

Questions & Answers related to RFP

1. Will the City provide a list of current and upcoming construction projects they will allow vendor to work on? For example, is the airport expansion a project the selected vendor could work on.

*The City will provide a list of current and upcoming construction projects that we are aware of to the selected proposer. We expect to collaborate with the successful proposer on identifying select projects for the Business Cooperation Program. The airport expansion would be a project that definitely qualifies.*

2. Will the City expect any Use Tax Sharing Agreement with a participating company be netted against the county pool revenue the city would already receive should the local tax go to the Santa Clara County pool?

*Yes.*

3. Will the City please expand on the intent of the Use Tax Sharing Agreement, and what they have in mind with such agreements?

*The City is interested in creating Use Tax Sharing Agreements with companies as an incentive for companies to more proactively report and accrue use tax (directly?) to the City. The vision is for the participating company to be reimbursed some percentage of the net new tax revenue (that is reported by them) as an incentive and or compensation for incurring the additional administrative burden for accruing use tax and remitting directly to the City.*

4. The RFP is seeking qualified firms “to provide technical assistance, use tax reviews, and corollary services to the City.” However, the deliverables seem to be expecting the selected vendor to perform all aspects of a BCP program. Can the City please detail what activities they will perform?

*The City intends this to be a collaborative process with the successful proposer. The City will identify projects it's aware of that would be candidates for the BCP. In addition, the City will reach out to these companies and market the program and provide the lead into the company. The successful proposer would be providing direct technical assistance to companies in terms of proper accrual and reporting methods once an agreement is entered into between the City and participating BCP company. [John – if both city and proposer are soliciting companies to participate, how do you determine if the proposer is entitled to a % of the net new tax?]*

5. The City's existing agreement in place with a firm to provide services related to sales tax audits is not technically accurate. The contract contains both sales and use tax audits including transactions over \$500,000 and use tax misallocations to the County Pools. Can the City clarify this RFP is specific to working with construction projects and local businesses to obtain and use Direct Pay Permits to increase use tax to the City?

*The scope of services under the City's existing Sales and Use Tax Audit Agreement does not address the services contemplated in this RFP for the Business Cooperation Program. The intent of the Business Cooperation Program is two fold. The first is to encourage businesses that meet State Board of Equalization requirements/thresholds to allocate use tax when and where appropriate. To encourage companies to be more proactive in this behavior, the City is looking to have Use Tax Agreements in place that would provide compensation back to the firm for taking on the additional administrative burden. The second goal is attempting to have Agreements in place before taxable transactions are occurring versus having audits after the fact. The audit component is an integral piece to maintaining city revenue, however the intent of this specific program is to prospectively identify opportunities versus retrospectively.*

6. Should the consultant's efforts result in increases to other City revenues such as business license, grants, etc, would those revenues be considered toward the consultant's contingent fee calculation, if proposed on a contingency fee basis?

*No.*

7. Page 20, Attachment G "Conflict of Interest Form" appears to be for City Employees and not respondents. Please clarify.

*All proposers must complete Attachment G.*

8. Page 6, III.B.: Conflict of Interest paragraphs B & C. Because the scope in this RFP is related to the scope already being provided by your current sales and use tax vendor, would proposing on this RFP prohibit proposing on future sales and use tax audit contracts? Please clarify both paragraphs.

*No. The successful proposer for this RFP would not be prohibited from proposing on future sales and use tax audit contracts. The City intends to keep the scope of work to be performed under the Business Cooperation Program Agreement separate from the scope of work to be performed under the Sales and Use Tax Audit Agreement. Payment under each Agreement will be made pursuant to work performed under the terms and conditions of the separate Agreements. The City's current Sales and Use Tax Audit Agreement does not contemplate a Business Cooperation Program.*