

***AGREEMENT***

***between***

***THE CITY OF LOS ANGELES***

***and***

***MUNISERVICES, LLC***

***for***

***UTILITY USER TAX DISCOVERY, AUDIT,  
TAX COMPLIANCE REVIEW, AND  
COROLLARY CONSULTING SERVICES***

**December 18, 2014**

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**CITY OF LOS ANGELES**

**AND**

**MUNISERVICES, LLC**

**CONTRACT NO. \_\_\_\_\_**

This Agreement is made and entered into by and between the City of Los Angeles, a municipal corporation, acting by and through its Office of Finance's Tax & Permit Division, hereinafter referred to as CITY, with offices located at 200 North Spring Street, Room 220, Los Angeles, California 90012, and MuniServices, LLC, hereinafter referred to as "Contractor", with offices located at 7625 North Palm Ave., Suite 108, Fresno, CA 93711.

All references in this Agreement to the City's Utility Users Tax (or UUT) shall be interpreted to include, where applicable, the City's Communications Users Tax (or CUT), the Electricity Users Tax, and the Gas Users Tax.

Whereas, CITY has issued a Request for Proposal, hereinafter referred to as the RFP, for Utility Users Tax Compliance Review Services and Corollary Consulting Services, and has selected the proposal submitted by Contractor as the most responsive; and

Whereas, Contractor possesses special knowledge and experience in performing UUT reviews; and

Whereas, in entering into this Agreement, CITY has relied heavily upon Contractor's representations to CITY regarding said special knowledge and experience and the personnel it proposes to assign to perform services pursuant to this Agreement; and

Whereas, the services to be performed by Contractor are of an expert and technical nature and are temporary and occasional in character; and

Now, therefore, in consideration of the above premises and of the representations and covenants hereinafter set forth the parties hereto represent and covenant as follows:

**ARTICLE I - STATEMENT OF PERFORMANCE**

Contractor shall provide UUT discovery services, audit and tax compliance review services, and corollary consulting services as set forth herein to ensure that CITY receives the UUT revenue to which it is entitled. Contractor shall provide the discovery, audit, and tax compliance review services in a timely manner to help identify the CITY's uncollected and unpaid UUT before it becomes statutorily uncollectible.

Contractor and CITY will meet on a quarterly basis to review the Contractor's program progress

and discuss any relevant program or work plan issues. The initial quarterly meeting is to be scheduled within 30 days after the execution of this contract. The scheduling of subsequent quarterly meetings will be coordinated during the initial meeting. During the initial quarterly meeting, Contractor will provide for CITY's review and approval Contractor's work plan schedule for the delivery of UUT discovery, audit, and tax compliance review services for the first annual period covered under the executed contract. Thereafter, Contractor will provide CITY with an updated work plan at each successive quarterly meeting.

The CITY will provide the following assistance to Contractor in performing its services:

- A. Supply the necessary information such as UUT payment history, ordinance updates, etc.
- B. Furnish a letter of introduction authorizing Contractor to act on behalf of the CITY for UUT purposes;
- C. Review and compare Contractor's work plan against CITY UUT work plan to ensure that proposed Contractor activities are not a duplication of CITY activities.
- D. Identify a Senior Tax Auditor who will be assigned as the CITY's UUT contract liaison and representative.

#### **1.1 GAS/ELECTRIC UUT DISCOVERY, AUDIT AND TAX COMPLIANCE REVIEW**

Article 1.1 applies to Contractor's discovery, audit, and tax compliance review services related specifically to gas and electric service providers (including resellers or marketers), and their customers. It does not apply to communications service providers under the CUT ordinance (See Article 1.2) or the utility services provided by the City's Department of Water and Power (DWP).

- A. Contractor will develop and maintain a list of utility service providers that are doing business within the CITY who are subject to the CITY's ordinance. Contractor will continue to assist the CITY in: 1.) notifying utility service providers not currently paying CITY UUT of their tax application, collection, and payment obligations under the ordinance; and, 2) assuring registration and payment as required by the ordinance. Contractor shall maintain an accurate copy of CITY's ordinance and its administrative rules and interpretations on an appropriate Website to be made available to California utility service providers.
- B. Contractor will provide the CITY with all information necessary for the CITY to bill the utility service providers not registered with the CITY, based on the information made available to Contractor by the CITY and the utility service providers and for underpayments to the CITY identified by such audits conducted by Contractor as may be authorized by the CITY. Information required and format followed will be as directed by the CITY and will parallel that utilized to support billings for audits conducted by CITY staff. As directed by the CITY, in addition to hard copy audit and discovery reports, information may be required in an electronic format to include narratives, positions papers, etc. necessary to sustain audit findings. Contractor shall attend any administrative appeal hearings or other appeal venues as may be required to support billings resulting from their findings. The content

and format of any correspondence directed to utility service providers and/or users shall be subject to the review and approval of the CITY prior to mailing. Once a form is approved, subsequent uses of that form shall not require individual approval of CITY prior to mailing.

- C. With approval of the CITY, Contractor will conduct tax compliance reviews of various charges on customer bills or types of services provided by the utility service providers to determine the proper tax application under the CITY's UUT ordinance, including a review to verify the proper exemption of customers as provided by ordinance, or state or federal law.
- D. With approval of the CITY, Contractor will conduct audits of Utility Users Tax payments to verify their accuracy and Contractor will provide such audit findings, work papers, information and support to the CITY as may be necessary to support the CITY's collection of any revenue owed to it.
- E. Contractor shall create an accurate boundary description of the City of Los Angeles by street address to be used by Contractor as a tool in conducting geocode reviews. A copy of the geographical database file will be provided to the CITY no later than four months from the date of execution of this Agreement. Contractor's boundary description database shall reflect the latest available information regarding CITY boundary changes due to annexations or other municipal reorganizations. Contractor's geographical database is proprietary in nature and is based on data collected from Assessor and other data sources such as the United States Post Service to provide accuracy at the assessor parcel level to confirm municipal jurisdiction. The CITY will neither endorse this geographical database to utility service providers nor assume any responsibility as to its accuracy. Contractor must convey this disclaimer prior to any sale or transfer of the geographical database or related services to the utility service provider.
- F. As requested by the CITY, Contractor will use their proprietary geographical database on a pre-audit or post-audit basis to validate the taxpayer's in-City billing address. Contractor's database shall be used exclusively for such audit purposes to confirm that the audited entity is coded as within the geographic jurisdiction of the City (geocoded).
- G. Upon receipt of an electronic copy of the CITY's UUT payment history, that will include all entities currently submitting tax measures to the City under the U004 classification and will encompass the legal name, DBA, business/mailing addresses and tax measures, Contractor will immediately load the confidential database and maintain it on an ongoing basis. Contractor will use proprietary techniques to analyze, monitor, and detect abnormalities in UUT payments made by utility service providers.
- H. Contractor understands and agrees that it must obtain written approval from the CITY's UUT contract liaison prior to contacting a utility service provider in connection with a planned audit or tax compliance review.
- I. As directed and approved by the CITY, Contractor will immediately pursue the

review of a utility service provider, jointly agreed to by CITY and Contractor, from whom the CITY has experienced a significant reduction of UUT payments.

- J. For each error/omission identified, Contractor will submit substantiating documentation to the designated CITY staff and utility service provider to facilitate correction and/or to set up the account. Prior to Contractor transmitting final audit work papers or findings to the taxpayer or service provider, CITY's contract liaison must review and approve such documentation.
- K. Contractor will secure waivers of statute of limitation as deemed necessary to insure that tax periods do not lapse and become statutorily uncollectible. Contractor and CITY shall work cooperatively to ensure that affected utility service providers are aware of their rights and obligations to ensure maximum compliance with Contractor's and CITY's desired result.

## **1.2 COMMUNICATIONS UUT DISCOVERY, AUDIT AND TAX COMPLIANCE REVIEW**

Article 1.2 applies to Contractor's discovery, audit, and tax compliance review services regarding communications service providers (and resellers), and their customers. It does not apply to gas or electric service providers/customers (See Article 1.1).

