Authorize the City Manager, or his designee, to execute the Professional Services Agreement for the administration of the business license program to Hinderliter de Llamas and Associates for an initial term of July 1, 2023 through June 30, 2025, in the amount of \$250,000 per fiscal year, with two (2) two-year optional renewal periods beginning July 1, 2025 through June 30, 2027, and July 1, 2027 through June 30, 2029.
- c. Authorize the City Manager, or his designee, to negotiate and execute non-substantive extensions, change orders, and amendments up to \$25,000 or 10% of the total contract cost as authorized by [Corona Municipal Code \(CMC\) Section 3.08.070\(I\)](#).
- d. Authorize the City Manager, or his designee, to issue purchase orders to Hinderliter de Llamas and Associates in the amount of \$250,000 per fiscal year.

**BACKGROUND & HISTORY:**

Since October 2016, Hinderliter de Llamas and Associates (HdL) has provided the City with business license compliance and operations management services. The agreement with HdL has enabled the City to improve the overall efficiency of business license processing, increase revenues while reducing costs, and effectively enforce business license requirements set forth in the City of Corona Municipal Code.

**ANALYSIS:**

The current agreement with HdL is set to expire on June 30, 2023. On April 13, 2023, the City issued a Request for Proposal (RFP) to see what options were available for business license administration services. A total of 290 prospective vendors were notified of the RFP opportunity, there were a total of 26 prospective bidders, and two (2) firms submitted proposals for evaluation by the May 15, 2023 deadline.

The evaluation team reviewed the proposals based on the following criteria: (1) Qualifications of Firm, (2) Qualifications of Personnel, (3) Related Experience, (4) Completeness of Response, and (5) Reasonableness of Cost and Price. The results of the scoring process are summarized as follows:

<b>Rank</b>	<b>Company</b>
1	Hinderliter de Llamas and Associates
2	CNG Innovations

Based on the proposal scoring analysis, the HdL team possesses the skills and experience necessary to successfully execute the scope of work for the program. With this understanding, staff recommends awarding the contract to HdL.

HdL was established over 40 years ago and provides software applications and professional services to local governments which help to automate and improve processes in various functional areas. They work with over 355 local governments in California. Their audit and consulting services include sales tax, property tax, documentary transfer tax, business licensing, transient occupancy tax, and operations management services. In the area of business licensing, HdL has streamlined processes, reduced costs, increased revenue, and provided greater efficiency and productivity for many municipalities similar to, and including, Corona. By continuing the relationship with HdL, it will enable the City to continue being increasingly responsive to internal management and the community.

HdL's operations management program will administer the entire business license function from beginning to end, providing the high level of customer service that residents are entitled to. Services include: tax registration database, new account processing, renewal processing, payment posting/processing, business support center, and online filing/payment processing. In addition, they will provide consulting, support, and reporting to the City. HdL will also provide audit and discovery

services which will work with businesses to ensure that reporting requirements are met. With their resources and depth of expertise, continuing the City's partnership with them will enhance the administration of the City's business license tax program.

**FINANCIAL IMPACT:**

Funding for the recommended actions has been included in the Proposed Fiscal Year 2024 operating budget in the Finance Department. Future requests will be recommended through the annual budget process.

**ENVIRONMENTAL ANALYSIS:**

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the common sense exemption that CEQA applies only to projects that have potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This action approves the contract for the administration of the business license program, and there is no possibility that approval of the recommended actions will have a significant effect on the environment. Therefore, no environmental analysis is required.

**PREPARED BY:** JULIE KENNICUTT, BUDGET MANAGER

**REVIEWED BY:** KIM SITTON, FINANCE DIRECTOR

**Attachments:**

1. Exhibit 1 - Professional Services Agreement with Hinderliter de Llamas and Associates