

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



ITEM: 3.14
(ID # 27062)

MEETING DATE:
Tuesday, February 25, 2025

FROM : EXECUTIVE OFFICE

SUBJECT: EXECUTIVE OFFICE: Approve and Execute the Sales and Use Tax, and Prop 172 Public Safety Sales Tax Auditing and Consulting Services Agreement with Hinderliter de Llamas & Associates (HDL) for an amount not to exceed \$250,000 annually for the period of March 1, 2025 to February 28, 2030 with the option to renew annually in one-year increments through February 29, 2032. All Districts. [Total cost \$1,250,000 - 100% General Fund]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and Execute the Sales and Use Tax, and Prop 172 Public Safety Sales Tax Auditing and Consulting Services Agreement with Hinderliter de Llamas & Associates for an amount not to exceed \$250,000 annually for the period of March 1, 2025 to February 28, 2030 with the option to renew annually in one-year increments through February 29, 2032, and authorize the Chairman of Board to sign said Agreement 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 as to form by County Counsel to: (1) sign amendments to the agreement including modifications of the statement of work that stay within the intent of the Agreement, and (2) sign amendments to the compensation provisions that do not exceed the sum total of \$25,000 annually.
3. Authorize the Purchasing Agent to issue Purchase Orders for invoices received for goods/services rendered that do not exceed the Board of Supervisor's approved amount; and
4. Direct the Clerk of the Board to retain one (1) copy and return two (2) copies of the agreement to the Executive Office for distribution.

ACTION:Policy


Don Kent, Chief Finance Officer 2/18/2025

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: Medina, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None
Date: February 25, 2025
xc: EO

Kimberly A. Rector
Clerk of the Board

By: 
Deputy

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$250,000	\$250,000	\$1,250,000	\$0
NET COUNTY COST	\$250,000	\$250,000	\$1,250,000	\$0
SOURCE OF FUNDS: General Fund: Fund 10000			Budget Adjustment: No	
			For Fiscal Year: 24/25 – 29/30	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

When businesses do not correctly report sales or use tax to the California Board of Equalization (BOE), such revenue may not be properly credited to the County of Riverside. The County therefore retains expert services for auditing sales and use tax returns filed with the BOE; filing petitions to amend or correct such filings, and, tracking recovery of such sales and use tax revenues owed to the County. Over the past five fiscal years, the County has recovered in excess of \$8 million in sales and use tax revenue through this effort.

Impact on Residents and Businesses

There is no negative impact on Residents and Businesses. This agreement will continue to 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.

Additional Fiscal Information

The agreement requested is for a five-year term with two optional one-year renewals afterwards.

Although the estimated annual cost is \$250,000, the actual amount will vary relative to the amount of sales and use tax revenue recovered by HdL on behalf of the County any given year.

Contract History and Price Reasonableness

County Purchasing and Fleet Services on behalf of the Executive Office released Request for Proposals (RFP) EOARC-071 for Sales and Use Tax, and Prop 172 Public Safety Sales Tax Auditing and Consulting Services. The RFP was advertised on Public Purchase with solicitations being sent to one hundred twenty-six (126) organizations. Two (2) responses were received. The proposals were reviewed by an evaluation team consisting of personnel from the Executive Office and were evaluated based on their technical expertise including relevant experience and scope of work, and overall cost.

The evaluation committee reviewed each proposal and after their thorough review, determined that Hinderliter, de Llamas & Associates. were the most qualified, responsive, and responsible

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STATE OF CALIFORNIA**

bidders meeting the County's criteria. County Counsel has approved the agreement as to form and the contractor has executed their respective agreement.

ATTACHMENTS:

Sales and Use Tax, and Prop 172 Public Safety Sales Tax Auditing and Consulting Services Agreement with Hinderliter de Llamas & Associates



Melissa Curtis, Deputy Director of Purchasing and Fleet 2/18/2025

**SALES AND USE TAX, AND PROP 172 PUBLIC SAFETY SALES TAX AUDITING AND
CONSULTING SERVICES AGREEMENT**

between

COUNTY OF RIVERSIDE

and

HINDERLITER, DE LLAMAS & ASSOCIATES



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This Agreement is made by and between HINDERLITER, DE LLAMAS & ASSOCIATES, a California Corporation, (herein referred to as "CONTRACTOR"), and the COUNTY OF RIVERSIDE, a political subdivision of the State of California, (herein referred to as "COUNTY").

The parties agree as follows:

1. Description of Services

1.1 CONTRACTOR shall provide all services as outlined and specified in Exhibit A, Scope of Services, at the prices stated in Exhibit B, Payment Provisions.

1.2 CONTRACTOR represents that it has the skills, experience, and knowledge necessary to perform under this Agreement and the COUNTY relies upon this representation. CONTRACTOR shall perform to the satisfaction of the COUNTY and in conformance to and consistent with the highest standards of firms/professionals in the same discipline in the State of California.

1.3 CONTRACTOR affirms that it is fully apprised of all of the work to be performed under this Agreement; and the CONTRACTOR agrees it can properly perform this work at the prices stated in Exhibit B. CONTRACTOR is not to perform services or provide products outside of the Agreement.

1.4 Acceptance by the COUNTY of the CONTRACTOR's performance under this Agreement does not operate as a release of CONTRACTOR's responsibility for full compliance with the terms of this Agreement.

2. Period of Performance

2.1 This Agreement shall be effective March 1, 2025, and continues in effect to February 28, 2030, with two (2) options to renew for one-year periods by written amendment signed by the authorized representative of both parties, unless terminated earlier. CONTRACTOR shall commence performance March 1, 2025, and shall diligently and continuously perform thereafter. The Riverside County Board of Supervisors is the only authority that may obligate the COUNTY for a non-cancelable multi-year agreement.

3. Compensation

3.1 The COUNTY shall pay the CONTRACTOR for services performed in accordance with the terms of Exhibit B, Payment Provisions. Maximum payments by COUNTY to CONTRACTOR shall not exceed two hundred fifty thousand dollars (\$250,000) annually including all expenses. The COUNTY is not responsible for any fees or costs incurred above or beyond the contracted amount and shall have no obligation to purchase any specified amount of services or products. Unless otherwise specifically stated in Exhibit B, COUNTY shall not be responsible for payment of any of CONTRACTOR's expenses related to this Agreement.

3.2 No price increases will be permitted during the first year of this Agreement (If applicable). All price decreases (for example, if CONTRACTOR offers lower prices to another governmental entity) will automatically be extended to the COUNTY. The COUNTY requires written proof satisfactory to COUNTY of cost increases prior to any approved price adjustment. After the first year of the award, a minimum of 30-days advance notice in writing is required to be considered and approved by COUNTY. No retroactive price adjustments will be considered. Any price increases must be stated in a written amendment to this Agreement. The net dollar amount of profit will remain firm during the period of the Agreement. Annual increases shall not exceed the Consumer Price Index- All Consumers, All Items - Greater Los Angeles, Riverside and Orange County areas and be subject to satisfactory performance review by the COUNTY and approved (if needed) for budget funding by the Board of Supervisors.

