



City of Culver City

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Staff Report Details (With Text)

File #: 22-875 **Version:** 1 **Name:** UUT Compliance PSA: MuniServices LLC
Type: Minute Order **Status:** Consent Agenda
File created: 3/18/2022 **In control:** City Council Meeting Agenda
On agenda: 3/28/2022 **Final action:**
Title: CC - CONSENT ITEM: Approval of an Agreement with MuniServices, LLC for Utility Users' Tax Auditing and Consulting Services for a Three-Year Period with Two One-Year Extension Options, in an Amount Not-to-Exceed \$75,000 Per Fiscal Year

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
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CC - CONSENT ITEM: Approval of an Agreement with MuniServices, LLC for Utility Users' Tax Auditing and Consulting Services for a Three-Year Period with Two One-Year Extension Options, in an Amount Not-to-Exceed \$75,000 Per Fiscal Year

Contact Person/Dept.: Erica Melton/Finance Department

Phone Number: (310) 253-5865

Fiscal Impact: Yes ☒ No ☐ **General Fund:** Yes ☒ No ☐

Attachments: Yes ☐ No ☒

Public Notification: (E-Mail) Meetings and Agendas - City Council (03/23/2022)

Department Approval: Lisa Soghor, Chief Financial Officer (03/21/2022)

RECOMMENDATION

Staff recommends the City Council approve an agreement with MuniServices, LLC for Utility Users Tax (UUT) auditing and consulting services for a three-year period, with two one-year extension options, in an amount not-to-exceed \$75,000 annually.

BACKGROUND/DISCUSSION

As authorized by Culver City Municipal Code (CCMC) Subchapter 3.08.200, an 11.0% UUT is levied

on electricity, water, gas, cable TV, and both wired and cellular/mobile telephone service. Utility taxes are collectively the third largest revenue source for the General Fund. The City relies on specialized expertise to provide consulting services in the compliance, administration, and reporting of utility user taxes (UUT). Forecasts developed by the City's consultants regarding seasonal and annual fluctuations on impacts to utility consumption, industry changes, etc. become significant to the City's overall financial planning.

MuniServices, LLC has been contracted with the City since 2016 and provides a variety of software and reporting platforms used to identify and address patterns of noncompliance, providing auditing services across a broad spectrum of taxes and fees and estimates and outlook over the various industries for fiscal forecast developments. The firm has extensive experience and specialization in UUT revenue, auditing, recovery, reporting, analysis, and legislative/state agency liaison and implementation monitoring services. MuniServices, LLC is also a leader in assisting local governments in implementing, administering, and managing multiple tax types, servicing more than 1,000 government entities nationwide.

Pursuant to CCMC Section 3.07.045, competitive solicitation procedures are required after the same vendor has been utilized for a period of five consecutive years. The City Council initially authorized a three-month extension to this service agreement on December 10, 2021 while under service review. Staff has completed its evaluation and recommends continued utilization of this vendor under CCMC Section 3.07.055.G, which exempts bidding requirements where competitive bid procedures have already been utilized by the City or another public agency. Because UUT auditing and compliance services have previously undergone competitive solicitation procedures with the City of Santa Ana and MuniServices, LLC has agreed to offer services under the same terms and conditions to the City of Culver City, this procurement meets this requirement.

FISCAL ANALYSIS

Sufficient funds are available in the FY2021/2022 Approved Budget from account 10114400.610100. Additional annual costs will be incorporated into future year budgets.

ATTACHMENTS

None

RECOMMENDED MOTIONS

That the City Council:

1. Approve a three-year agreement with MuniServices, LLC for utility users' tax auditing and compliance services at an annual not-to-exceed amount of \$75,000; and,
2. Authorize the Chief Financial Officer to approve two additional one-year options;
3. Authorize the City Attorney to review/prepare the necessary documents; and,

4. Authorize the City Manager to execute such documents on behalf of the City.