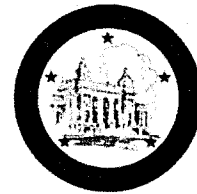


**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM: 3.6  
(ID # 12187)

**MEETING DATE:**

Tuesday, April 07, 2020

**FROM:** EXECUTIVE OFFICE:

**SUBJECT:** EXECUTIVE OFFICE: Ratify and Approve Amendment No 5 to the Agreement with Hinderliter, de Llamas & Associated (HDL) for Sale and Use Tax Auditing and Consulting Services without seeking competitive bids in the amount of \$250,000 annually for three years with the option to renew up to two additional years: All District. [\$750,000 up to 10% annually in additional compensation; 100% General Fund-Sales and Use Tax Revenue]

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Ratify and approve Amendment No 5 to the Agreement with Hinderliter, de Llamas & Associated (HDL) for Sale and Use Tax Auditing and Consulting Services to extend the contract period through February 28, 2023, without seeking competitive bids, in the amount of \$750,000, with the option to renew for two (2) additional years, in one-year increments by written amendment, in the amount of \$250,000 per additional year, and authorize the Chairman of Board to sign the Amendment on behalf of the County, and,
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459, based on the availability of fiscal funding and as approved by County Counsel to sign amendments to the agreement including modifications of the statement of work that stay within the intent of the Agreement and sign amendments to the compensation provisions that do not exceed the sum total of ten percent (10%) or \$25,000 annually.

**ACTION:** Policy

  
Stephanie Perez, Principal Management Analyst 3/31/2020

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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Spiegel, seconded by Supervisor Perez and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt  
Nays: None  
Absent: None  
Date: April 7, 2020  
xc: EO

Kecia R. Harper  
Clerk of the Board

By:   
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
STATE OF CALIFORNIA**

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$ 60,000	\$ 250,000	\$ 750,000	\$ 0
<b>NET COUNTY COST</b>	\$ 60,000	\$ 250,000	\$ 750,000	\$ 0
<b>SOURCE OF FUNDS:</b> General Fund Sales and Use Tax Revenue 100%			<b>Budget Adjustment:</b> No	
			<b>For Fiscal Year:</b> 19/20 – 22/23	

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

On September 30, 2014 the Board of Supervisors approved a restated agreement with Hinderliter, de Llamas & Associates (HdL) for sales and use tax auditing and consulting services. The contract was secured as a result of a Request for Proposal conducted by County Purchasing on behalf of the Executive Office. The contract was for a five-year period and expired on June 30, 2019. The Board then approved an extension for 18 months to allow for time to do a competitive process as continuation of the HDL service for that time period provided information during a critical period.

It has now been determined that for continuity of services and available resources that a fifth amendment with Hinderliter, de Llamas & Associates (HdL) be executed as a single source contract for five years. The contract will consist of a three-year extension with two optional one-year renewals afterwards. Also, the contract with HdL continues to allow for a 30-day termination notice without cause at any time.

Previous Amendments No 1 through 3 were initiated per the terms of the contract for the annual renewals through June 30, 2019. Amendment No 4 was approved for an extension through February 29, 2020.

**Impact to Citizens and Businesses**

This contract will ensure sales and use tax revenues owed to the County of Riverside are allocated accurately to support public services and that sales and use tax filing and allocation errors are resolved and recovered timely in the most efficient and cost-effective manner.

**SUPPLEMENTAL:**

**Additional Fiscal Information**

The contract is being approved for a three-year extension with two optional one-year renewals afterwards.

Contract for 3 years	Year 1	250,000
(Contract annual term March 1-February 28)	Year 2	250,000

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
STATE OF CALIFORNIA**

	Year 3	<u>250,000</u>
Total cost for 3 years		\$750,000
If Optional Renewal is exercised	Year 4	250,000
	Year 5	<u>250,000</u>
Total		\$500,000

10% addition to amendments = \$25,000/contract year

Total Potential Cost including contingency \$1,375,000

The department has not previously used the contingency; however, given the current economic environment, it may become necessary.

**Contract History/Price Reasonableness:**

The department submitted a Sole Source Justification (SSJ) to County Purchasing for approval. SSJ #20-110 was issued. HDL continues to provide the same pricing and the department finds it necessary for continuity of service to continue to have HDL provide these services.