- A. **Discovery.** Contractor will develop a comprehensive list (TARGET LIST) of communication companies that may be subject to the CITY's CUT ordinance, and submit it to the CITY for review and approval within thirty (30) days following the effective date of this Agreement. CITY shall perform the following review within thirty (30) days of receipt of the TARGET LIST and draft compliance letter from Contractor: 1) review and approve the form of the draft compliance letter; 2) verify that none of the companies of the TARGET LIST received a notification letter from CITY prior to the date of CITY review; and 3) verify that none of the companies on the TARGET LIST remitted a CUT payment prior to the date of CITY review. This effort would primarily focus on private communication service providers and VoIP providers, but could also include other providers such as long distance providers, conferencing, CLECs (competitive local exchange providers), paging, and other wired and wireless companies. Contractor shall also verify: i) where the communications service providers on the TARGET List do business; ii) what services they provide; and, iii) whether their services arguably fall under the CITY's CUT ordinance. This would be done through a variety of means including the use of a CITY approved CUT discovery letter and application form, telephone communication, internet research, and voluntary disclosure by end-users within the City of Los Angeles of their communication bills. Contractor will also prepare a "compliance" report on a quarterly basis.

There is a rebuttable presumption that Contractor's substantiated discovery work, as described herein, is responsible for any payments to the City by a service provider on the TARGET LIST (and as amended from time to time), which payments commenced within six (6) months following the last compliance letter or other documented communication by Contractor. In order to rebut, CITY must provide written documentation that demonstrates that CITY UUT enforcement actions occurred prior to Contractor's notification letter(s) Written documentation

would encompass correspondence such as discovery notification letters, non-compliance enforcement citations, intent to audit notifications as well as any date of knowledge notifications initiated by City staff prior to Contractor's notification letter. The Chief Tax Compliance Officer II shall render an opinion within 45 day of receiving written documentation or as soon as reasonably practicable. Decision shall be final and not subject to appeal.

Contractor will utilize a CITY approved CUT discovery letter and application form directing such companies on the TARGET LIST to register and remit CUT, and assist in answering any implementation questions they may have. In the event that such companies raise legal issues/defenses as a reason for not registering and/or not collecting CUT, Contractor agrees to notify the CITY and request legal guidance. **At no time will Contractor provide legal opinions concerning the CUT on behalf of the CITY. If a company requests a clarification letter, Contractor will notify the CITY and request direction.**

- B. **Audit and Tax Compliance Review.** The CITY may request Contractor to conduct an audit or other tax compliance review of specific CUT service providers, and upon Contractor's mutual agreement to perform the requested audit, Contractor will conduct the audits in the manner and form used by the Office of Finance (e.g., see compliance activities described in Article 1.1 D through K). The terms of compensation specified in Article IV will be applicable to Net Additional CUT Revenue (see Article IV Paragraph A) generated and received by the CITY as a result of Contractor's audit efforts. Such audit or tax compliance review may include the review of various charges on customer bills or types of services provided by the utility companies to determine the proper tax application under the CITY's CUT ordinance, including a review to verify the proper geocoding of customers, and the proper exemption of customers as provided by ordinance, or state or federal law. Contractor will attempt to secure waivers of statute of limitations as necessary. Contractor shall attend any administrative appeal hearings or other appeal venues as CITY may require to support billings resulting from their findings should the service provider appeal the audit assessments.

### 1.3 **COROLLARY CONSULTING SERVICES**

The following Corollary Consulting Services shall be performed by Contractor at no additional compensation beyond any earned compensation attributable to the UUT discovery, audit, and tax compliance review services discussed in Sections 1.1 and 1.2 above. Contractor will provide the following services during the term of this Agreement on an ongoing basis:

- A. Monitoring of various regulatory proceedings (e.g., California Public Utilities Commission and Federal Commerce Commission) that affect the deregulation and/or reregulation of the various utilities that are to be reviewed under this Agreement and make appropriate recommendations to the CITY.
- B. Monitoring of proposed state and federal legislation to identify and make recommendations regarding legislation that may affect utility service providers that are to be reviewed under this Agreement, or that may affect CITY's ability to perform such reviews.

- C. Periodic review of CITY's UUT ordinance and offer recommendations to address issues that may arise because of deregulation, the unbundling of traditional utility services, or the introduction or convergence of new technologies to provide utility related services.
- D. Periodic instruction to the CITY staff through on-site workshops, on-line presentations or through larger seminars regarding current and new UUT related issues as necessary, but not less than annually.
- E. Serve as a resource to assist the CITY by providing "as needed" technical support on UUT issues and questions regarding proposed legislation, new technology, and their impact on UUT revenue.
- F. In no event shall Contractor offer or provide legal interpretations of the CITY's UUT ordinance to a taxpayer. Any communication pertaining to legal interpretations of the CITY's UUT ordinance, whether written or oral, shall be done through an attorney from the Office of the City Attorney, or an attorney designated by the Office of the City Attorney.

