

BOARD OF DIRECTORS

ACTION ITEM

Item Number: BA2020-57

Meeting Date: May 18, 2020

Item Title: Award of Contract for Sales Tax Review Services

BACKGROUND

Senate Bill 636 amended Texas Tax Code Sec. 321.3022 to allow transit agencies (defined as other local governmental entities) to receive the confidential sales/use tax report (the "Report") that may be used for economic forecasting and /or internal auditing of sales/use taxes. The Report is prepared by the State Comptroller's office. Cities have received the Report for a number of years.

The approval of this contract will allow the selected firm to perform a review of Trinity Metro's data per the report concerning sales/use tax remittances in an effort to ensure proper application of such sales/use tax. Businesses found to have misapplied past local taxes will likely be due to:

- Improper information on the sales/use tax permit; or
- Have proper information on the sales/use tax permit, but have misapplied Texas tax law as it relates to local tax sourcing.

The selected firm under this contract will have the capability to recover un-reported sales tax for Trinity Metro through the State Controller's office.

PROCUREMENT

In accordance with Trinity Metro's Procurement Policy, Request for Proposal (RFP 20-T022) for Sales Tax Review Services, was issued on February 7, 2020.

Three firms responded to the RFP and complied with the RFP solicitation requirements. Responses were received from:

Firms

Avenu Insights & Analytics, LLC

Proposed Fees

\$25% Contingency fee fixed for the term of the contract

Optional Reporting Services each year, payable from the recovered tax amounts

Year 1 - Complimentary

Year 2 - \$18,000

Year 3 - \$18,000 Plus Consumer Price Index (CPI) adjustment

Year 4 - \$18,000 Plus Consumer Price Index (CPI) adjustment

Year 5 - To be negotiated, if used

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Bassirah Consulting LLC
Year 1 - \$89,000
Year 2 - \$91,670
Year 3 - \$94,420
Year 4 - \$97,252
Year 5 - \$100,170.18

Tinnard Holdings, LLC
Year 1 - \$22.50 per hour
Year 2 - \$23.75 per hour
Year 3 - \$25.00 per hour
Year 4 - \$26.25 per hour
Year 5 - \$27.50 per hour

Trinity Metro’s Procurement Department has followed procurement policy with the Request for Proposal and is in compliance with all applicable Federal, State, and Trinity Metro procurement requirements.

FINANCING

The selected firm, Avenu Insights and Analytics, LLC (Avenu) is proposing a contingent fee structure for sales tax recovery so budgeted funds are not expended. Avenu will perform a review of Trinity Metro’s sales/use tax remittances and other related information in an effort to ensure that Trinity Metro is receiving all the sales taxes to which it is entitled. The cost, if any, of this contract will be funded from additional sales tax receipts.

DBE UTILIZATION

This type of work has no material subcontracting, however, a Disadvantaged Business Enterprise (DBE) subcontracting goal of 5% was established. DBE participation, was encouraged in this Request for Proposal as part of Trinity Metro’s General Provisions and consistent with Trinity Metro’s DBE Program.

RECOMMENDATION

The Finance and Audit Committee recommends that Trinity Metro Board of Directors authorize the President/Chief Executive Officer to enter into a five (5) year, 100% contingency based contract with Avenu Insights & Analytics, LLC to provide Sales Tax Review services.

Disposition by Board of Directors

DocuSigned by:


May-20-2020

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Secretary Approval:

DATE