**ATTACHMENT:**

Amendment No. 5 with Hinderliter, de Lamas & Associates.

SSJ # 20-110

  
Tina Grande, Assistant Purchasing Director 4/1/2020

  
Gregory F. Priamos, Director County Counsel 4/1/2020

COUNTY OF RIVERSIDE  
AMENDMENT NO. 5 TO THE AGREEMENT  
WITH  
HINDERLITER, de LLAMAS & ASSOCIATES

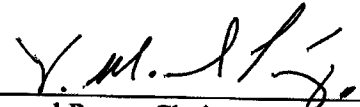
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The Professional Services Agreement for Sales and Use Tax Auditing and Consulting Services between County of Riverside, a political subdivision of the State of California (COUNTY) and Hinderliter, de Llamas & Associates, a California corporation (CONTRACTOR), entered into as of January 1, 2014 is amended as follows:


1. Section 2 (Period of Performance). Section 2 of the Agreement is hereby amended as follows: The term of this Agreement shall be for the period from March 1, 2020 through February 28, 2023, with the option to renew for two (2) additional years, in one-year increments by written amendment, unless terminated sooner as provided herein.
2. Section 3 (Compensation). Section 3 of the Agreement is hereby amended as to follows: For the extended term period from March 1, 2020 through February 28, 2023, the maximum payments by County to the Contractor shall not exceed \$250,000 including all expenses.
3. All other terms and conditions of the Agreement not modified herein shall remain unchanged.

**IN WITNESS WHEREOF**, the Parties hereto have caused their duly authorized representatives to execute this Amendment.

**COUNTY OF RIVERSIDE**, a political subdivision of the State of California

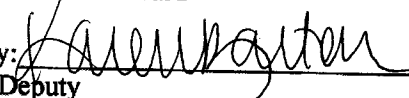
By:   
V. Manuel Perez, Chairman  
Board of Supervisors  
Dated: APR 07 2020

Hinderliter, de Llamas & Associates,  
a California Corporation

By:   
Name: Andrew Nickerson  
Title: President  
Dated: 3/31/2020

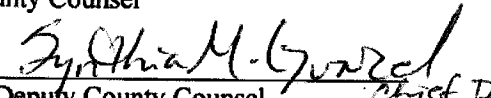
ATTEST:

~~Kecia Harper~~  
Clerk of the Board

By:   
Deputy

APPROVED AS TO FORM:

Gregory P. Priamos  
County Counsel

By:   
Deputy County Counsel *Chief Deputy*  
**SYNTHIA M. GUNZEL**

COUNTY OF RIVERSIDE  
EXECUTIVE OFFICE

GEORGE A. JOHNSON  
COUNTY EXECUTIVE OFFICER



LISA BRANDL  
CHIEF OPERATING OFFICER

DON KENT  
ASSISTANT COUNTY EXECUTIVE OFFICER  
COUNTY FINANCE OFFICER

Date: 3/31/20  
From: Frankie Ezzat, Chief Deputy County Executive Officer  
To: Board of Supervisors/Purchasing Agent  
Via: Tina Grande, x57550  
Subject: Sole or Single Source Procurement; Request for Sales and Use Tax Auditing and Consulting Services

The below information is provided in support of my Department requesting approval for a sole or single source. (*Outside of a duly declared emergency, the time to develop a statement of work or specifications is not in itself justification for sole or single source.*)

1. **Supplier being requested:** Hinderliter, de Llamas & Associates
2. **Vendor ID:** 6397
3.  **Single Source**                       **Sole Source**  
(*Single Source - is a purchase of a commodity or service without obtaining competitive bids although more than one source is available*)  
  
(*Sole Source - is a purchase of a commodity or service that is proprietary or no other vendor is qualified or willing to meet the county specified requirements*)

4. **Have you previously requested and received approval for a sole or single source request for this vendor for your department?** (*If yes, please provide the approved sole or single source number.*)

Yes                                       No  
SSJ# \_\_\_\_\_

4a. **Was the request approved for a different project?**

Yes                                       No

5. **Supply/Service being requested:**  
(*If this request is for professional services, attach the service agreement to this sole source request. The Purchasing Agent, or designee, is the signing authority for agreements unless the service is exempted by Ordinance 459, Board delegated authority or by State law. All insurance requirements must be met prior to work commencement. See the Risk Management website for vendor insurance requirements.*)

This request is sales and use tax auditing and consulting services to provide the county with quarterly sales tax information and research sales tax issues throughout the county.

6. **Unique features of the supply/service being requested from this supplier.** (If this sole source request is due to proprietary software or machinery, or hardware, provide a supporting letter from the manufacturer. If this is a single source request provide an explanation of how this provides the best value for the County by selecting this vendor.)

The services this vendor provides far exceed any other company that has been researched. The website they provide for free, also have valuable information. This firm has been providing this service form many years and has an in-depth knowledge of the county tax base and is willing to go above and beyond without addition charge in most cases. They are not asking for additional compensation from the prior contract in 2014.

7. **Reasons why my department requires these unique features from the vendor and what benefit will accrue to the county:**

This service is critical to the county for accurate projections of sales tax allocations and to provide adjustments in sales tax reporting where information is inaccurate.

8. **Period of Performance:** From: 3-1-20 to 2-28-23  
(total number of years)

Is this an annually renewable contract?  No  Yes

Is this a fixed-term agreement:  No  Yes

(A fixed-term agreement is set for a specific amount of time; it is not renewed annually. Ensure multi-year fixed-term agreements include a cancellation, non-appropriation of funds, or refund clause. If there is no clause(s) to that effect, then the agreement must be submitted to the Board for approval. No exemptions shall apply.)

9. **Identify all costs for this requested purchase. In addition, please include any single or sole source amounts previously approved and related to this project and vendor in the section designated below for current and future fiscal years. You do not need to include previous fiscal year amounts. If approval is for multiple years, ongoing costs must be identified below. If annual increases apply to ongoing costs such as CPI or other contract increases, provide the estimated annual cost for each consecutive year. If the annual increase may exceed the Purchasing Agent's authority, Board approval must be obtained. (Note: ongoing costs may include but are not limited to subscriptions, licenses, maintenance, support, etc.)**

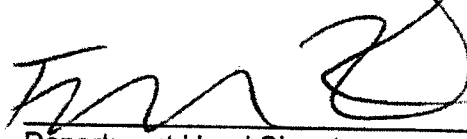
Description:	FY19/20	FY20/21	FY21/22	FY22/23	FY__	Total
One-time Costs:						
Ongoing Costs:						
Auditing Services		250,000	250,000	250,000		750,000
Previous SSJ Approved Amounts:						
(Insert description)						
Total Costs		250,000	250,000	250,000		750,000

Note: Insert additional rows as needed

10. **Price Reasonableness:** (Explain why this price is reasonable or cost effective – were you provided government discounted pricing? Is this rate/fee comparable to industry standards?)

The fees are the same as they have been for the last 6 years.

11. Projected Board of Supervisor Date (if applicable): 4/7/2020  
(Draft Form 11s, service agreement and or quotes must accompany the sole source request for Purchasing Agent approval.)

 Frankie Ezzat 03-31-2020  
Department Head Signature (or designee) Print Name Date

The section below is to be completed by the Purchasing Agent or designee.

Purchasing Department Comments:

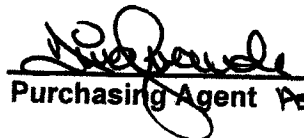
Approve  Approve with Condition/s  Disapprove

Condition/s:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Not to exceed:

One-time \$ \_\_\_\_\_  
 Annual Amount \$ 250,000 / per fiscal year through 2/28/2023 (date)  
(If Annual Amount Varies each FY)  
FY \_\_\_\_\_ : \$ \_\_\_\_\_  
FY \_\_\_\_\_ : \$ \_\_\_\_\_  
FY \_\_\_\_\_ : \$ \_\_\_\_\_  
FY \_\_\_\_\_ : \$ \_\_\_\_\_  
FY \_\_\_\_\_ : \$ \_\_\_\_\_

 4/1/2020 20-110  
Purchasing Agent Post. D.P. Date Approval Number  
(Reference on Purchasing Documents)