#### 1.4 DELIVERABLES

- A. Contractor shall provide to CITY for review and approval a Work Plan within 30 days of the execution of this contract that outlines the processes for addressing the tasks and requirements described in the Statement of Performance and an associated time line. Thereafter, Contractor shall provide an updated work plan on a quarterly basis.
- B. Contractor shall provide updated quarterly reports within thirty (30) calendar days of the end of each calendar quarter for the last up-to-date quarter for which Contractor has received complete payment data from the CITY. Each quarterly report shall include: account number, name, address, period involved, reason for error/omission, amount of recovery, date of recovery, compensation periods, amount paid to Contractor for each compensation period by account, total compensation paid on each account and cumulative compensation; the total revenue recovered for each month of the quarter; the total number of accounts involved; the status of the review work for the period; and an analytical update of current issues and legislation likely to affect the CITY's UUT; and an update of personnel as required in Article II.
- C. Contractor shall continue to maintain a geocode database for the CITY and shall update it as necessary. A copy of the geographical database file will be provided to the CITY within no later than four months of the execution of this Agreement. Upon request from the City, Contractor shall conduct an electronic comparison of the CITY's geocode database against the Contractor geocode database to identify discrepancies between the two and a complete listing of the discrepancies shall be provided in electronic and hard copy to the CITY for analysis to validate the accuracy of both databases.



- D. Contractor will devise and provide periodic training presentations/seminars and materials for Office of Finance staff as necessary, but not less than annually, to keep them abreast of the latest information on the impact of industry changes, legislation and new technologies on administration of the City's UUT.
- E. Contractor will provide the CITY with consulting services through the analysis of UUT industry technical issues and proposed legislation, deregulation, introduction of new technology (especially in the communication field) and their potential impact on UUT revenues.
- F. Upon 30 days from request by CITY, the Contractor shall provide an electronic Excel file for management of accounts invoiced and/or processed by the contractor. The Excel file will show account number (if provided by the City), name, address, period involved, amount of recovery, date of recovery and contractor compensation.

#### **1.5 TIMING**

- A. The initial report identifying abnormalities in UUT payments and potential errors/omissions shall be provided within one hundred and twenty (120) calendar days following Contractor's receipt of CITY's UUT payment history for at least the preceding twelve (12) months.
- B. Corollary consulting shall be provided as needed after the effective date of this contract and the completion of the initial review of UUT payments.

#### **ARTICLE II - PERSONNEL**

Upon award and during the contract period, if Contractor chooses to assign different personnel or a different subcontractor(s) to the program, Contractor must submit their names and qualifications to the CITY for approval before they begin work. Contractor shall update the list of personnel and subcontractors assigned to the program on a quarterly basis for the life of the contract.

#### **ARTICLE III - INTERFACING WITH CITY STAFF**

All contact initiated by Contractor with CITY staff other than Office of Finance staff must be made through the CITY's contract liaison and approved in advance by the Chief Tax Compliance Officer II of the Tax and Permit Division, prior to initiating such contact. Approval will not be unreasonably withheld.

#### **ARTICLE IV - COMPENSATION**

- A. It is the CITY's intent that Contractor shall provide its UUT Discovery, Audit, and

Tax Compliance Review services to the CITY described in Article 1.1 and 1.2 as a “backstop” to the CITY’s ongoing UUT compliance program and not as a replacement for the CITY’s program. CITY and Contractor shall meet no less than quarterly to establish a list of assignments with specific audit opportunities that will afford Contractor the opportunity to fulfill its contractual obligations. The CITY agrees to compensate Contractor out of Net Additional Revenue received by the CITY as a result of Contractor’s efforts. For the purposes of this Agreement, Net Additional Revenue shall mean all UUT revenue, plus applicable penalties and interest, received for all eligible periods by the CITY as a result of, based on, or identified pursuant to analyses and/or deficiency determinations submitted by Contractor to the CITY. If Contractor receives compensation based on a paid assessment arising out of an audit, and said paid assessment is later adjusted as a result of a decision in an administrative appeal hearing or as a result of a final court decision or settlement of a lawsuit or payment of a refund claim, pertaining to an underpayment or overpayment of the UUT during the audit period for which the original assessment was paid, the Contractor’s compensation based on the original assessment shall be adjusted accordingly (*i.e.*, increased or decreased). The compensation adjustment shall apply the compensation percentage (see subsection C below) that would have been applicable if the adjustment took place at the time of payment of the original assessment. Contractor shall provide CITY with a monthly Performance Report to substantiate the Net Additional Revenue generated under this Agreement.

