

**MEMORANDUM
COUNTY OF PLACER
ADMINISTRATIVE SERVICES DEPARTMENT
PROCUREMENT SERVICES DIVISION**

TO: Honorable Board of Supervisors
FROM: Brett Wood, Purchasing Manager
DATE: March 24, 2015
SUBJECT: Sales Tax Audit and Reporting Services – Hinderliter, deLlamas, and Associates

ACTION REQUESTED

1. Approve the award of a sole source blanket purchase order to Hinderliter, deLlamas and Associates of Diamond Bar, CA for Sales Tax Audit and Reporting Services in the maximum amount of \$391,440, for an approximate three-year period of March 24, 2015 to December 31, 2017. Funding is provided by the County Executive Office as a budgeted net county cost; and
2. Authorize the Purchasing Manager to sign the resulting blanket purchase order.

BACKGROUND

In August 1998 the Board of Supervisors passed Resolution No. 98-187 which authorized the firm of Hinderliter, deLlamas and Associates (HDL) of Diamond Bar, CA to examine sales and use tax records from the State of California Board of Equalization on the County's behalf. This examination process audits transactions that occur within Placer County to identify those which may have had under-collected sales and use tax. HDL then assists in recovery of the under-collected tax, which is ultimately returned to Placer County. The original Contract No. K01349 was executed in September 1998 and has been renewed bi-annually since that time.

The contract is administered by the County Executive Office (CEO), which has requested renewal of the agreement for a three-year period. HDL has agreed to the renewal and has signed a new agreement with contract terms that meet the County's current standards. The fees paid to HDL include a standard monthly fee for their audit services, and 15 percent of all sales and use tax revenue recovered by the County for the first eight consecutive quarters as the result of the audits.

Upon approval by your Board, a blanket purchase order will be issued for the period January 1, 2015 through December 31, 2017 in the maximum amount of \$371,440. This amount includes the standard monthly audit fee, as well as the estimated revenue recovery fees for the three-year period.

FISCAL IMPACT

Funding for the monthly fees is included in the CEO Administration's FY 2014-15 budget and will be included in future budget requests each fiscal year through FY 2017-18. The audit recovery fees will be paid from the actual sales and use tax amounts recovered.

cc: Andy Heath, Deputy County Executive Officer
Kim Davis, Senior Administrative Services Officer - CEO