3.3 CONTRACTOR shall be paid only in accordance with an invoice submitted to COUNTY by CONTRACTOR within fifteen (15) days from the last day of each month services are performed, and COUNTY shall pay the invoice within thirty (30) working days from the date of receipt of the invoice. Payment shall be made to CONTRACTOR only after services have been rendered or delivery of materials or products, and acceptance has been made by COUNTY. Prepare invoices in duplicate. For this Agreement, send the original and duplicate copies of invoices to:

County of Riverside Executive Office

Attn: Accounting

4080 Lemon St. 4th Floor

Riverside, CA. 92501

- a) Email invoices to: EO-Accounting@rivco.org
- b) Each invoice shall contain a minimum of the following information: invoice number and date; remittance address; bill-to and ship-to addresses of ordering department/division; Agreement number (EOARC-001268); Number of Hours worked; description of item from the "Scope of Services" noting the service being performed, Staff Title and Hourly Rate, extensions, sales/use tax if applicable, and an invoice total.
- c) Invoices shall be rendered monthly in arrears.

3.4 The COUNTY obligation for payment of this Agreement beyond the current fiscal year end is contingent upon and limited by the availability of COUNTY funding from which payment can be made, and invoices shall be rendered "monthly" in arrears. In the State of California, Government agencies are not allowed to pay excess interest and late charges, per Government Codes, Section 926.10. No legal liability on

the part of the COUNTY shall arise for payment beyond June 30 of each calendar year unless funds are made available for such payment. In the event that such funds are not forthcoming for any reason, COUNTY shall immediately notify CONTRACTOR in writing; and this Agreement shall be deemed terminated, have no further force, and effect.

4. Alteration or Changes to the Agreement

4.1 The Board of Supervisors and the COUNTY Purchasing Agent and/or his designee is the only authorized COUNTY representatives who may at any time, by written order, alter this Agreement. If any such alteration causes an increase or decrease in the cost of, or the time required for the performance under this Agreement, an equitable adjustment shall be made in the Agreement price or delivery schedule, or both, and the Agreement shall be modified by written amendment accordingly.

4.2 Any claim by the CONTRACTOR for additional payment related to this Agreement shall be made in writing by the CONTRACTOR within 30 days of when the CONTRACTOR has or should have notice of any actual or claimed change in the work, which results in additional and unanticipated cost to the CONTRACTOR. If the COUNTY Purchasing Agent decides that the facts provide sufficient justification, he may authorize additional payment to the CONTRACTOR pursuant to the claim. Nothing in this section shall excuse the CONTRACTOR from proceeding with performance of the Agreement even if there has been a change.

5. Termination

5.1. COUNTY may terminate this Agreement without cause upon 30 days written notice served upon the CONTRACTOR stating the extent and effective date of termination.

5.2 COUNTY may, upon five (5) days written notice terminate this Agreement for CONTRACTOR's default, if CONTRACTOR refuses or fails to comply with the terms of this Agreement or fails to make progress that may endanger performance and does not immediately cure such failure. In the event of such termination, the COUNTY may proceed with the work in any manner deemed proper by COUNTY.

5.3 After receipt of the notice of termination, CONTRACTOR shall:

- (a) Stop all work under this Agreement on the date specified in the notice of termination; and
- (b) Transfer to COUNTY and deliver in the manner as directed by COUNTY any materials, reports or other products, which, if the Agreement had been completed or continued, would have been required to be furnished to COUNTY.

- 5.4** If notice of termination or expiration includes a close-out period, CONTRACTOR agrees to:
- a) Provide, in a timely manner, all files and information deemed necessary by COUNTY for use in subsequent contracting activities without additional cost to the COUNTY or the new Contractor(s), and
 - b) Cooperate with COUNTY during a transition close-out period to ensure orderly and seamless delivery of services to residents of Riverside County.

5.5 After termination, COUNTY shall make payment only for CONTRACTOR's performance up to the date of termination in accordance with this Agreement.

5.6 CONTRACTOR's rights under this Agreement shall terminate (except for fees accrued prior to the date of termination) upon dishonesty or a willful or material breach of this Agreement by CONTRACTOR; or in the event of CONTRACTOR's unwillingness or inability for any reason whatsoever to perform the terms of this Agreement. In such event, CONTRACTOR shall not be entitled to any further compensation under this Agreement.

5.7 If the Agreement is federally or State funded, CONTRACTOR cannot be debarred from the System for Award Management (SAM). CONTRACTOR must notify the COUNTY immediately of a debarment. Reference: System for Award Management (SAM) at <https://www.sam.gov> for Central Contractor Registry (CCR), Federal Agency Registration (Fedreg), Online Representations and Certifications Application, and Excluded Parties List System (EPLS)). Excluded Parties Listing System (EPLS) (<http://www.epls.gov>) (Executive Order 12549, 7 CFR Part 3017, 45 CFR Part 76, and 44 CFR Part 17). The System for Award Management (SAM) is the Official U.S. Government system that consolidated the capabilities of CCR/FedReg, ORCA, and EPLS.

5.8 The rights and remedies of COUNTY provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or this Agreement.

6. Ownership/Use of Contract Materials and Products

The CONTRACTOR agrees that all materials, reports or products in any form, including electronic, created by CONTRACTOR for which CONTRACTOR has been compensated by COUNTY pursuant to this Agreement shall be the sole property of the COUNTY. The material, reports or products may be used by the COUNTY for any purpose that the COUNTY deems to be appropriate, including, but not limit to, duplication and/or distribution within the COUNTY or to third parties. CONTRACTOR agrees not to release or circulate in whole or part such materials, reports, or products without prior written authorization of the COUNTY.

7. Conduct of Contractor

7.1 The CONTRACTOR covenants that it presently has no interest, including, but not limited to, other projects or contracts, and shall not acquire any such interest, direct or indirect, which would conflict in any manner or degree with CONTRACTOR's performance under this Agreement. The CONTRACTOR further covenants that no person or subcontractor having any such interest shall be employed or retained by CONTRACTOR under this Agreement. The CONTRACTOR agrees to inform the COUNTY of all the CONTRACTOR's interests, if any, which are or may be perceived as incompatible with the COUNTY's interests.

7.2 The CONTRACTOR shall not, under circumstances which could be interpreted as an attempt to influence the recipient in the conduct of his/her duties, accept any gratuity or special favor from individuals or firms with whom the CONTRACTOR is doing business or proposing to do business, in accomplishing the work under this Agreement.

7.3 The CONTRACTOR or its employees shall not offer gifts, gratuity, favors, and entertainment directly or indirectly to COUNTY employees.

8. Inspection of Service; Quality Control/Assurance

8.1 All performance (which includes services, workmanship, materials, supplies and equipment furnished or utilized in the performance of this Agreement) shall be subject to inspection and test by the COUNTY or other regulatory agencies at all times. The CONTRACTOR shall provide adequate cooperation to any inspector or other COUNTY representative to permit him/her to determine the CONTRACTOR's conformity with the terms of this Agreement. If any services performed or products provided by CONTRACTOR are not in conformance with the terms of this Agreement, the COUNTY shall have the right to require the CONTRACTOR to perform the services or provide the products in conformance with the terms of the Agreement at no additional cost to the COUNTY. When the services to be performed or the products to be provided are of such nature that the difference cannot be corrected; the COUNTY shall have the right to: (1) require the CONTRACTOR immediately to take all necessary steps to ensure future performance in conformity with the terms of the Agreement; and/or (2) reduce the Agreement price to reflect the reduced value of the services performed or products provided. The COUNTY may also terminate this Agreement for default and charge to CONTRACTOR any costs incurred by the COUNTY because of the CONTRACTOR's failure to perform.

8.2 CONTRACTOR shall establish adequate procedures for self-monitoring and quality control and assurance to ensure proper performance under this Agreement; and shall permit a COUNTY

representative or other regulatory official to monitor, assess, or evaluate CONTRACTOR's performance under this Agreement at any time, upon reasonable notice to the CONTRACTOR.

9. Independent Contractor/Employment Eligibility

9.1 The CONTRACTOR is, for purposes relating to this Agreement, an independent contractor and shall not be deemed an employee of the COUNTY. It is expressly understood and agreed that the CONTRACTOR (including its employees, agents, and subcontractors) shall in no event be entitled to any benefits to which COUNTY employees are entitled, including but not limited to overtime, any retirement benefits, worker's compensation benefits, and injury leave or other leave benefits. There shall be no employer-employee relationship between the parties; and CONTRACTOR shall hold COUNTY harmless from any and all claims that may be made against COUNTY based upon any contention by a third party that an employer-employee relationship exists by reason of this Agreement. It is further understood and agreed by the parties that CONTRACTOR in the performance of this Agreement is subject to the control or direction of COUNTY merely as to the results to be accomplished and not as to the means and methods for accomplishing the results.

9.2 CONTRACTOR warrants that it shall make its best effort to fully comply with all federal and state statutes and regulations regarding the employment of aliens and others and to ensure that employees performing work under this Agreement meet the citizenship or alien status requirement set forth in federal statutes and regulations. CONTRACTOR shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by federal or state statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, 8 U.S.C. §1324 et seq., as they currently exist and as they may be hereafter amended. CONTRACTOR shall retain all such documentation for all covered employees, for the period prescribed by the law.

9.3 Ineligible Person shall be any individual or entity who: Is currently excluded, suspended, debarred or otherwise ineligible to participate in the federal health care programs; or has been convicted of a criminal offense related to the provision of health care items or services and has not been reinstated in the federal health care programs after a period of exclusion, suspension, debarment, or ineligibility.

9.4 CONTRACTOR shall screen prospective Covered Individuals prior to hire or engagement. CONTRACTOR shall not hire or engage any Ineligible Person to provide services directly relative to this Agreement. CONTRACTOR shall screen all current Covered Individuals within sixty (60) days of execution of this Agreement to ensure that they have not become Ineligible Persons unless CONTRACTOR has performed such screening on same Covered Individuals under a separate agreement with COUNTY within the past six (6) months. Covered Individuals shall be required to disclose to CONTRACTOR immediately

any debarment, exclusion or other event that makes the Covered Individual an Ineligible Person. CONTRACTOR shall notify COUNTY within five (5) business days after it becomes aware if a Covered Individual providing services directly relative to this Agreement becomes debarred, excluded or otherwise becomes an Ineligible Person.

9.5 CONTRACTOR acknowledges that Ineligible Persons are precluded from providing federal and state funded health care services by contract with COUNTY in the event that they are currently sanctioned or excluded by a federal or state law enforcement regulatory or licensing agency. If CONTRACTOR becomes aware that a Covered Individual has become an Ineligible Person, CONTRACTOR shall remove such individual from responsibility for, or involvement with, COUNTY business operations related to this Agreement.

9.6 CONTRACTOR shall notify COUNTY within five (5) business days if a Covered Individual or entity is currently excluded, suspended or debarred, or is identified as such after being sanction screened. Such individual or entity shall be promptly removed from participating in any activity associated with this Agreement.

10. Subcontract for Work or Services

No contract shall be made by the CONTRACTOR with any other party for furnishing any of the work or services under this Agreement without the prior written approval of the COUNTY; but this provision shall not require the approval of contracts of employment between the CONTRACTOR and personnel assigned under this Agreement, or for parties named in the proposal and agreed to under this Agreement.

11. Disputes

11.1 The parties shall attempt to resolve any disputes amicably at the working level. If that is not successful, the dispute shall be referred to the senior management of the parties. Any dispute relating to this Agreement, which is not resolved by the parties, shall be decided by the COUNTY's Purchasing Department's Compliance Contract Officer who shall furnish the decision in writing. The decision of the COUNTY's Compliance Contract Officer shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, capricious, arbitrary, or so grossly erroneous to imply bad faith. The CONTRACTOR shall proceed diligently with the performance of this Agreement pending the resolution of a dispute.

11.2 Prior to the filing of any legal action related to this Agreement, the parties shall be obligated to attend a mediation session in Riverside County before a neutral third-party mediator. A second mediation session shall be required if the first session is not successful. The parties shall share the cost of the mediations.

12. Licensing and Permits

CONTRACTOR shall comply with all State or other licensing requirements, including but not limited to the provisions of Chapter 9 of Division 3 of the Business and Professions Code. All licensing requirements shall be met at the time proposals are submitted to the COUNTY. CONTRACTOR warrants that it has all necessary permits, approvals, certificates, waivers and exemptions necessary for performance of this Agreement as required by the laws and regulations of the United States, the State of California, the County of Riverside and all other governmental agencies with jurisdiction, and shall maintain these throughout the term of this Agreement.

13. Use By Other Political Entities

The CONTRACTOR agrees to extend the same pricing, terms, and conditions as stated in this Agreement to each and every political entity, special district, and related non-profit entity in Riverside County. It is understood that other entities shall make purchases in their own name, make direct payment, and be liable directly to the CONTRACTOR; and COUNTY shall in no way be responsible to CONTRACTOR for other entities' purchases.