**B. Eligibility Periods**

- 1) **Utility review and audit compliance services.** For discovery, audit, and tax compliance review services performed by Contractor for gas or electric (Article 1.1), and for audit and tax compliance review services performed for communications (Article 1.2B.), eligible periods shall include all months in statute prior to Contractor obtaining correction (*i.e. recovery of past revenues owed*) of the error/omission up to thirty six (36) months. In certain situations Contractor’s corrections may not result in the recovery of past revenues for a total of thirty-six (36) months. In those situations, Net Additional Revenues will include the additional UUT revenues received by the CITY for no more than a total of thirty-six (36) months starting from the earliest tax period corrected. If CITY determines that a correction of a specific issue in an audit or other tax compliance action should be given “prospective” effect from the date of correction (e.g., exemption or geocode correction), then Contractor’s percentage would apply to the new revenue resulting from the correction for the thirty-six months following the commencement of the prospective correction.
- 2) **Communications discovery services.** For discovery services performed by Contractor for communications (Article 1.2A), eligible periods shall include all

months in statute prior to Contractor obtaining correction (*i.e. recovery of past revenues owed*) of the error/omission up to twenty-four (24) months. If such past period is less than twenty-four (24) months or if no past periods are involved, Net Additional Revenues will include the additional revenues received by the City, for up to twenty-four (24) months from the earliest tax period corrected, provided that the entire compensation period (including past periods) does not exceed a total of twenty-four (24) months.

C. **Compensation Percentages.** Calculation of Contractor's compensation for its Article 1.1 and 1.2 compliance activities shall be subject to the percentages, as noted below. Said percentages shall be applied to the Net Additional Revenues paid to the City as a direct result of Contractor's Article 1.1 and 1.2 compliance activities.

- 1) When able to achieve compliance from service providers and/or taxpayers without assistance from the City, Contractor shall receive the following percentages of the aggregate net additional revenues generated over the term of the Contract as a direct result of Contractor's efforts as noted in the table below:

<b>Aggregate Net Additional Revenues Generated</b>	<b>Compensation Percentage</b>
From \$0 to \$700,000	22.5%
Over \$700,000	9%

- 2) For those accounts where Contractor is unable to achieve compliance from service providers and/or taxpayers without assistance from the CITY, or where Contractor is unable to determine individual service providers' or taxpayers' UUT liability without City assistance, then the compensation percentage for the Contractor will be 9% of the aggregate net additional revenue paid to the City from those accounts regardless of the total amount of net additional revenue paid to the City.
- 3) For purposes of clarification regarding paragraphs 1), and 2 immediately preceding this paragraph, City assistance includes but is not limited to: use of the City's Administrative Remedy process; Citywide collections; Lien Program; Settlement Bureau; or various other City enforcement programs. City assistance does not include: issuance of an administrative subpoena at the request of a service provider; issuance of a Request for Information (RFI); processing of an audit based on tax measure information determined by Contractor and provided to City; or issuance of a Notice of Assessment based on tax measure information determined by Contractor and provided to CITY.

D. Contractor will not be compensated where its efforts lead only to the identification

of either utility service providers or taxpayers that are correctly paying the UUT due but are simply not correctly registered with the CITY as the result of name changes, mergers, or consolidations.

Contractor will be compensated for its Article 1.1 and 1.2 compliance activities if it is discovered that utility service providers or taxpayers are not paying the UUT, or remitting the UUT incorrectly, under a new or different name. It is the responsibility of the Contractor to initiate collections against such entities.

