

HAYWARD CITY COUNCIL

RESOLUTION NO. 23- _____

Introduced by Council Member _____

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH MUNISERVICES, LLC FOR SALES USE TAX MANAGEMENT AND AUDITING SERVICES FOR THREE YEARS WITH THE OPTION TO EXTEND FOR TWO ADDITIONAL ONE-YEAR PERIODS

WHEREAS, the City Council of the City of Hayward deems is desirable and necessary for authorized officers, employees and representatives of the City to utilize professional sales use tax management and auditing services to continue compliance of the City's sales use tax reporting; and

WHEREAS, in July 2022, the City conducted a competitive RFP process, which included municipal sales use tax and auditing services; and

WHEREAS, following a thorough review of the four responsive proposers, the City determined MuniServices was the most qualified tax management firm to submit a proposal; and

WHEREAS, MuniServices, LLC submitted a proposal with the following compensation terms:

- Sales, Transaction and Use Tax Allocation Audits and Information Services (STARS) - 15% of the new sales, transactions and use tax revenue received by the City as a result of MuniServices detecting and correcting the related point-of-sale/use distribution error.
- Utility Users' Tax/Franchise Compliance and Revenue Protection (UUT) - 0.5% of the total UUT revenues received, with a minimum of \$15,000. Franchise Fee compliance and audit services will have a 25% contingency fee.
- Transient Occupancy Tax and Compliance Program (TOT) - The contingency fee for these services is 28% or \$1600 per hotel.
- Local Tax Compliance Program (LTC) - Compensation for these services is at 33% of additional revenue received and \$125 per hour for cannabis tax auditing.
- This results in compensation of approximately \$240,000 per year for three years.

WHEREAS, the annual fiscal operating budget allocates funding to cover this annual expense.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that the City Manager is hereby authorized and directed to execute an agreement with MuniServices, LLC for a period of three years, with the option to extend for two additional one-year periods, in a form to be approved by the City Attorney.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2023

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
 MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
 City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward