

RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
CHULA VISTA APPROVING SALES AND USE TAX AND  
TRANSACTIONS TAX AUDIT & INFORMATION SERVICES  
AGREEMENT BETWEEN THE CITY AND HINDERLITER, DE  
LLAMAS AND ASSOCIATES

WHEREAS, Hinderliter, deLlamas and Associates (HdL) has extensive experience in providing sales tax analysis to many local cities; and

WHEREAS, the City of Chula Vista ("City") requires the service of HdL to provide sales and use tax services to assist in economic and business development and revenue projections as well as transactions tax services to effectively monitor Measure P & Measure A revenues; and

WHEREAS, continuous monitoring, identification and correction of allocation errors and reporting deficiencies will help maximize sales tax revenues; and

WHEREAS, an effective review program can provide for more accurate budget forecasting and financial planning; and

WHEREAS, City desires a combination of data entry, report preparation, and data analysis services necessary to effectively manage both its general sales and use tax, Measure "A" and Measure "P" transactions, and use tax base for recovery of revenues either unreported or erroneously allocated to other jurisdictions: and

WHEREAS, HdL has the programs, equipment and personnel required to deliver the sales and use and transactions and use tax related services referenced herein; and

WHEREAS, pursuant to the proposed consultant agreement, HdL Consultant annual base fee for services is \$14,400. HdL will also receive a percentage based on recovered sales tax. For general sales tax recovery HdL will receive 15% of sales and use tax revenue recovered, and will receive 25% of Measure P and Measure A tax revenue recovered; and

WHEREAS, the maximum amount to be paid to HdL for services performed under the agreement through June 30, 2024, shall not exceed \$165,000 and, if the City exercises its one-year option to extend the agreement, the maximum amount to be paid to HdL for the period July 1, 2024 through June 30, 2025, shall not exceed \$200,000; and

WHEREAS, Section 7056 of the California Revenue and Taxation Code specifies the conditions under which a city may authorize persons other than city officers and employees to examine State Sales, Use and Transactions Tax records; and

WHEREAS, the City desires to retain HdL and certifies that, pursuant to the proposed consultant agreement, HdL is:

A. Authorized to examine sales, use or transactions and use tax records of the Department of Tax and Fee Administration provided to the City pursuant to contract under the Bradley-Burns Uniform Sales and Use Tax Law;

B. 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 CITY who is authorized by resolution to examine the information.

C. Prohibited from performing consulting services for a retailer, as defined in California Revenue & Taxation Code Section 6015, during the term of this Agreement.

D. Prohibited from retaining the information contained in, or derived from those sales or transactions and use tax records, after this Agreement has expired. Information obtained by examination of Department of Tax and Fee Administration records shall

WHEREAS, in order to procure these services HdL was chosen based on their unique qualifications including tax audit and California Department of Tax and Fee Administration Document preparation; on this basis, HdL was awarded the contract on professional services basis under the authority of Chula Vista Municipal Code Section 2.56.110(H)(2) as the Purchasing Agent has determined it to be impractical and the City's interest to be materially better served by applying a different purchasing procedure.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chula Vista, that it adopts the above recitals as true and correct and approves the Sales and Use Tax and Transactions Tax Audit & Information Services Agreement, between the City and Hinderliter, De Llamas and Associates, in the form presented, with such minor modifications as may be required or approved by the City Attorney, a copy of which shall be kept on file in the Office of the City Clerk and authorizes and directs the Mayor to execute same.

BE IT FURTHER RESOLVED that HdL is authorized to examine State Sales, Use, and Transactions Tax records, in accordance with California Revenue and Taxation Code section 7056.

Presented by

Approved as to form by

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Sarah Schoen  
Director of Finance/Treasurer

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Jill D.S. Maland  
Lounsbery Ferguson Altona & Peak  
Acting City Attorney