- E. Notwithstanding expiration or termination of this Agreement, CITY shall be obligated to pay Contractor for services performed through the effective date of expiration or termination for which Contractor has not been previously paid. In addition, because the services performed by Contractor prior to expiration or termination may result in CITY's, actual receipt of revenue after expiration or termination which are subject to Contractor's fee in accordance with Article IV of this Agreement, CITY shall provide to Contractor such information as is necessary for Contractor to calculate the compensation due for a period up to 36 months for compliance activities described in Article 1.2B and for a period of 24 months for discovery activities described in Article 1.2A after the expiration or termination of this Agreement. After this period, Contractor will no longer receive any compensation for services performed through the effective date of expiration or termination.
- F. There will be no additional compensation due from CITY for Corollary Consulting Services.
- G. Contractor shall not be responsible for reviewing refund claims by a Service Provider/Customer, unless requested by the CITY to do so, and the refund claim involves an alleged tax over-payment that arises during the period of an audit being performed by Contractor.
- H. It is understood that Contractor has initiated compliance activities, under the prior Agreement dated December 22, 2005 (and as amended), in connection with the potential CUT providers on the TARGET LIST on Exhibit A. The parties agree that Contractor shall continue to complete such compliance activities under this Agreement. For purposes of calculating compensation, all compliance activities initiated by Contractor under the Agreement dated December 22, 2005 (and as amended), in connection with the potential CUT providers on the TARGET LIST on Exhibit A, resulting in Net Additional Revenues received by CITY after the expiration of said December 22, 2005 Agreement (and as amended) shall be deemed to have been provided by Contractor under this Agreement and pursuant to the compensation provisions hereof.
- I. City shall pay Contractor within 45-days after receiving payment from a UUT or

CUT provider if the Contractor's invoice item is verified and the invoice item is undisputed. If CITY withholds any invoiced amount, which it disputes, CITY must pay all undisputed amounts on the invoice within the agreed payment period and promptly notify Contractor in writing of the specific amount in dispute and the reasons why it disputes the amounts. In the event of a dispute over the amount of compensation due to the Contractor, Contractor shall have 30 days after CITY's payment of a CITY's revised invoice to file a written protest with the Chief Tax Compliance Officer II of the Tax and Permit Division stating the basis for the protest. The Chief Tax Compliance Officer II shall render an opinion within 45 days of receiving the protest or as soon as reasonably practicable. The Chief Tax Compliance Officer II's decision shall be final and not subject to appeal.

#### **ARTICLE V - TERM**

The initial term of the Agreement shall be for a three-year period commencing upon the effective date, which is that date on which CITY executes the contract. This agreement may be extended on a year-to-year basis for up to two additional years, if both parties agree to the extension.

#### **ARTICLE VI - TERMINATION OF SERVICE**

Either party may terminate this agreement, by thirty (30) day written notice as provided in this section, at any time after the effective date of this Agreement. Upon termination of the Agreement as provided herein, Contractor shall be entitled only to the compensation as described in Article IV of this Agreement.

In the event that ownership of Contractor should change during the life of this agreement, Contractor agrees to ensure that all provisions of this agreement shall be honored under any new ownership.

#### **ARTICLE VII - GENERAL PROVISIONS**

##### **7.1 Confidentiality of Information**

All information and data received by Contractor from CITY utility service provider files shall be regarded as confidential under Section 21.17 of the Los Angeles Municipal Code and other applicable law. Any release of information, data or correspondence related to the City utility service providers or their representatives is prohibited unless the Chief Tax Compliance Officer II of the Tax and Permit Division has reviewed the proposed documentation and has given written approval for such release.

Additionally, Contractor may not release redacted information, data or correspondence related to CITY utility service providers or their representatives without written approval

from the Chief Tax Compliance Officer II of the Tax and Permit Division.

## **7.2 Ownership of Information**

All information received by Contractor during the term of the Agreement will be considered property of CITY and may not be disclosed without written approval from the Chief Tax Compliance Officer II of the Tax and Permit Division. This information shall be returned to the CITY at the conclusion of this contract.

## **7.3 Contractor's Work papers**

The CITY shall have the right to examine Contractor's Work papers for a period of three (3) years after final reports are approved by the CITY or its representative.

## **7.4 Notices**

All notices given hereunder shall be deemed delivered within three (3) days if placed in the U.S. Mail, first class postage prepaid, and delivered to the following:

**FOR Contractor:**  
MuniServices, LLC  
7625 North Palm Ave., Suite 108  
Fresno, CA 93711  
Attn: Legal Department  
E-mail: [legal@muniservices.com](mailto:legal@muniservices.com)

**FOR CITY:**  
City of Los Angeles, Office of Finance  
200 N. Spring St., Room 220  
Los Angeles, CA 90012  
Attn: Robert Lee  
E-mail: [robert.lee@lacity.org](mailto:robert.lee@lacity.org)

Notice delivered by E-mail or facsimile shall be deemed delivered upon electronic confirmation of receipt.

## **ARTICLE VIII - INCORPORATION OF STANDARD PROVISIONS**

Hereby incorporated by reference into this Agreement are the "Standard Provisions for City Contracts (Rev. 3/09)" which are attached hereto and identified as Appendix A. Also incorporated by reference are the CITY's RFP and Contractor's proposal which are attached hereto and identified as Appendix B and C, respectively.

In the event of any inconsistency between any of the provisions of this Agreement (including amendments thereto) and the documents incorporated by reference, the inconsistency shall be resolved by giving precedence in the following order:

- 1) Sections of this Agreement (including amendments thereto)
- 2) Standard Provisions for City Contracts (Rev. 3/09)
- 3) The CITY's RFP
- 4) Contractor's Proposal.

**IN WITNESS THEREOF, the parties hereto have caused this instrument to be signed by their respective duly authorized officers:**

**Approved Corporate Signature Methods:** (Please sign in blue ink)

- a) **Two Signatures:** one by Chairman of Board of Directors, President, or Vice President; and one by Secretary, Assistant Secretary, Chief Financial Officer, or Assistant Treasurer. **OR**
- b) **One signature** by Corporate designated individual together with properly attested resolution of Board of Directors authorizing person to sign on the company's behalf.

**CITY OF LOS ANGELES**

**MuniServices, LLC**

By: \_\_\_\_\_  
Antoinette Christovale, CPA  
Director of Finance / City Treasurer

By: \_\_\_\_\_  
Doug Jensen  
Sr. Vice President, Client Services

Date: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_  
*Signature*

Name: \_\_\_\_\_  
*Printed / Typed*

Title: \_\_\_\_\_  
*Printed / Typed*

Date: \_\_\_\_\_

**APPROVED AS TO FORM:**  
Michael N. Feuer, City Attorney

**ATTEST:**  
Holly L. Wolcott, City Clerk

By: \_\_\_\_\_  
Deputy City Attorney

By: \_\_\_\_\_  
Deputy City Clerk

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## PERSONNEL DEPARTMENT CONTRACT REVIEW REPORT

1. Requesting Department: Office of Finance
2. Contacts: Department: Ken White Phone: (213) 978-1510 Fax: (213) 978-1760  
 CAO: Maria Gutierrez Phone: (213) 473-7536 Fax: (213) 473-7511
3. Work to be performed: The Office of Finance is intending to establish another contract with MuniServices, LLC (Contractor) to continue the development and maintenance of the City's comprehensive Utility Users Tax (UUT) compliance review/revenue recovery program to ensure the City is receiving all the revenue to which it is entitled. In addition, the Contractor will continue to provide consulting services on pending legislation, regulatory change and emerging technologies that could impact the City's UUT revenues, or which could require the updating of the City's UUT ordinance. The Contractor is experienced in gas and electric deregulation, telecommunications technologies including wireless services, Voice Over Internet Protocol (VoIP), broadband and other services that may replace/complement existing telecommunications services and federal excise taxation.
4. Is this a contract renewal? Yes  No
5. Proposed length of contract: 3 years plus two (2) one-year renewal extensions  
 Proposed Start Date: July, 2012
6. Proposed cost of contract (if known): Contingency Fee based on the additional revenue received by the City as a result of the Contractor's efforts.
7. Name of proposed contractor: MuniServices, LLC [Previous Contract #C-109426]
8. Unique or special qualifications required to perform the work: According to the Department, the Contractor must have thorough knowledge and experience of Utility Users Taxes, access to legislation at both the Federal and State levels, and knowledge of the operation of utilities such as gas, electric and telephone. The Contractor must have experience in providing UUT reviews and consulting services to public agencies, with a special emphasis on California telecommunications, and should have recovered, as a result of the Contractor's efforts, significant amounts in UUT revenue for its clients.
9. Are there City employees that can perform the work being proposed for contracting?

Yes  No

a. List classes & codes, Departments, and current eligible lists.

