



Legislation Details (With Text)

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On agenda: 11/9/2022 **Final action:**

Title: Authorize a three-year professional service contract, with two one-year renewal options, for sales tax compliance review and recovery services for the Office of the City Auditor - Avenu Insights and & Analytics, LLC, most advantageous proposers of five - Estimated Annual Net Revenue: \$735,000 \$4,320,000 (see Fiscal Information)

Sponsors:

Indexes: 100

Code sections:

Attachments: 1. Resolution

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
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STRATEGIC PRIORITY: Government Performance & Financial Management

AGENDA DATE: November 9, 2022

COUNCIL DISTRICT(S): All

DEPARTMENT: Office of Procurement Services

EXECUTIVE: Jack Ireland

SUBJECT

Authorize a three-year professional service contract, with two one-year renewal options, for sales tax compliance review and recovery services for the Office of the City Auditor - Avenu Insights and & Analytics, LLC, most advantageous proposers of five - Estimated Annual Net Revenue: \$735,000 \$4,320,000 (see Fiscal Information)

BACKGROUND

This service contract will provide sales tax compliance review and recovery services for the Office of the City Auditor. This contract will allow the contractor to work directly with identified businesses to achieve voluntary sales and use tax compliance by assisting the businesses with tax code interpretations and preparing amended tax returns. If companies do not voluntarily comply, referrals are made to the Texas Comptroller of Public Accountants requesting audit assistance to achieve compliance.

The City will pay Avenu Insights and & Analytics, LLC 24 20 percent of the sales and use tax revenue received by the City from the correction of taxpayer reporting errors detected and documented by the

~~Sales and Use Tax Compliance Review as follows.~~

The ~~24~~ 20 percent contingency fee:

- Based on the revenue received by the City as a result of the work completed by Avenu Insights ~~and~~ & Analytics, LLC
- Applies to all sales and use tax revenues corrected for the City for any periods prior to the date of correction
- Applies to revenues received for the first eight consecutive reporting quarters following the date of correction

~~The Office of the City Auditor validates the additional sales and use tax collection and associated contingent fees quarterly. The most recent contract identified over \$8 million in additional sales and use tax collections for the City over four years and three months.~~

~~A four-member committee from the following departments reviewed and evaluated the qualifications:~~

- Office of the City Auditor (3)
- Office of Procurement Services (1)*

~~*The Office of Procurement Services evaluated cost and local preference, if applicable.~~

~~The committee selected the successful respondent based on demonstrated competence and qualifications under the following criteria:~~

- Contingency fee structure 30 points
- Approach and methodology 30 points
- Experience 25 points
- Project staffing 15 points

~~As part of the solicitation process and to increase competition, the Office of Procurement Services used its procurement system to send out email notifications to vendors registered under relevant commodity codes. To further increase competition, the Office of Procurement Services used historical solicitation information, the Internet, and vendor contact information from user departments to contact additional vendors.~~

~~On November 10, 2015, the City Council authorized a living wage policy that requires contractors to pay their employees a "living wage" rate as established annually by the Massachusetts Institute of Technology Living Wage Calculator for Dallas County by Resolution No. 15-2141. The current calculated living wage during the solicitation process of this contract is \$15.21; the selected vendor meets this requirement.~~

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

~~On September 8, 2010, City Council authorized a three-year professional services contract, with three one-year renewal options, for sales tax compliance review and recovery services with MuniServices, LLC by Resolution No. 10-2268.~~

On August 14, 2013, City Council authorized Supplemental Agreement No. 1 to exercise the first of three one-year renewal options of the professional services contract with MuniServices, LLC for sales tax compliance review and recovery services extending the term through September 7, 2014, by Resolution No. 13-1284.

On August 13, 2014, City Council authorized supplemental agreement no. 2 to exercise the second of three one-year renewal options of the professional services contract with MuniServices, LLC for sales/use tax compliance review and recovery services extending the term through September 7, 2015, by Resolution No. 14-1214.

On February 10, 2016, City Council authorized a three-year professional services contract, with two one-year renewal options, for sales tax compliance review and recovery services with TexasCityServices, LLC by Resolution No. 16-0266.

FISCAL INFORMATION

Estimated Annual Net Revenue: ~~\$735,000~~ \$4,320,000 (Potential gross Sales & Use Tax recoveries in the annual amount of \$1,800,000 reduced by the contingency fee of 20 percent in the amount of \$360,000, totaling a net revenue of \$1,440,000 annually for each of the 3 years in the term).

M/WBE INFORMATION

In accordance with the City's Business Inclusion and Development Policy adopted on September 23, 2020, by Resolution No. 20-1430, as amended, the M/WBE participation on this contract is as follows:

| Contract Amount | Procurement Category | M/WBE Goal |
|--|----------------------|--------------------------------|
| \$735,000.00 <u>\$4,320,000.00</u> | Revenue | N/A |
| M/WBE Subcontracting % | M/WBE Overall % | M/WBE Overall Participation \$ |
| N/A | N/A | N/A |
| • The Business Inclusion and Development Policy does not apply to Revenue contracts. | | |
| • Avenu Insights and <u>&</u> Analytics, LLC – Local; Workforce – 100.00% Local | | |

PROCUREMENT INFORMATION

Method of Evaluation for Award Type:

| | |
|----------------------|--|
| Request for Proposal | <ul style="list-style-type: none"> • Utilized for professional, personal, revenue, and planning services • Recommended offeror is the responsible offeror whose proposal most closely meets established criteria for the services advertised, based on demonstrated competence and qualifications at a fair and reasonable price • Always involves the evaluation by a committee • Allows for negotiation on contract terms, including price |
|----------------------|--|

The Office of Procurement Services received the following proposals from solicitation number BDZ22

~~-00018077. We opened them on April 8, 2022. We recommend that the City Council award this professional service contract in its entirety to the most advantageous proposer.~~

~~*Denotes successful proposer~~

| <u>Proposers</u> | <u>Address</u> | <u>Score</u> |
|---|--|---------------------|
| *Avenu Insights and & Analytics, LLC | 8600 Harry Hines Boulevard Dallas, TX 75235 | 90.33 |
| TexasCityServices, LLC | 2840 Keller Springs Road Suite 102 Carrollton, TX 75006 | 88.00 |
| Hdl Companies | 9821 Katy Freeway Suite 440 Houston, TX 77024 | 80.00 |
| Azavar Government Solutions, Inc. | 55 East Jackson Boulevard Suite 2100 Chicago, IL 60604 | 79.67 |
| M R Professional Resources, LLC | 1441 Canal Street Suite 211 New Orleans, LA 70112 | 28.00 |

OWNER

~~Avenu Insights and & Analytics, LLC~~

~~Paul Colangelo, Chief Executive Officer~~