14. Non-Discrimination

CONTRACTOR shall not be discriminate in the provision of services, allocation of benefits, accommodation in facilities, or employment of personnel on the basis of ethnic group identification, race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status or sex in the performance of this Agreement; and, to the extent they shall be found to be applicable hereto, shall comply with the provisions of the California Fair Employment and Housing Act (Gov. Code 12900 et. seq), the Federal Civil Rights Act of 1964 (P.L. 88-352), the Americans with Disabilities Act of 1990 (42 U.S.C. §1210 et seq.) and all other applicable laws or regulations.

15. Records and Documents

CONTRACTOR shall make available, upon written request by any duly authorized Federal, State, or COUNTY agency, a copy of this Agreement and such books, documents and records as are necessary to certify the nature and extent of the CONTRACTOR's costs related to this Agreement. All such books, documents and records shall be maintained by CONTRACTOR for at least five years following termination of this Agreement and be available for audit by the COUNTY. CONTRACTOR shall provide to the COUNTY reports and information related to this Agreement as requested by COUNTY.

16. Confidentiality

16.1 The CONTRACTOR shall not use for personal gain or make other improper use of privileged or confidential information which is acquired in connection with this Agreement. The term “privileged or confidential information” includes but is not limited to: unpublished or sensitive technological or scientific information; medical, personnel, or security records; anticipated material requirements or pricing/purchasing actions; COUNTY information or data which is not subject to public disclosure; COUNTY operational procedures; and knowledge of selection of contractors, subcontractors or suppliers in advance of official announcement.

16.2 The CONTRACTOR shall protect from unauthorized disclosure names and other identifying information concerning persons receiving services pursuant to this Agreement, except for general statistical information not identifying any person. The CONTRACTOR shall not use such information for any purpose other than carrying out the CONTRACTOR’s obligations under this Agreement. The CONTRACTOR shall promptly transmit to the COUNTY all third-party requests for disclosure of such information. The CONTRACTOR shall not disclose, except as otherwise specifically permitted by this Agreement or authorized in advance in writing by the COUNTY, any such information to anyone other than the COUNTY. For purposes of this paragraph, identity shall include, but not be limited to, name, identifying number, symbol, or other identifying particulars assigned to the individual, such as finger or voice print or a photograph.

16.3 Furthermore Section 7056 of the State of California Revenue and Taxation code specifically limits the disclosure of confidential taxpayer information contained in the records of the State Board of Equalization, and specifies the conditions under which a COUNTY may authorize persons other than COUNTY officers and employees to examine State Sales and Use Tax records. Information obtained by examination of Board of Equalization records shall be used only for purposes related to collection of local sales and use tax or for other governmental functions of the COUNTY as set forth by resolution adopted pursuant to Section 7056 (b) of the Revenue and Taxation Code. Such resolution shall designate the CONTRACTOR as authorized to examine sales and use tax records and certify that this Agreement meets the conditions specified in Section 7056 (b) (I) of the State of California Revenue and Taxation Code, which are hereby made part of this agreement as follows:

- (a) CONTRACTOR is authorized by this Agreement to examine sales, use or transactions and use tax records of the Board of Equalization provided to COUNTY pursuant to contract under the Bradley-Bums Uniform Sales and Use Tax Law.

- (b) CONTRACTOR is required to disclose information contained in, or derived from, those sales use or transactions and use tax records only to an officer or employee of the COUNTY who is authorized by resolution to examine the information.
- (c) CONTRACTOR is prohibited from performing consulting services for a retailer, as defined in California Revenue & Taxation Code Section 6015, during the term of this Agreement.
- (d) CONTRACTOR is prohibited from retaining the information contained in, or derived from those sales or transactions and use tax records, after this Agreement has expired.

16.4 If the Board of Equalization finds any information obtained by CONTRACTOR pursuant to subdivision (b) of Section 7056 of the Revenue and Taxation Code has been disclosed by CONTRACTOR to any person not authorized or designated by resolution of the COUNTY or has been used by CONTRACTOR for purposes not permitted by subdivision (b) and the Board of Equalization imposes on CO TRACTOR conditions on access to the Board of Equalization's sales and use tax records the Board of Equalization considers reasonable in order to protect the confidentiality of those records, COUNTY may consider such restrictions as grounds for termination as provided under Section 5.2 of this Agreement.

17. Administration/Contract Liaison

The COUNTY Purchasing Agent or designee shall administer this Agreement on behalf of the COUNTY. The Purchasing Department is to serve as the liaison with CONTRACTOR in connection with this Agreement.

18. Notices

All correspondence and notices required or contemplated by this Agreement shall be delivered to the respective parties at the addresses set forth below and are deemed submitted two days after their deposit in the United States mail, postage prepaid:

COUNTY OF RIVERSIDE

Executive Office
Attn: Cesar Bernal
4080 Lemon St. 4th Floor
Riverside, CA 92501

CONTRACTOR

Hinderliter, de Llamas & Associates
Attn: Andrew Nickerson
120 S. State College Blvd. Ste 200
Brea, CA. 92821

19. Force Majeure

If either party is unable to comply with any provision of this Agreement due to causes beyond its reasonable control, and which could not have been reasonably anticipated, such as acts of God, acts of war, civil disorders, or other similar acts, such party shall not be held liable for such failure to comply.

20. EDD Reporting Requirements

In order to comply with child support enforcement requirements of the State of California, the COUNTY may be required to submit a Report of Independent Contractor(s) form **DE 542** to the Employment Development Department. The CONTRACTOR agrees to furnish the required data and certifications to the COUNTY within 10 days of notification of award of Agreement when required by the EDD. This data will be transmitted to governmental agencies charged with the establishment and enforcement of child support orders. Failure of the CONTRACTOR to timely submit the data and/or certificates required may result in the contract being awarded to another contractor. In the event a contract has been issued, failure of the CONTRACTOR to comply with all federal and state reporting requirements for child support enforcement or to comply with all lawfully served Wage and Earnings Assignments Orders and Notices of Assignment shall constitute a material breach of Agreement. If CONTRACTOR has any questions concerning this reporting requirement, please call (916) 657-0529. CONTRACTOR should also contact its local Employment Tax Customer Service Office listed in the telephone directory in the State Government section under "Employment Development Department" or access their Internet site at www.edd.ca.gov.

21. Hold Harmless/Indemnification

21.1 CONTRACTOR shall indemnify and hold harmless the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives (individually and collectively hereinafter referred to as Indemnitees) from any liability, action, claim or damage whatsoever, based or asserted upon any services of CONTRACTOR, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Agreement, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature. CONTRACTOR shall defend the Indemnitees at its sole expense including all costs and fees (including, but not limited, to attorney fees, cost of investigation, defense and settlements or awards) in any claim or action based upon such acts, omissions or services.

21.2 With respect to any action or claim subject to indemnification herein by CONTRACTOR, CONTRACTOR shall, at their sole cost, have the right to use counsel of their own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of COUNTY;

provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes CONTRACTOR indemnification to Indemnitees as set forth herein.

21.3 CONTRACTOR'S obligation hereunder shall be satisfied when CONTRACTOR has provided to COUNTY the appropriate form of dismissal relieving COUNTY from any liability for the action or claim involved.

21.4 The specified insurance limits required in this Agreement shall in no way limit or circumscribe CONTRACTOR'S obligations to indemnify and hold harmless the Indemnitees herein from third party claims.

22. Insurance

22.1 Without limiting or diminishing the CONTRACTOR'S obligation to indemnify or hold the COUNTY harmless, CONTRACTOR shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage's during the term of this Agreement. As respects to the insurance section only, the COUNTY herein refers to the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents, or representatives as Additional Insureds.

A. Workers' Compensation:

If the CONTRACTOR has employees as defined by the State of California, the CONTRACTOR shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in favor of The County of Riverside. Policy shall name the COUNTY as Additional Insureds.

B. Commercial General Liability:

Commercial General Liability insurance coverage, including but not limited to, premises liability, unmodified contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of CONTRACTOR'S performance of its obligations hereunder. Policy shall name the COUNTY as Additional Insured. Policy's limit of liability shall not be less than \$2,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall name the COUNTY as Additional Insureds.

C. Vehicle Liability:

If vehicles or mobile equipment is used in the performance of the obligations under this Agreement, then CONTRACTOR shall maintain liability insurance for all owned, non-owned, or hired vehicles so used in an amount not less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall name the COUNTY as Additional Insureds.

D. Professional Liability

Contractor shall maintain Professional Liability Insurance providing coverage for the Contractor's performance of work included within this Agreement, with a limit of liability of not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate. If Contractor's Professional Liability Insurance is written on a claims made basis rather than an occurrence basis, such insurance shall continue through the term of this Agreement and CONTRACTOR shall purchase at his/her sole expense either 1) an Extended Reporting Endorsement (also, known as Tail Coverage); or 2) Prior Dates Coverage from new insurer with a retroactive date back to the date of, or prior to, the inception of this Agreement; or 3) demonstrate through Certificates of Insurance that CONTRACTOR has Maintained continuous coverage with the same or original insurer. Coverage provided under items; 1), 2), or 3) will continue as long as the law allows. Policy shall name the COUNTY as Additional Insureds.

E. General Insurance Provisions - All lines:

1) Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A M BEST rating of not less than A: VIII (A:8) unless such requirements are waived, in writing, by the County Risk Manager. If the County's Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.

2) The CONTRACTOR must declare its insurance self-insured retention for each coverage required herein. If any such self-insured retention exceeds \$500,000 per occurrence each such retention shall have the prior written consent of the County Risk Manager before the commencement of operations under this Agreement. Upon notification of self-insured retention unacceptable to the COUNTY, and at the election of the County's Risk Manager, CONTRACTOR'S carriers shall either; 1) reduce or eliminate such self-insured retention as respects this Agreement with the COUNTY, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

3) CONTRACTOR shall cause CONTRACTOR'S insurance carrier(s) to furnish the County of Riverside with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, and 2) if requested to do so orally or in writing by the

County Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that a minimum of thirty (30) days written notice shall be given to the County of Riverside prior to any material modification, cancellation, expiration or reduction in coverage of such insurance.

4) In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the County of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect. CONTRACTOR shall not commence operations until the COUNTY has been furnished original Certificate (s) of Insurance and certified original copies of endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier shall sign the original endorsements for each policy and the Certificate of Insurance.

5) It is understood and agreed to by the parties hereto that the CONTRACTOR'S insurance shall be construed as primary insurance, and the COUNTY'S insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.

6) If, during the term of this Agreement or any extension thereof, there is a material change in the scope of services; or, there is a material change in the equipment to be used in the performance of the scope of work; or, the term of this Agreement, including any extensions thereof, exceeds five (5) years; the COUNTY reserves the right to adjust the types of insurance and the monetary limits of liability required under this Agreement, if in the County Risk Manager's reasonable judgment, the amount or type of insurance carried by the CONTRACTOR has become inadequate.

7) CONTRACTOR shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Agreement.

8) The insurance requirements contained in this Agreement may be met with a program(s) of self-insurance acceptable to the COUNTY.

9) CONTRACTOR agrees to notify COUNTY of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Agreement.

23. General

23.1 CONTRACTOR shall not delegate or assign any interest in this Agreement, whether by operation of law or otherwise, without the prior written consent of COUNTY. Any attempt to delegate or assign any interest herein shall be deemed void and of no force or effect.

23.2 Any waiver by COUNTY of any breach of any one or more of the terms of this Agreement shall not be construed to be a waiver of any subsequent or other breach of the same or of any other term of this Agreement. Failure on the part of COUNTY to require exact, full, and complete compliance with any terms of this Agreement shall not be construed as in any manner changing the terms or preventing COUNTY from enforcement of the terms of this Agreement.

23.3 In the event the CONTRACTOR receives payment under this Agreement, which is later disallowed by COUNTY for nonconformance with the terms of the Agreement, the CONTRACTOR shall promptly refund the disallowed amount to the COUNTY on request; or at its option the COUNTY may offset the amount disallowed from any payment due to the CONTRACTOR.

23.4 CONTRACTOR shall not provide partial delivery or shipment of services or products unless specifically stated in the Agreement.

23.5 CONTRACTOR shall not provide any services or products subject to any chattel mortgage or under a conditional sales contract or other agreement by which an interest is retained by a third party. The CONTRACTOR warrants that it has good title to all materials or products used by CONTRACTOR or provided to COUNTY pursuant to this Agreement, free from all liens, claims, or encumbrances.

23.6 Nothing in this Agreement shall prohibit the COUNTY from acquiring the same type or equivalent equipment, products, materials or services from other sources, when deemed by the COUNTY to be in its best interest. The COUNTY reserves the right to purchase more or less than the quantities specified in this Agreement.

23.7 The COUNTY agrees to cooperate with the CONTRACTOR in the CONTRACTOR's performance under this Agreement, including, if stated in the Agreement, providing the CONTRACTOR with reasonable facilities and timely access to COUNTY data, information, and personnel.

23.8 CONTRACTOR shall comply with all applicable Federal, State and local laws and regulations. CONTRACTOR will comply with all applicable COUNTY policies and procedures. In the event that there is a conflict between the various laws or regulations that may apply, the CONTRACTOR shall comply with the more restrictive law or regulation.

23.9 CONTRACTOR shall comply with all air pollution control, water pollution, safety and health ordinances, statutes, or regulations, which apply to performance under this Agreement.

