



# Contra Costa County

To: Board of Supervisors  
From: David Twa, County Administrator  
Date: June 16, 2020

Subject: Contract Amendment with Hinderliter, de Llamas and Associates

## **RECOMMENDATION(S):**

APPROVE and AUTHORIZE the County Administrator, or designee, to execute a contract amendment with Hinderliter, de Llamas and Associates (HdL), effective July 1, 2020, to increase the payment limit by \$300,000 to a new payment limit of \$725,000 and extend the term from June 30, 2020 through June 30, 2023, to continue providing Sales Tax Audit and Information Services, as recommended by the County Administrator.

## **FISCAL IMPACT:**

The contract costs are based on two factors; a flat annual fee for sales tax information/technical assistance, and 15% of new sales and use tax revenues recovered by the County as a result of HdL's audit. Historically, the County has recovered substantially more revenue than the cost of this contract. (100% General Fund)

## **BACKGROUND:**

Hinderliter, de Llamas and Associates (HdL) developed California's first computerized sales tax management program and secured the legislation that allows independent verification of the State Board of Equalization's allocation of sales tax revenues to local governments.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY  
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD  
COMMITTEE

Action of Board On: **06/16/2020** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

## **VOTE OF SUPERVISORS**

AYE: John Gioia, District I Supervisor  
Candace Andersen, District II Supervisor  
Diane Burgis, District III Supervisor  
Karen Mitchoff, District IV Supervisor  
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: June 16, 2020

David Twa, County Administrator and Clerk of the Board of Supervisors

Contact: Tim Ewell, Chief Assistant  
County Administrator (925)335-1036

By: Laura Cassell, Deputy

cc:

#### BACKGROUND: (CONT'D)

The County began contracting with HdL in 2002 to monitor sales and use tax receipts, and to identify, correct and recover allocation errors that impact the County's revenue. HdL has been very successful in locating mis-allocated revenues on behalf of the County.

Additionally, HdL is an expert in sales tax revenue forecasting. Revenue forecasting has become increasingly difficult over the years due to substantial fluctuations. A lack of monthly or annual revenue patterns require a more in-depth analysis of sales tax revenue. HdL provides in-depth quarterly sales tax information and specialized analysis to the County. The need for detailed sales tax information is essential to revenue forecasting and economic development planning.

#### CONSEQUENCE OF NEGATIVE ACTION:

The County will not have comprehensive resources to recover mis-allocated sales and use tax revenue.