



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 10/25/2016

ALL

Item Creation Date: 10/10/2016

T25698 Sales and Use Tax Audit Services - ORDINANCE

Agenda Item#: 11.

Summary:

AN ORDINANCE APPROVING AND AUTHORIZING A CONTRACT BETWEEN THE CITY AND MUNISERVICES, LLC FOR SALES/USE TAX AUDIT AND SALES/USE TAX ANALYSIS AND REPORTING SERVICES; PROVIDING A MAXIMUM CONTRACT AMOUNT; CONTAINING PROVISIONS RELATING TO THE SUBJECT; AND DECLARING AN EMERGENCY.

Background:

Request for Proposal S66-T25698 - Approve an ordinance awarding a contract to MuniServices, LLC in an amount not to exceed \$3,150,000.00 for Sales and Use Tax Audit (SUTA) Services for the Finance Department.

Specific Explanation:

The Director of Finance and the Chief Procurement Officer recommend the City Council approve an ordinance awarding a three-year contract, with two one-year options to MuniServices, LLC in the amount not to exceed \$3,150,000.00 for sales and use tax audit services for the Finance Department. The Director of Finance or the City Attorney may terminate this agreement by giving 30 days written notice of such termination to the contractor with a copy of the notice to the Chief Procurement Officer.

The scope of work requires the contractor to perform a review of the City's businesses' sales/use tax remittances in an effort to ensure proper application of local sales/use tax law and achieve past and/or prospective compliance, as applicable. MuniServices, LLC will assist in the preparation and filing of amended returns and/or reallocation requests with the Texas Comptroller of Public Accounts (TCPA) in order to gain compliance. The contractor, on the City's behalf, may also provide additional documentation and supporting details to the TCPA to request its assistance in gaining compliance from taxpayers as needed.

The Request for Proposal (RFP) No. S66-T25698 was advertised in accordance with the requirements of the State of Texas bid laws. As a result, three (3) proposals were received, from Muniservices LLC, Sales Tax Group and Texas City Services, LLC.

The Evaluation Committee (EC) consisted of three members from the Finance Department. The proposals were evaluated based on the following criteria:

- 1. Responsiveness of Proposal
- 2. Technical Competence
- 3. Price Proposal

MuniServices, LLC was deemed most qualified based on the proposal to perform the required services as outlined in the RFP.

M/WBE Participation:

This RFP was issued with a five percent (5%) M/WBE participation goal. The goal modification was approved by the Office of Business Opportunity.

Name	Type of Work	Dollar Amount	Percentage
Decision Information Resources	Economic Analysis & Tax Examination	\$78,000.00	2.47%
Sales Tax Assurance	Tax Examination Services	\$100,000.00	3.17%

Pay or Play Program:

The proposed contract requires compliance with the City's 'Pay or Play' ordinance regarding health benefits for employees of City contractors. In this case, the contractor provides health benefits to eligible employees in compliance with City policy.

Hire Houston First:

The proposed contract requires compliance with the City's Hire Houston First (HHF) ordinance that promotes economic opportunity for

Houston businesses and supports job creation. In this case MuniServices, LLC is a designated HHF company, but they were the successful awardee without application of the HHF preference.

Fiscal Note:

Funding for this item is included in the FY2017 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policy Ord. 2014-1078.



John J. Gillespie, Chief Procurement Officer
Finance/Strategic Procurement Division

Department Approval Authority Signature

Estimated Spending Authority

Department	FY2017	Out Years	Total
Finance	\$450,000.00	\$2,700,000.00	\$3,150,000.00

Amount of Funding:

\$3,150,000.00
General Fund (1000)

Contact Information:

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ATTACHMENTS:

Description	Type
Ordinance 10.11.16	Signed Cover sheet
MWBE Modification Approval	Backup Material
MWBE Compliance Forms	Backup Material
Fair Campaign Ordinance - Form A	Backup Material
Fair Campaign Ordinance - Form B	Backup Material
Delinquent Tax Report	Backup Material
Department Recommendation Memo	Backup Material
Affidavit of Ownership	Backup Material
Funding Information	Financial Information
Budget Funding Information	Financial Information