23.10 CONTRACTOR shall comply with all requirements of the Occupational Safety and Health Administration (OSHA) standards and codes as set forth by the U.S. Department of Labor and the State of California (Cal/OSHA).

23.11 This Agreement shall be governed by the laws of the State of California. Any legal action related to the performance or interpretation of this Agreement shall be filed only in the Superior Court of the State of California located in Riverside, California, and the parties waive any provision of law providing for a change of venue to another location. In the event any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

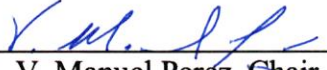
23.12 This Agreement, including any attachments or exhibits, constitutes the entire Agreement of the parties with respect to its subject matter and supersedes all prior and contemporaneous representations, proposals, discussions and communications, whether oral or in writing. This Agreement may be changed or modified only by a written amendment signed by authorized representatives of both parties.

23.13 This Agreement may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument. Each party to this Agreement agrees to the use of electronic signatures, such as digital signatures that meet the requirements of the California Uniform Electronic Transactions Act ((“CUETA”) Cal. Civ. Code §§ 1633.1 to 1633.17), for executing this Agreement. The parties further agree that the electronic signatures of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record pursuant to the CUETA as amended from time to time. The CUETA authorizes use of an electronic signature for transactions and contracts among parties in California, including a government agency. Digital signature means an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature, and shall be reasonably relied upon by the parties. For purposes of this section, a digital signature is a type of "electronic signature" as defined in subdivision (i) of Section 1633.2 of the Civil Code.

(Signature Page Follows)

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

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

By: 
V. Manuel Perez, Chair
Board of Supervisors

Dated: 2/25/2025

**HINDERLITER, DE LLAMAS &
ASSOCIATES**, a California corporation

By: 
Andrew Nickerson,
President/CEO

Dated: 18/02/2025

ATTEST:
Kimberly A Rector
Clerk of the Board

By: 
Deputy

APPROVED AS TO FORM:
Minh Tran
County Counsel


By: 
Gregg Gu,
Chief Deputy County Counsel

EXHIBIT A SCOPE OF SERVICES

CONTRACTOR shall provide Sales and Use Tax, and Prop 172 Public Safety Sales Tax Auditing and Consulting Services to COUNTY according to the following:

1. Sales Tax Audits

1.1 Monitor COUNTY sales and use tax receipts for allocation errors such as, but not limited to, the following:

1.1.1 Misallocations due to jurisdiction miscoding;

1.1.1.1 CONTRACTOR shall field inventories of the COUNTY's business and industrial areas which are conducted to identify businesses located within the COUNTY that appear to be under-reporting revenues or are not on the CDTFA allocation rolls. CONTRACTOR shall utilize specially trained field auditors, using the latest in mapping, GPS and digital recording technology, to document not only the existence of sales tax producing businesses but also any relevant factors such as size, presence of a large stock of goods, will-call windows and any specific references to sales activity. This process shall identify a wide range of registration errors including erroneous consolidation of multiple outlets, misreporting of point of sale from an erroneous location such as an administrative office or owner's home address, and delays in reporting new outlets.

1.1.2 Misallocations that occur due to zip code, boundary, or jurisdictional discrepancies;

1.1.2.1 CONTRACTOR shall review every active account on the CDTFA's allocation rolls reporting \$50 or more in local tax to ensure proper Tax Area Code (TAC) assignment paying particular attention to historically unincorporated areas due to susceptible errors in TAC designation due to zip code overlaps with jurisdictional boundaries. CONTRACTOR shall continue to perform a complete TAC review every 3-6 months to address in a timely manner any errors that do occur.

1.1.3 Point of sale revenues misreported to administrative offices or other locations;

1.1.3.1 CONTRACTOR shall supplement by extensive reviews of commercially available databases and of individual company websites for specific references to sales activity.

1.1.4 Misallocations resulting from sales at multiple retail outlets, order desks, or offices being credited to a single location;

1.1.4.1 CONTRACTOR shall use the field canvass as a primary tool for finding unregistered places of sale. Additionally, CONTRACTOR shall utilize in-house database reviews to reveal circumstances where the local tax reported deviates significantly from established averages for a given type of business which is a common indicator that a company may be consolidating sales from multiple sites to one location.

1.1.5 Sales resulting from sales at multiple retail outlets, order desks, or offices being credited to a single location;

1.1.5.1 CONTRACTOR shall use a proprietary process for identifying companies that should be taking out permits so that those revenues are properly allocated to the COUNTY. CONTRACTOR shall review unsecured property tax data which can on occasion provide tenant data that may not be readily available from the building signage. CONTRACTOR shall check statewide CDTFA registration and allocation data for potential errors and opportunities.

1.1.6 Misallocations of sales misreported as use tax transactions;

1.1.6.1 CONTRACTOR shall analyze the use tax allocation pools of the 58 counties and the state each quarter to identify instances where a taxpayer may have misidentified a transaction as use tax rather than sales tax. CONTRACTOR shall utilize business type profiles to identify ongoing business activity for which local sales tax are being incorrectly reported on a county-wide basis. Further specialized reviews and techniques shall be employed by CONTRACTOR to identify one time retroactive as well as prospective opportunities for direct allocation of local use tax under any of the special reporting programs described in the next sections.

1.1.7 Misallocations of use tax transactions that exceed \$500,000 that are not properly allocated to the host agency;

1.1.7.1 CONTRACTOR shall utilize specialized queries and analyses of the COUNTY allocation pool which produce quarterly lead lists that are further reviewed by CONTRACTOR senior audit staff with specific training and experience in this area. CONTRACTOR audit staff shall utilize established solid working relationships with the tax preparers in many of the companies who routinely make large sales that qualify for direct allocation of the local tax.

1.1.8 Construction -related sales characterized as product installation rather than product sales;

1.1.8.1 CONTRACTOR shall work with COUNTY to insure that use tax from manufacturing and assembly plants, food processing, cold storage facilities, power/energy projects, medical, research and technical facilities, oil fields/refineries and extraction/mining industries are properly allocated to the host jurisdiction. Businesses categorized as "contractors" will often sell materials or fixtures over the counter, in which case local tax should be directly allocated to the place of sale as opposed to the county-wide pool. CONTRACTOR's field canvassers document the presence of a large stock of goods or will call windows, which can be both strong indicators of over-the-counter sales activity. In addition, any contractor reporting substantial local tax to the county pools, and particularly to a single county pool shall be further researched, including an exploration of the company's website, for evidence of over-the-counter activity by CONTRACTOR.

1.1.9 Under reporting of transaction and use tax, as applicable.

1.1.9.1 Deviation Assessment: Each quarter, CONTRACTOR shall apply proprietary queries and analysis to its virtually complete statewide allocation database to identify all accounts for which there has been a substantial change in allocation pattern. The review shall be applied to direct allocations and to the county pools and shall allow for a much broader view and understanding of what has happened in any given quarter. Well-founded leads shall be culled from this process, often without the need for time-consuming manual reviews of taxpayer files. This shall allow for faster processing, less time used for preparing submittals and a higher rate of revenue return for the COUNTY.

2. Management Information, Analysis, and Support

2.1 In a user-friendly format, provide reports, graphs, tables, and analyses including, but not limited to, the following:

2.1.1 Quarterly statistical analyses and reports on sales tax trends by business, business type, and strategic economic areas;

2.1.1.1 CONTRACTOR shall utilize their proprietary model that divides the state's economic base into seven major economic segments and monitors dozens of industry-specific sources to track and project statewide transactions, sales, and use tax revenues.

2.1.1.2 CONTRACTOR shall provide estimates of the COUNTY's public safety tax (Prop. 172) amounts from the state each year and provides timely estimates of the factors used to allocate public safety funds among the state's counties.

- 2.1.1.3 CONTRACTOR shall provide quarterly sales tax reports on both a cash and adjusted basis. The quarterly sales tax data shall be presented in reports for major sales tax producers by both rank and category, analysis of sales tax activity by category, business or areas specified by the COUNTY.
- 2.1.1.4 CONTRACTOR's quarterly sales tax reports shall include a listing of top sales tax producers and comparisons with both regional and statewide trends. Retailer information shall be provided in grouped form or in business-by-business detail. Quarterly information shall also include tables that track year-to-date receipts and show comparisons with past periods to measure progress toward achieving the COUNTY's annual budgeted revenue amount.
- 2.1.1.5 CONTRACTOR's staff shall also prepare sales and use tax projections for proposed development projects, responds to technical questions relating to CDTFA processes and regulations, and monitors revenue sharing agreements.
- 2.1.1.6 CONTRACTOR shall provide data analysis instead of bound stacks of raw data printouts. The analysis shall be done in context with regional market areas, countywide and statewide trends to better monitor and compare the COUNTY's economic performance by business category and geographical area. A non-confidential newsletter shall be included to support management's efforts to inform and engage the public. Analysis of sales and use tax data and presentations to COUNTY staff shall be led by seasoned professionals, whose experience and knowledge adds value by identifying emerging retail trends, business retention needs, leveraging of economic clusters and reviewing successes in client jurisdictions with similar characteristics. CONTRACTOR's staff shall also prepare sales and use tax projections for proposed development projects, responds to technical questions relating to CDTFA processes and regulations, and monitors revenue sharing agreements.
- 2.1.2 Monitor performance of specific retail and industrial components with comparisons to regional and statewide trends;
 - 2.1.2.1 CONTRACTOR's quarterly analysis shall be done in context with regional market, countywide and statewide trends to better monitor and compare the COUNTY's economic performance by business category and geographical area to identify voids and opportunities. A non-confidential newsletter shall be included to support management's efforts to inform and engage the public.
 - 2.1.2.2 CONTRACTOR's Principals shall use the intelligence gleaned from quarterly sales tax meetings with over 300 agencies to identify new trends and developments. The sales tax program shall include a surplus/gaps analysis to identify retail voids and reports on retailers seeking expansion in the region.
 - 2.1.2.3 CONTRACTOR's Headlines e-news service shall be included to keep COUNTYs informed of trends and developments that may impact individual and regional economic strategies and goals.
 - 2.1.2.4 CONTRACTOR shall include a comprehensive Economic Development Package which contains non-confidential reports that are available for the COUNTY staff to share with other COUNTY departments to assist with economic development. The package shall include:
 - A. Quarterly Consensus Forecast of statewide trends by business category
 - B. Annual updates of California Retail Analytics listing of retailers looking to add stores in California and providing crucial estimates of sales per square foot.
 - C. Local tax base comparison with the statewide tax base
 - D. Multi-jurisdictional comparisons of per capita sales by major industry group
 - E. Comparisons of average sales per outlet for the local jurisdiction, its host county and CONTRACTOR's statewide database

- F. Most recent available quarter reports by business category for distribution of retail sales versus sales from manufacturers and wholesale groups with onetime payment aberrations factored out.
 - G. Creation of special sales tax study areas for longitudinal sales tax revenue comparisons
 - H. Listing of sales and use tax revenues (for local jurisdictions, regions and the state) adjusted for payment aberrations by business type, for quarters, calendar years or fiscal years
 - I. A surplus/gap analysis that identifies retail voids and potential areas of saturation
 - J. Percentage growth comparisons of California counties grouped into 7 regions covering the state
 - K. Annual listings of all sales and use taxes received by each jurisdiction in the state
 - L. Annual listings of all individual business types grouped by industry type for the 7 industry groups that CONTRACTOR tracks each quarter
- 2.1.3 Monitor sales and use tax agreements with other agencies and private developers;
- 2.1.3.1 CONTRACTOR's sales tax team includes a staff of specialists who shall review new business startups that shall present potential self-assessed use tax opportunities, meet with contractors to advise on sub-permits and reporting procedures and provide materials and advice on purchasing companies and direct payment permits. CONTRACTOR shall monitor major construction projects to ensure that any use tax generated is properly allocated to the job site's host jurisdiction.
 - 2.1.3.2 CONTRACTOR shall assist COUNTY with inserting provisions in conditional use permits and development agreements to guarantee that use tax maximization procedures are followed and monitoring projects and subcontractors to insure that use tax is properly allocated back to the COUNTY's jurisdiction.
- 2.1.4 Provide staff support on sales and use tax related issues, including budget projections, legislative proposals, litigation support, sales tax voids and opportunities, and incorporations and annexations; and
- 2.1.4.1 CONTRACTOR shall serve as "on-call staff to provide sales tax estimates for proposed projects, assist with budget projections and answer sales and use tax questions related to economic development, budgeting and related revenue collection. Upon request by the COUNTY, CONTRACTOR's principals shall be available to meet with committees of the Board of Supervisors and economic development groups as identified by COUNTY staff to explain sales tax regulations and their importance to the COUNTY's tax base.
 - 2.1.4.2 CONTRACTOR shall utilize close and positive relationships with members of the CDTFA and staff to quickly resolve policy issues unique to the COUNTY. CONTRACTOR shall also advocate for regulation and legislative changes when they are of benefit to the COUNTY.
 - 2.1.4.3 CONTRACTOR shall prepare Legislative Updates for COUNTY to keep them informed on any changes that may impact local revenues. CONTRACTOR shall also provide White Papers which are similar in nature but deal with specific issues such as Sales Tax Participation Agreements. Each issue is presented in detail so that COUNTY staff is better equipped to handle questions on that topic from their community leaders.
 - 2.1.4.4 CONTRACTOR shall also retain a lobbyist to represent COUNTY interests in matters before the CDTFA and the state legislature.
 - 2.1.4.5 CONTRACTOR shall create and group businesses into additional categories not provided by the CDTFA to better track new and emerging economic trends.

2.1.4.6 CONTRACTOR shall utilize their database that facilitates the development of comprehensive reports that illustrate economic performance for specific areas of the COUNTY, such as community plan areas, Business Improvement Districts and special study areas. These areas can be created by COUNTY staff or CONTRACTOR personnel (at no cost to COUNTY). Reports and data exports can then be generated by Geo-area in numerous configurations, such as by quarter, fiscal year, major industry group and business type, address, and/or allocation amount. The reports shall provide information that is essential to many strategic decisions, including future annexation or planning efforts. CONTRACTOR's Geo-area feature shall support use of address ranges, which ensures the inclusion of all appropriate CDTFA registrations and also allows COUNTY staff to create and modify Geo-areas without a separate GIS system.

2.1.5 Provide training and advisement to staff and taxpayers to maximize sales and use tax payments through the encouragement of taxpayer options to report taxes from specific types of construction projects to the construction site and through direct payment permits.

2.1.5.1 Upon request of COUNTY, CONTRACTOR shall conduct technical seminars for COUNTY personnel on California sales and use tax processes. To support "in-house" efforts to assist with sales and use tax, the seminars shall cover the fundamentals of direct payment permits, purchasing corporations and maximizing "use tax" from construction projects.

3. Revenue Forecasting

3.1 Provide periodic COUNTY estimates of potential current and future year sales and use tax revenues based on industry-specific assessment of local and regional sales trends from analyses of multiple data sources and historic statewide sales and use tax data trends.

3.1.1 CONTRACTOR shall utilize a comprehensive, detail-oriented method for projecting and monitoring COUNTY sales and use tax revenues. Initial and mid-year projections shall be made by factoring out payment aberrations that skew the base revenue and factoring in known changes such as new or closed businesses. CONTRACTOR shall also meld information from over 90 economic sources with information gathered from quarterly meetings with COUNTY to develop economic growth factors for individual retail business segments; the results shall be combined into a single estimate of anticipated revenue. CONTRACTOR shall further enhance its budget projections by contacting builders of large-scale development projects to better estimate the amount and timing of anticipated revenues. Five-year revenue forecasts shall also be provided on request at no cost to COUNTY. In addition to Bradley-Burns estimates, CONTRACTOR shall provide Prop 172 and 2011 Local Revenue Fund forecasting.

4. Data Services

4.1 Maintain and provide access to a database that allows the COUNTY to review quarterly sales tax data relevant to the COUNTY.

4.1.1 CONTRACTOR maintains the COUNTY's detailed sales tax data back to 1988-89 and shall provide unlimited access to its web-based sales tax application to facilitate "in-house" analysis and printing of custom reports. The application shall allow COUNTY staff to search, print and export their sales tax data for a variety of financial, management, economic and planning functions. The web-based application shall provide the ability to search all sales tax producers in the COUNTY by business name, address, CDTFA account number and current and historical sales tax allocations. CONTRACTOR's archived quarterly sales tax reports shall be accessed through the web-based sales tax application.

4.1.2 CONTRACTOR shall maintain the provide unlimited access to its web-based sales tax application to facilitate "in-house" analysis and printing of custom reports. The application shall allow COUNTY staff to search, print and export their sales tax data for a variety of financial,

management, economic and planning functions. The web-based application shall provide the ability to search all sales tax producers in the COUNTY by business name, address, CDTFA account number and current and historical sales tax allocations. CONTRACTOR's archived quarterly sales tax reports shall be accessed through the web-based sales tax application.

4.1.3 Training on use of the software and ongoing upgrades shall be provided at no cost to COUNTY.

5. Detailed Narrative

5.1 Provide COUNTY staff with a quarterly COUNTYWIDE narrative summary by Major Industry Group documenting the trends in such a way that COUNTY staff can use while preparing various economic updates to the COUNTY's Board of Supervisors and Community at-large.

5.1.1 CONTRACTOR shall provide COUNTY with a quarterly non-confidential newsletter for both the COUNTY and the COUNTY's unincorporated area including Major Industry Group trends to support management's efforts to inform and engage the public and present to the Board of Supervisors and Community at-large.

**EXHIBIT B
PAYMENT PROVISIONS**

1. CONTRACTOR shall be reimbursed for expenses and products incurred and compensated for services rendered, in an amount not to exceed the maximum stated in Section 3.1, and in accordance with the following Tiered Recovery Fees.
 - 1.1 For each reallocation instance CONTRACTOR shall receive fifteen percent (15%) on the first \$1,000,000 of sales and/or use tax revenue received by COUNTY through payments processed by the BOE for taxpayer misallocations as a result of the approved contingency work performed by CONTRACTOR;
 - 1.2 For each reallocation instance CONTRACTOR shall receive ten percent {10%) on amounts from \$1,000,001 to \$2,500,000 of sales and/or use tax revenue received by the COUNTY through payments processed by the BOE for taxpayer misallocations as a result of the approved contingency work performed by CONTRACTOR; and
 - 1.3 For each reallocation instance, CONTRACTOR shall receive five percent {5%) on amounts over \$2,500,001 of sales and/or use tax revenue received by the COUNTY through payments processed by the BOE for taxpayer misallocations as a result of the approved contingency work performed by CONTRACTOR.
2. If CONTRACTOR recovers fees in excess of \$250,000 per contracted year for its work performed under this Agreement, the COUNTY needs to seek approval from the Board of Supervisors to increase CONTRACTOR's compensation. CONTRACTOR acknowledges that it is up to the Board of Supervisors discretion to increase CONTRACTOR's annual compensation and COUNTY does not guarantee an increase in compensation.
3. All fees shall be inclusive, including all expenses and travel.
4. If CONTRACTOR receives payment under this Agreement which is later disallowed by COUNTY for nonconformance with the Agreement, CONTRACTOR shall promptly refund the disallowed amount to COUNTY, or, at its option, COUNTY may offset the amount disallowed from any payment due to CONTRACTOR.

5. Optional Staff Services outside of scope of work.

Staff Title	Hourly Rate
Principal	\$325.00
Programmer	\$295.00
Senior Analyst	\$245.00
Analyst	\$195.00

Sales Use Tax Consulting Svcs Agreement - HDL 2.18.25

Final Audit Report

2025-02-19

Created:	2025-02-19
By:	Anna Marie Johnson-Earls (annjohnson@rivco.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAASwE3OXVSLJT3GxbGocWicEc5eQGbzku

"Sales Use Tax Consulting Svcs Agreement - HDL 2.18.25" History



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