Class & Code	Departments	Eligible List Expires
Tax Auditor, 1514	Finance	5/15/2012 – Continuous
Senior Tax Auditor, 1519	Finance	10/18/2012
Telecommunications Planning & Utilization Officer, 7640	ITA	No List
Telecommunications Regulatory Officer, 7650	ITA	No List
Telecommunications Planner, 7642	ITA	No List; Reserve List (1 name)
Senior Communications Engineer,	ITA	8/2/2013



7614		
Communications Engineer, 7610	ITA	4/12/2013
Systems Analyst, 1455	ITA, DWP, Airports	No List; Reserve List (6 names)
Systems Programmer, 1596	ITA, DWP, Airports, PW Engineering, PW Sanitation, Police	No List; Reserve List (1 name)

- b. Is there sufficient Department staff available to perform the work? Yes  No
- c. Estimated time to fill position(s) through CSC process? 60 days to 8 months
- d. Can the requesting department continue to employ staff hired for the project after project completion? Yes  No
- e. Are there City employees currently performing the work? Yes  No

10. Findings

- City employees DO NOT have the expertise to perform the work
- City employees DO have the expertise to perform the work
- Check if applicable (explanation attached) and send to CAO for further analysis
- Project of limited duration would have to layoff staff at end of project
- Time constraints require immediate staffing of project
- Work assignment exceeds staffing availability

DISCUSSION: The Department indicated that these services are contracted as a supplement to its staff efforts in ensuring that the City is receiving all the utility users tax revenue to which it is entitled. The Department does not have the budgetary resources or position authorities available to hire the necessary staff. In addition, the Contractor will provide technical analysis of current issues and legislation that could likely affect the collection of the UUT. This program will be funded on a contingency fee basis from only the additional revenue realized by the City.

Submitted by:

Mei Nieman  
Mei Nieman, Sr PA I

Reviewed by:

Shelly Del Rosario  
Shelly Del Rosario, Sr PA II

Approved by:

Raul Lemus  
Raul Lemus, Chief PA

Date:

2/23/12

No  **No City staff are available to be assigned to these tasks except by diverting them from other revenue generating tasks.**

10. Can the department hire the required number of staff within the required time frame? **No** Explain. **The Office of Finance does not have budgetary resources to hire additional staff.**

11. Are there City employees in your department currently performing this work?

Yes  List job classifications:

No

12. Have City employees in your department performed this work in the past?

Yes  List job classifications used:

No

13. If the project is of a limited duration:

The department could absorb the employees at the end of the project

The employees would have to be laid off at the end of the project

**The Office of Finance does not have budgetary resources to hire or absorb additional staff.**

**Please submit to: Personnel Department, Classification Division,  
Room 320, M.S. 391**

## PERSONNEL DEPARTMENT 1022 INFORMATION FORM

1. Requesting Department: Office of Finance

2. Contacts

Department: Ken White Phone No. 213-978-1510 Fax No. 213-978-1760

CAO: Maria Gutierrez Phone No. 213-473-7536 Fax No. 213-473-7511

3. Describe work to be performed and duties and tasks involved.

**These services are contracted as a supplement to the Office of Finance (OOF) staff's efforts in ensuring that the City is receiving all the Utility Users Tax revenue to which it is entitled. In addition, the contractor will provide technical analysis of current issues and legislation that could likely affect the collection of the Utility Users Tax.**

4. Is this a new contract? Yes  No

5. Is this an amendment? Yes  No

6. Proposed length of contract: 3 years + 2 one-year options

Proposed Start Date: July, 2012

Proposed cost of contract: \$ Contingency Fee based on the additional revenue received by the City as a result of the contractor's efforts.

7. Unique or special qualifications required to perform the work:

**Special qualifications include a thorough knowledge of Utility Users Taxes, access to legislation at both the Federal and State levels, and knowledge of the operation of utilities such as gas, electric and telephone.**

8. Is there sufficient staff in your department with the appropriate expertise to perform the work?

Yes  List job classifications:

No  Please explain. **The Department cannot assign staff to these tasks except by diverting them from other revenue generating tasks. The Office of Finance does not have budgetary authority to hire additional staff to perform these tasks.**

List any training that would provide staff with the expertise to perform the work. **N/A**

9. Can the work to be performed be split between City employees and contractors with special expertise?

Yes  List job classifications: