

REQUEST FOR COUNCIL ACTION CITY OF SAN DIEGO	CERTIFICATE NUMBER (FOR COMPTROLLER'S USE ONLY)
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TO: CITY COUNCIL	FROM (ORIGINATING DEPARTMENT): Financial Management	DATE: 4/3/2014
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SUBJECT: Sales Tax, Use Tax, Property Tax Audit and Recovery, and Information Services

PRIMARY CONTACT (NAME, PHONE): Irina Kumits, 619-235-5714	SECONDARY CONTACT (NAME, PHONE): Matt Vespi, 619-236-6882
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COMPLETE FOR ACCOUNTING PURPOSES

FUND					
FUNCTIONAL AREA					
COST CENTER					
GENERAL LEDGER ACCT					
WBS OR INTERNAL ORDER					
CAPITAL PROJECT No.					
AMOUNT	0.00	0.00	0.00	0.00	0.00

FUND					
FUNCTIONAL AREA					
COST CENTER					
GENERAL LEDGER ACCT					
WBS OR INTERNAL ORDER					
CAPITAL PROJECT No.					
AMOUNT	0.00	0.00	0.00	0.00	0.00

COST SUMMARY (IF APPLICABLE):

ROUTING AND APPROVALS

CONTRIBUTORS/REVIEWERS:	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED
Environmental Analysis	ORIG DEPT.	Kumits, Irina	04/04/2014
Equal Opportunity Contracting	CFO		
Liaison Office	DEPUTY CHIEF		
	COO		
	CITY ATTORNEY	Will, Brant	04/04/2014
	COUNCIL PRESIDENTS OFFICE		

PREPARATION OF: RESOLUTIONS ORDINANCE(S) AGREEMENT(S) DEED(S)

1. Authorize the one-year agreement with four additional one-year option periods between the City and HdL Companies to provide sales, use, and property tax audit and recovery, and information services for a contingency fee on new sales, use, and property tax revenue recovered by the consultant.

2. Authorize HdL Companies to examine, on the City's behalf, confidential taxpayer information contained in the records of the State Board of Equalization (BOE) per the requirements contained in the State of California Revenue and Taxation Code.

3. Authorize the Mayor, the Chief Operating Officer, the Chief Financial Officer, or other officer or employee of the City as designated to the BOE in writing by the Mayor, the Chief Operating Officer or the Chief Financial Officer to represent the City with authority to examine BOE records pertaining to sales and use taxes collected for the City by the BOE and for purposes related to the governmental functions of the City.

STAFF RECOMMENDATIONS:

Approve requested actions.

SPECIAL CONDITIONS (REFER TO A.R. 3.20 FOR INFORMATION ON COMPLETING THIS SECTION)

COUNCIL DISTRICT(S):	ALL
COMMUNITY AREA(S):	Citywide
ENVIRONMENTAL IMPACT:	This action is exempt from CEQA pursuant to Section 15060 (c)(3) of State CEQA guidelines
CITY CLERK INSTRUCTIONS:	Send a copy of adopted resolution to Irina Kumits, MS 8A

COUNCIL ACTION
EXECUTIVE SUMMARY SHEET
CITY OF SAN DIEGO

DATE: 4/3/2014

ORIGINATING DEPARTMENT: Financial Management

SUBJECT: Sales Tax, Use Tax, Property Tax Audit and Recovery, and Information Services

COUNCIL DISTRICT(S): ALL

CONTACT/PHONE NUMBER: Irina Kumits/619-235-5714

DESCRIPTIVE SUMMARY OF ITEM:

This action would authorize the one-year agreement with four additional one-year option periods between the City and HdL Companies (HdL) to provide sales, use, and property tax audit and recovery, and information services for a contingency fee on new sales, use, and property tax revenue recovered by the consultant. This action would also authorize HdL to examine, on the City's behalf, confidential taxpayer information contained in the records of the State Board of Equalization (BOE), and authorize the Mayor, COO, CFO or other officer of the City to represent the City with authority to examine BOE records pertaining to sales and use taxes collected for the City by BOE.

STAFF RECOMMENDATION:

Approve requested actions.

EXECUTIVE SUMMARY OF ITEM BACKGROUND:

In 1991, the City Council approved an agreement with Municipal Revenue Consultants (subsequently renamed to Municipal Revenue Advisors, to MBIA MuniServices, and finally to MuniServices, LLC) to provide sales and use tax and information services. In 1997, the City Council approved the renewal of an agreement with MuniServices, LLC (MuniServices), which incorporated the provisions of a previous contract and included new revenue enhancement services. From 1997 to 2003, MuniServices had been retained as a sole source consultant to the City. In 2003 and 2008, the City issued Requests for Proposals (RFP) and MuniServices was selected as the City's consultant based on the best value and the lowest bid. The City's agreement with MuniServices expired on March 23, 2014.

In September 2013, the City issued an RFP for the sales, use, and property tax audit and recovery, and information services that included the following:

- Sales and Use Tax Audit
- Sales Tax Analysis and Sales Tax Analysis Query System
- Property Tax Audit
- Geo-Area Database
- Property Tax Database

The City received two responses to this RFP. Both proposers were qualified to handle the required services for the City. By evaluating technical qualifications and the pricing of the proposals, HdL Companies (HdL) was selected based on the best value which included technical qualifications and the lowest bid. The original bids submitted by both companies were

competitive and responsive, and both companies were given the opportunity to submit a Best and Final Offer (BFO) for this RFP. HdL's BFO had lower costs compared to the competitor.

FISCAL CONSIDERATIONS:

The original bids submitted by both companies were very competitive and included price proposals of 18% contingency fee from MuniServices and 15% from HdL for sales and use tax audit service. For property tax audit service, MuniServices proposed a 25% contingency fee and HdL proposed a \$40,000 annual fee. The City's Evaluation Committee reviewed the financial impact of these proposals and offered both companies the opportunity to submit a Best and Final Offer (BFO) for this RFP. MuniServices lowered the sales and use tax audit contingency fee from 18% to 17% and property tax audit fee from 25% to 17%. HdL's BFO offered a tiered contingency fee structure (see below) for sales and use tax audit services and lowered the property tax audit fee from \$40,000 to \$36,000 annually. For individual petitions for high-value sales and use tax recoveries and significant one-time allocation adjustments, the City will pay HdL for recovered sales and use tax revenue based on a tiered contingency fee structure:

- 15% of the first \$1,000,000 of sales and use tax revenues recovered
- 10% for \$1,000,001 to \$2,500,000
- 5% for \$2,500,001 and higher

The City will pay HdL a contingency fee for retroactive back quarter reallocations and allocations received in the first six consecutive reporting quarters starting with the correction of the misallocation.

MuniServices generated on average approximately \$2-\$4 million in new (recovered) revenue per year for the City by performing the sales and use tax audit services and the City paid a contingency fee of 18% to the company. It is expected that HdL would continue to generate at least the same amount of new revenue per year for the City by performing these services.

By providing property tax audit services, MuniServices generated on average approximately \$350,000 in new revenue per year for the City, and it is expected that HdL would continue to generate at least the same amount of new revenue per year for the City by performing these services.

By selecting HdL as its consultant for sales, use, and property tax audit services, the City will save at least approximately \$80,000 annually as a result of a lower contingency fee for sales, use, and property tax audit services.

EQUAL OPPORTUNITY CONTRACTING INFORMATION (IF APPLICABLE):

This is subject to the City's Equal Opportunity Contracting (San Diego Ordinance No. 18173, Section 22.2701 through 22.2708) and Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Section 22.3501 through 22.3517).

PREVIOUS COUNCIL and/or COMMITTEE ACTION (describe any changes made to the item from what was presented at committee): None

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: N/A

KEY STAKEHOLDERS AND PROJECTED IMPACTS: N/A

Kumits, Irina

Originating Department

Deputy Chief/Chief Operating Officer



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: April 7, 2014 REPORT NO: 14-033
ATTENTION: Budget and Government Efficiency Committee
Agenda of April 16, 2014
SUBJECT: Sales, Use, and Property Tax Audit and Recovery, and Information
Services
REFERENCE: None

REQUESTED ACTIONS:

Authorize the one-year agreement with four additional one-year option periods between the City and HdL Companies to provide sales, use, and property tax audit and recovery, and information services for a contingency fee on new sales, use, and property tax revenue recovered by the consultant.

Authorize HdL Companies to examine, on the City's behalf, confidential taxpayer information contained in the records of the State Board of Equalization (BOE) per the requirements contained in the State of California Revenue and Taxation Code.

Authorize the Mayor, the Chief Operating Officer, the Chief Financial Officer, or other officer or employee of the City as designated to the BOE in writing by the Mayor, the Chief Operating Officer or the Chief Financial Officer to represent the City with authority to examine BOE records pertaining to sales and use taxes collected for the City by the BOE and for purposes related to the governmental functions of the City.

STAFF RECOMMENDATION:

Approve the requested actions.

SUMMARY:

I. Background

In 1991, the City Council approved an agreement with Municipal Revenue Consultants (subsequently renamed to Municipal Revenue Advisors, to MBIA MuniServices, and finally to MuniServices, LLC) to provide sales and use tax and information services. In 1997, the City Council approved the renewal of an agreement with MuniServices, LLC (MuniServices), which incorporated the provisions of a previous contract and included new revenue enhancement services. From 1997 to 2003, MuniServices had been retained as a sole source consultant to the City. In 2003 and 2008, the City issued Requests for Proposals (RFP) and MuniServices was

selected as the City's consultant based on the best value and the lowest bid. The City's agreement with MuniServices expired on March 23, 2014.

In September 2013, the City issued an RFP for the sales, use, and property tax audit and recovery, and information services that included the following:

- Sales and Use Tax Audit
- Sales Tax Analysis and Sales Tax Analysis Query System
- Property Tax Audit
- Geo-Area Database
- Property Tax Database

The City received two responses to this RFP. Both proposers were qualified to handle the required services for the City. By evaluating technical qualifications and the pricing of the proposals, HdL Companies (HdL) was selected based on the best value which included technical qualifications and the lowest bid. The original bids submitted by both companies were competitive and responsive, and both companies were given the opportunity to submit a Best and Final Offer (BFO) for this RFP. HdL's BFO had lower costs compared to the competitor.

Previously, the City Council authorized the sales and use tax consultant to review confidential BOE taxpayer information on the City's behalf per the requirements of the State Of California Revenue and Taxation Code. The BOE maintains agreements for the reciprocal exchange or release of information (including personal or confidential information) with state agencies, other states, local government agencies, the federal government, and private contractors, permitting disclosure of information contained in the files and records of the agencies (subject to the restrictions prescribed in the agreements or provided by statutes or regulations).

II. Discussion

Sales and Use Tax Audits

The purpose of the consultant's sales and use tax audit and recovery services is to maximize the City's sales and use tax revenues and minimize lost sales and use tax revenues by detecting and documenting misallocations of sales and use tax activity within the time limitations of administrative recoverability. Per state law, once a sales tax appeal is filed with the BOE, the "date of knowledge" is established and cities may recover misallocated sales tax a maximum of three quarters prior to the established date of knowledge and all forward quarters. It is common practice among jurisdictions including the City of Los Angeles, City of Oakland, City of Sacramento, San Diego County, and others to use sales tax audit consultants for this purpose. The services provided by the consultant include different types of sales tax audits as described below:

- Sales misreported as "use tax" transactions that are distributed to State and county pools rather than to "point of sale" for the City;
- "Points of sale" misreported to other locations outside the City rather than to the location within the City where principal negotiations or orders are initiated;

- Internet orders allocated to billing or switching equipment sites rather than the location of human intervention;
- Misallocations occurring due to sales from multiple retail outlets, order desks, or offices are credited to a single location outside the incorporated area rather than to sub outlets located within the City boundaries;
- New registrations, accounting adjustments and additional State sales tax assessments that are miscoded to other jurisdictions or to allocation pools;
- Individual “use tax” transactions exceeding \$500,000 that are reported to the pools rather than “point-of-use”;
- Erroneous distribution of the sales of construction material and fixtures to allocation pools because the sales are misidentified as installation rather than “over-the-counter” sales;
- Failure to designate in-state warehouses as “point of sale” for orders placed or negotiated outside of California;
- Misallocations that occur due to zip code, boundary, or other jurisdictional inconsistencies or because of failure of new addresses to be picked up in the BOE registration rolls; and
- Misallocations by companies that self impose “use tax” for materials taken out of inventory and misreport the usage as taking place at locations other than the City.

Property Tax Audits

The purpose of the consultant’s property tax audit and recovery services is to identify, correct, and recover property tax errors including the following:

- Establish the county data set and reconcile the county annual property assessed valuation report to the County Assessor’s lien date rolls and identify discrepancies;
- Identify and correct errors through the performance of secured parcel and unsecured property audits;
- Prepare reports, and review and analyze the data in preparation for meeting with the City staff to discuss year over year changes and trending; and
- Ongoing analysis, appeal updates, transfer of ownership updates, remittance advance review, and budget projections.

The consultant would provide, if necessary, assistance with Recognized Obligation Payment Schedules (ROPS) for the Successor Agency and monitor the County distribution of Redevelopment Property Tax Trust Fund (RPTTF) revenues, tax sharing amounts to the City and taxing entities of the former redevelopment agency and allocation of residual and other revenues.

Geo-Coding

The consultant will provide a Geo-coding database for the development of comprehensive reports that can illustrate specified areas of the City, such as community plan areas, Business Improvements Districts, and project areas. Reports and data exports can be generated by Geo-area in numerous configurations, such as by quarter, fiscal year, major industry group, and business type, address, and/or allocation amount.

III. Summary

To provide these tax audit services using City staff, it would require full-time staff dedicated to sales, use, and property tax audits on a daily basis, including field audits of the City's commercial and industrial areas. It would also require resources from the City Attorney's Office to provide legal support as well as the development and maintenance of a software program for sales tax audits and Geo-coding. In addition, the City would not have access to other state and regionwide municipalities' tax data for analysis purposes. The consultant would have access to all statewide and countywide pool accounts and can see trends in the major businesses reporting sales taxes.

FISCAL CONSIDERATION(S):

The original bids submitted by both companies were very competitive and included price proposals of 18% contingency fee from MuniServices and 15% from HdL for sales and use tax audit service. For property tax audit service, MuniServices proposed a 25% contingency fee and HdL proposed a \$40,000 annual fee. The City's Evaluation Committee reviewed the financial impact of these proposals and offered both companies the opportunity to submit a BFO for this RFP. MuniServices lowered the sales and use tax audit contingency fee from 18% to 17% and property tax audit fee from 25% to 17%. HdL's BFO offered a tiered contingency fee structure (see below) for sales and use tax audit services and lowered the property tax audit fee from \$40,000 to \$36,000 annually. For individual petitions for high-value sales and use tax recoveries and significant one-time allocation adjustments, the City will pay HdL for recovered sales and use tax revenue based on a tiered contingency fee structure:

- 15% of the first \$1,000,000 of sales and use tax revenues recovered
- 10% for \$1,000,001 to \$2,500,000
- 5% for \$2,500,001 and higher

It should be noted that the City will pay HdL a contingency fee for retroactive back quarter reallocations and allocations received in the first six consecutive reporting quarters starting with the correction of the misallocation.

MuniServices generated on average approximately \$2-\$4 million in new (recovered) revenue per year for the City by performing the sales and use tax audit services and the City paid a contingency fee of 18% to the company. It is expected that HdL would continue to generate at least the same amount of new revenue per year for the City by performing these services.

By providing property tax audit services, MuniServices generated on average approximately \$350,000 in new revenue per year for the City, and it is expected that HdL would continue to generate at least the same amount of new revenue per year for the City by performing these services.

By selecting HdL as its consultant for sales, use, and property tax audit services, the City will save at least approximately \$80,000 annually as a result of a lower contingency fee for sales, use, and property tax audit services.

The City's sales and property tax annual budgets and projections include recovered revenues from these audit services.

Retaining a sales, use, and property tax consultant providing tax audit services will ensure that new (recovered) revenue is continuously generated by the City.

PREVIOUS COUNCIL and/or COMMITTEE ACTION: None

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: None

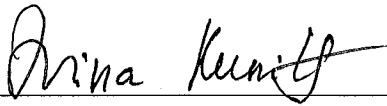
KEY STAKEHOLDERS AND PROJECTED IMPACTS: None



Mary Lewis
Chief Financial Officer



Tracy McCraner
Financial Management Director



Irina Kumits
Deputy Director



THE CITY OF SAN DIEGO

March 14, 2014

VIA EMAIL TO: anickerson@hdlcompanies.com

Andrew Nickerson, President
HDL Companies (Hinderliter, de
Llamas and Associates)
1340 Valley Vista Drive, Suite 200
Diamond Bar, CA 91765

Dear Mr. Nickerson:

Subject: Request for Proposal (RFP) 10038642-14-W – Sales, Use Tax, Property Tax Audit
and Recovery, and Information Services

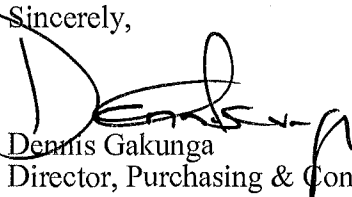
Thank you for your subject proposal. We value your time and effort in participating in this process.

This letter is to inform you that the City of San Diego has completed its review of the subject proposal. In considering the evaluation factors in the RFP, your proposal was determined to be responsible, responsive, and providing the overall best value to the City. The City is recommending award of the subject RFP to your company, HDL Companies. Final award is subject to City Council approval.

We appreciate continued assistance from your firm in furnishing any additional information requested by the City that is required to facilitate finalizing a contract.

Please do not hesitate to contact Leslie Valdez at (619) 236-7090 or via email to LValdez@sandiego.gov with any questions you may have.

Sincerely,


Dennis Gakunga
Director, Purchasing & Contracting

cc: Source Selection/Evaluation Committee
Leslie Valdez, CPPB, Senior Procurement Specialist

Purchasing & Contracting Department

1200 Third Avenue, Suite 200 • San Diego, CA 92101
Tel (619) 236-6000 Fax (619) 236-5904





**REQUEST FOR PROPOSAL (RFP)
RFP NO.: 10038642-14-W**

Sales, Use Tax, Property Tax Audit and Recovery, and Information Services

RFP Release Date:	September 19, 2013
Recommended Pre-Proposal Conference: See Section L of this RFP for conference details.	N/A N/A
Date Written Questions/Comments Due: See Section L of this RFP for question/comment instructions.	October 3, 2013 On or before 5:00 p.m., PT
Proposal Closing: On or before 4:00 p.m. PT to the Purchasing & Contracting Department 1200 Third Avenue, Suite 200 San Diego, CA 92101	October 17, 2013
Term of Contract:	One (1) Year from Notice to Proceed, with Four (4) Additional One (1)-Year Option Periods.
License(s) Required:	N/A
Contact Name and Information:	William Broderick, CPPB/ylk Procurement Specialist (619) 236-6653 WBroderick@sandiego.gov

**Purchasing & Contracting Department
1200 Third Avenue, Suite 200
San Diego, CA 92101**

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RFP Document

Contractors need to review this document carefully. An explanation of the sections and parts are outlined below:

- o Sections A-J and the Contractor's Proposal will form the body of the contract once both parties have signed Section A. Upon award and acceptance of the proposed work, these documents become the contract with the Contractor (Contractor/Vendor/Consultant) and THE CITY OF SAN DIEGO and may include attachments containing terms, conditions and/or pricing specific to the product or service being rendered. Section J contains all attachments or additional supporting information.
- o Sections K-M contains the representations and certifications all Contractors must complete to meet the eligibility requirements (Section K). It also contains the format instructions to Contractors for both the specific product or service and general terms and conditions for all RFPs (Section L). Section M outlines specific information about the eligibility requirements, evaluation criteria and general selection process.
- o Section C contains the scope of services. All items specified in Section C, "Scope of Services" beginning with Paragraph C, "Specifications" must be addressed in the proposal. Proposers must expressly indicate that the Proposal satisfies and is fully capable of providing each point listed in this section. Proposers shall provide responses to each paragraph in the same order as the RFP citing the heading and then their response. Simple "Yes", "No", or "Comply" responses to stated specifications are insufficient. Rather, the Proposers must describe in detail how the proposed products and/or services meet or exceed the requirements of this RFP and Proposers shall state their understanding and compliance. Proposers should also include any other information they feel may be of benefit to the City.
- o Proposers must explain any exception or deviation from the requirements in accordance with the applicable terms of this RFP. Exceptions are deemed rejected unless accepted in writing by the City of San Diego.
- o The purpose of this Request for Proposal is to solicit proposals for a Contractor to provide goods, products and/or services to the City of San Diego.

Contract Form

This contract is entered into by the City of San Diego, a municipal corporation (“City”), and [contractor] (“Contractor”) for the scope of services specified herein. For good and valuable consideration, the sufficiency of which is acknowledged, the City and Contractor agree as follows:

- A. The Contractor shall perform the services described in Section C – Scope of Services in return for payment by the City set forth in Section B – Price Schedule, all in accordance with the terms and conditions set forth in the Contract Documents consisting of Sections A through J and the Contractor’s Proposal, incorporated herein by reference.
- B. It is the intent of the Contract Documents to completely describe the services to be provided. Any work, materials, or equipment that may reasonably be inferred from the Contract Documents or from prevailing custom or trade usage as being required to produce the intended result shall be supplied whether or not specifically called for or identified in the Contract Documents. When words or phrases which have a well-known technical or construction industry or trade meaning are used to describe work, materials, or equipment such words or phrases shall be interpreted in accordance with that meaning unless a definition has been provided in the Contract Documents. In resolving conflicts resulting from errors or discrepancies in any of the Contract Documents, the order of precedence shall be as set forth below in descending order of precedence (the document in section B.1 having the highest precedence). Provisions of the Contract Documents addressing the same subject which are consistent but have different degrees of specificity shall not be considered to be in conflict, and the more specific language shall control.

Order of Precedence:

- B.1 This Contract Form and Section A (Signature Page).
- B.2 Section C (Scope of Services).
- B.3 Section B (Price Schedule).
- B.4 Section H (Special Contract Requirements)
- B.5 Section I (General Contract Clauses)
- B.6 Sections D (Packaging and Marking), E (Inspection and Acceptance), F (Deliveries or Performance), and G (Contract Administration Data).
- B.7 Section J (List of Attachments, Exhibits or Appendices).
- B.8 Contractor’s Proposal.

- C. Once the City issues a letter of Award to the Contractor, the Contractor is required to provide any requisite information or documents prior to contract execution as specified in Section L of this RFP, such as certificates of insurance, bonds, or business license, to the Purchasing & Contracting Department within ten (10) calendar days. Failure to provide requisite information or documents may result in the Contractor being rejected as non-responsive.

- D. Contractor shall be bound by and shall perform in strict conformity with the terms and conditions of this contract.
- E. For such performances, the City shall pay to Contractor the amounts set forth at the times and in the manner as are provided for in this contract. The total amount paid to Contractor under this contract shall not exceed \$ _____ for the initial _____ year term unless the City notifies Contractor in writing that additional funding has been authorized. Contractor is not obligated to provide goods or services in excess of this amount unless additional funding is authorized, and does so at its own risk until written notice is received from the City. Contractor shall promptly notify the City in writing if it reasonably anticipates the cost to the City will exceed this amount during the initial _____ year term (or the authorized amount for any option year), so that the City may request additional funding, reduce its consumption or seek additional sources of the goods or services.
- F. This contract shall be for a period of one (1) year effective on the date as specified in a Notice to Proceed letter which will be issued by Purchasing & Contracting Department only after this contract has been executed by the last party to sign the Signature Page (Section A), and approved by the City Attorney in accordance with San Diego Charter Section 40, with options to extend for four (4) additional one (1)-year periods in accordance with Section I.05 of this contract.

SECTION A
SIGNATURE PAGE

1. Contract No.:		2. RFP No.: 10038642-14-W	
3. Contract Title: Sales, Use Tax, Property Tax Audit and Recovery, and Information Services			
4. Contract Amount:		Prompt Payment Discount Terms: _____ % _____ Days	
5. Term of Contract:			
6. Contractor Name:			
Address:			
City/State/Zip:			
Telephone:			
Contact:		E-Mail Address:	
The City of San Diego Business Tax License Number:			
Federal Tax ID Number:			
7. Contract Table of Contents			
Section A: Signature Page			
Section B: Price Schedule			
Section C: Scope of Services			
Section D: Packaging and Marking (Reserved)			
Section E: Inspection and Acceptance			
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Section G: Contract Administration Data			
Section H: Special Contract Requirements			
Section I: General Contract Clauses			
Section J: List of Attachments, Exhibits, or Appendices			
Contractor's Proposal			
<p>8. Signature of Authorized Representative/Contractor</p> <p>_____</p> <p>_____</p> <p style="text-align: center;">(Print Name)</p> <p>_____</p> <p style="text-align: center;">(Title)</p> <p>_____</p> <p style="text-align: center;">(Date)</p>	<p>9. Signature of The City of San Diego Purchasing Agent</p> <p>_____</p> <p>_____</p> <p style="text-align: center;">(Print Name)</p> <p>_____</p> <p style="text-align: center;">(Title)</p> <p>_____</p> <p style="text-align: center;">(Date)</p>	<p>10. Signature of The City of San Diego City Attorney</p> <p>_____</p> <p>Approved for Form and Legality</p> <p>_____</p> <p style="text-align: center;">(Print Name)</p> <p>_____</p> <p style="text-align: center;">(Title)</p> <p>_____</p> <p style="text-align: center;">(Date)</p>	

SECTION B
PRICE SCHEDULE

A. PRICE SCHEDULE INSTRUCTIONS FOR SCOPE OF SERVICES AS SPECIFIED IN SECTION C

Proposers shall submit their proposal for pricing on the following City's Price Schedule page(s). Using the enclosed Price Schedule page(s) will help ensure consistency in the price evaluation. The Price Schedule page(s) are to be completed in full and shall be incorporated herein. Only the City's Price Schedule page(s) will be accepted. Any deviations from the Price Schedule page(s) may result in the rejection of the proposal as being non-responsive.

Proposers must provide attachment worksheets, which include a breakdown of labor hours and any other rationale used in determining their pricing for all of the specified requirements. Blanks on the Price Schedule page(s) will be interpreted as zero (0) and no price will be allowed.

Prompt Payment Discounts

The City's Standard Payment Terms are Net 30 Days. Proposers may offer other payment terms (e.g., 2% 20 days) but they will not be considered in making the award decision. If different terms are offered, the City retains the option of making payment(s) based on these terms. Discounts will be taken at the time of payment when applicable. Prompt payment discounts shall be identified on the Signature Page, Section A.4. Discount is taken based on the date of the payment check. Time will be computed from the date of delivery at destination or acceptance by City, or the date supplied to the carrier when acceptance is at the point of origin, or from the date a corrected invoice is received, whichever is later.

Any discount offered other than for prompt payment should be included in the net price quoted, rather than shown as a separate item. Any discount shown separately will be adjusted on the Purchase Order.

Pricing

Proposer (s) shall provide their percentage of gross revenue from all generated on new Sales remits and/or Use taxes and Property taxes. The percentage should be to the hundredth of a percent. _____%

Unless called for in the General Contract Clauses, no escalation factor is allowed. The Contractor must notify the City in writing in the event of a decline in market price(s) below the Price Schedule and the City will make an adjustment in the Contract Amount or elect to re-solicit.

Unless the Contractor clearly indicates that the price is based on consideration of being awarded the entire lot and that an adjustment to the price was made based on receiving the entire Proposal, any difference between the unit price correctly extended and the total price shown for all items offered shall be resolved in favor of the unit price.

SECTION C
SCOPE OF SERVICES

A. BACKGROUND

In March of 1991, the City entered into an agreement with MBIA MuniServices Company (MMC) for providing Sales Tax Audit and Information Services. In March, 1997, the City extended the agreement with MMC for new services which included a Business License Information and Management Service, an Audit Program targeting documentary transfer taxes and property taxes (Including Redevelopment Agency (RDA) Tax Increments) and a Geo-based Revenue Information Program which included a computerized database of all City land parcels, major buildings and users as well as major sources of general revenue (e.g., business license tax, franchise fees, property tax, sales and use tax, state subventions and transient occupancy tax). In 2003, the agreement with MBIA MuniServices (MuniServices) was extended for another five-year period which expired in March, 2008 and subsequently extended through February, 2009. Upon the expiration of the agreement in February 2009, the City entered into a two-year agreement with three additional one-year renewal options with MuniServices. The current agreement will expire on March 23, 2014.

The purpose of MuniServices' Sales and Use Tax Audit and Information Services was to maximize the City's sales and use tax revenues and minimize lost tax revenues by detecting and documenting misallocations of sales and use tax activity within the time limitations of administrative recoverability. During the past 20 years, through these sales and use tax services, the City has recovered approximately \$2 million per year in unrealized sales tax revenue. Similarly, the purpose of MuniServices property tax audit services was to assist the City and RDA in recovering all of the revenue to which they are entitled from the property tax and RDA Tax Increment within the time limitations of administrative recoverability.

The City of San Diego is issuing this RFP to solicit the aforementioned services.

This RFP is being issued in order to solicit proposals from qualified proposers to provide sales and use tax and property tax audit and recovery services. Interested parties who have successfully performed work for similar contracts are invited to submit a proposal in response to this RFP.

B. OBJECTIVE

The objective of this RFP is to make an award to a qualified Contractor which delivers sales and use tax and property tax audit and recovery services as well as Business to Business use tax monitoring and Geo-coding services that represents best overall value to the City while meeting or exceeding the specifications and requirements of this RFP.

C. SCOPE OF WORK

To ensure through comprehensive audit measures that the revenue information used by the City and ongoing economic analysis includes all sales and use tax generators. Assist the City with strategies to preserve and enhance sales and use tax revenue generated by existing businesses within the City. The sales and use tax audit services shall include the following:

Sales and Use Tax Audit

1. Detect, document and assist in correcting the sales and use tax reporting errors of businesses that, based on the location of their activities, are not properly registered with the City.
2. Detect, document and assist in correcting the reporting of businesses that are improperly reporting local tax (e.g., classifying sales tax as use tax) and thereby depriving the City of sales tax revenue.
3. Detect, document and assist in correcting sales and use tax reporting errors/omissions and thereby generate new, previously unrealized revenue for the City.
4. Provide the City with Business to Business use tax monitoring.

Sales Tax Analysis and Sales Tax Analysis Query System

1. Provides digest summary of statewide trends that may affect the City's sales and use taxes and an analysis of the City's sales and use composition, changes, and performance. Provide quarterly reports including a comprehensive analysis of the City's sales and use tax economic base and performance with a 10-year history.
2. Provide City staff with ability to run queries in the sales tax analysis system to analyze the sales and use tax revenue from each tax payer in the City on an individual, grouped or sorted-order basis (e.g., by business name, business type, etc.).
3. Provide quarterly meetings and consulting.

Property Tax Audit

1. Detect, examine and document records pertaining to property tax with identification and confirmation of any errors and omissions that result in deficient payment of property tax revenues to the City.
2. Provide additional assistance as necessary to support the City in recovering and preventing property tax allocation errors and omissions.

Geo-Area

1. Provide for Geo-coding, which allows City staff to complete analyses of specific geographic areas by type and economic activity. Geo-coding is group businesses geographically by address location into specific study areas.
2. Provide database software application for staff's use to review individual businesses and geographic areas (Geo-areas) account's quarterly and annual payments, with historical data beginning in 1992. Geo-areas can be created by the business name. This application would require the ability to provide the most current information and historic information. Taxpayer information must be able to be queried by California State Board of Equalization Categories and Business-to-Business sales, as well as other methodology developed by the applicant. The preferred software application will have a GIS interface, which would permit City staff to create its own geo-areas. Data must be quarterly updated.

Property Tax

1. Property Tax database must be accessible through software application. Parcel number, owner(s) and business name must be included. The parcel number can serve as unique ID. The Property tax application must present secured (land and improved parcel tax) and must also report separately unsecured property tax amounts for each parcel. Five years of historical data preferred. The ability to create geo-areas for analysis either by City staff or consulting firm must be included in this software application. Ability to sort/query businesses' property taxes from residential property taxes and those parcels that are not subject to property tax must be included in this application. The top 100 property tax payers must be able to be identified through query element. A GIS interface which permits City staff to create geo-areas is preferred. Data must be quarterly updated.
2. Combine Property Tax inventory (secured and unsecured) and Treasurers' Business and Rental license information into database format. For each business assign name, address, assessor parcel number, business category and detail the revenue sources generated (historical information to also be available). Validate data. Update data as a by-product of audit program. Customizing this product to interface with existing City GIS parcel index is preferred. Queries must generate data for Geoareas, parcel specific or by business name. It is preferred that sales tax generated by each business on specific parcel also be included in this data application. Data must be quarterly updated.

D. SPECIFICATIONS

The tax auditor service contractor shall provide comprehensive audits and recovery of sales and use tax for the City of San Diego. The contractor shall represent the City for purposes of examining State Board of Equalization (SBE) Quarterly Distribution Reports. The contractor shall be responsible for detected misallocations, and to coordinate with SBE to make necessary corrections in addition to retroactive adjustments for eligible amounts of sales and use tax improperly distributed in prior quarters.

1. The contractor shall review purchases made by local residents and businesses out of state for use within the City limits, to identify instances in which the City did not receive the 1% local sales and use tax it was entitled to.
2. The City reserves the right to perform its own sales and use tax augmentation efforts, including the filing of the necessary paperwork with the State Board of Equalization, and/or working directly with the City's taxpayers or prospective taxpayers, and their vendors, customers, contractors, sub-contractors, accountants, and tax consultants. The City similarly reserves the right to outsource any such related services to any third-party service providers, at its sole discretion. In the event the City elects to perform retroactive corrections of claimed misallocation of sales or use tax or to outsource such services to any third-party service provider, the City will, on a case by case basis, give prior notification to the tax consultant selected for this RFP to ensure that, to the extent possible, there is no duplication of efforts.

E. CORE REQUIREMENTS, DELIVERABLES AND TIMELINE

The aforementioned specifications will be accomplished on an ongoing basis during the contract term.

1. The Proposer will identify and correct improperly registered permits from companies having point-of-sale or use operations in the City.
2. The contractor shall detect and correct State Board of Equalization deficiency assessment misallocations.
3. The contractor shall include audits of California taxpayer purchases of tangible personal property from out-of-state retailers.
4. The sales and use tax audit services will identify possible new revenue for the City.
5. Maintain records in a database that includes a geographic reference system, which identifies all community plan areas with designated/zoned commercial/industrial land; all adopted Business Improvement Districts. Desirable but not required, database format compatibility with the City's Geographic Information System and ArcGIS. This geocoding can be completed in phases.

6. Maintain records in a database format that denotes receipts from businesses defined as industrial, technology, and research and development based. For example, receipts from biotechnology, biomedical, electronics and computer/software related industries.

F. USE OF STANDARDS

The contractor shall perform all audits in accordance with Government Accounting Standards Board (GASB) practices.

G. LICENSES

1. Licensing:

The Proposer shall grant the City a non-exclusive, non-transferable, license to use the application reporting system for the duration of the hosting period solely for internal business purposes in the following manner: (1) use of computers owned by Licensee or of computers operated by any employee or agent of Licensee; (2) use of an internal client/server or Intranet computer network managed and operated by the City for employee use only; and (3) use of an extranet computer network of the City that grants access to selected stakeholders for the purposes of working with the City, (e.g. residents, contractors, consultants, etc.).

2. Software and Data Standards/Compatibility:

- a. The application reporting system must be compatible with the current production version and major production version immediately prior to the current production version of Internet Explorer, the Microsoft Office Suite and Adobe Acrobat Reader.
- b. Drawings and images created and retained as part of the reporting system will be stored in TIFF, JPG, **Excel**, **DBF** or PDF format.

3. Hosting:

- a. The application reporting system must reside on a system hosted by the Proposer or City approved subcontractor.
- b. The Proposer must keep application reporting system on a secure ASP hosted server.
- c. The Proposer must provide a means to back up the data daily.
- d. The City will have administrative rights to set up User IDs for City staff.
- e. The Proposer must provide maintenance, support and system/software updates.

4. Support:

- a. The Proposer shall provide Questions & Answers type support by telephone 8:00 a.m. through 5:00 p.m. Pacific Time Monday through Friday except on City recognized Holidays, for the length of the contract period.
- b. The Proposer shall provide application reporting system technical support via a toll free telephone number for the length of the contract period.

5. System Performance:

- a. The system must be available for City use from 7:00 a.m. through 6:00 p.m. Pacific Time, Monday through Friday, except on City recognized Holidays, for the length of the contract period.
- b. The system must be available and working 98 percent of the time during these hours. The contractor shall supply quarterly statements showing the system availability. If the system has performance problems, the Contractor must commit to correct problems within four (4) hours.
- c. The Proposer must notify the City in advance of all planned downtime and/or system modifications or upgrades.

H. DATA OWNERSHIP

The City retains for itself ownership and rights of ownership to all data entered into the Proposer's software or application reporting system. The Proposer acknowledges that City retains ownership and rights of ownership to all of its data. The Proposer shall not, without the written consent of the City, copy or use such records, except to carry out contracted work, and will not transfer such records to any other party not involved in the performance of this Agreement.

Each employee involved in this contract will be required to sign a confidentiality agreement upon award of this contract. (See Exhibit B)

I. INTELLECTUAL PROPERTY

1. Ownership of Application Reporting System:

City acknowledges that Contractor is the agent of the owner or is the owner of the application reporting system and documentation, including its source code, object code, and documentation, and that these shall remain the exclusive property of Contractor. All applicable patents, trademarks, copyrights, trade secrets and other proprietary rights are and shall remain with the Contractor.

2. Works for Hire:

Contractor understands and agrees that any and all materials and deliverables that are subject to copyright protection that are developed as stand alone custom applications, enhancements or “plug-ins” to the underlying software solution specifically related to the Contractor’s performance of the RFP or subsequent Contract (Works) shall constitute a “work-for-hire” as that term is defined in the Copyright Act of 1976 (Act), as amended. As a result, all right, title and interest in and to all such Works shall vest jointly with the Contractor and City, including without limitation all copyrights and other intellectual property rights therein. If, for any reason, Works are not deemed to be a work for hire, Contractor hereby grants, transfers, sells and assigns, royalty free, to the City all rights, in and to said Works, including all copyrights and other intellectual property rights. The Contractor further agrees to execute and deliver to the City a confirmatory grant and assignment of the rights in and to the Works and to execute any other proper document the City deems necessary to ensure the complete and effective transfer of the interest and rights in Works to the City.

In the event that Contractor utilizes a sub-contractor(s) for any portion of the Works that is in whole or in part of the specified deliverable(s) to the City, Contractor shall include a statement in the Contractor-subcontractor agreement (Subcontractor Agreement) that identifies that the deliverable/Works product to the City is a work-for-hire as defined in the Act and that the intellectual property rights in the deliverable/Works product, whether arising in copyright, trademark, service mark or other belongs to and shall vest in the City as set forth in the preceding paragraph. Further, the Subcontractor Agreement shall require that the subcontractor grants, transfers, sells and assigns, royalty free of charge, to the City, all rights in and to said Works/deliverable, including all copyrights and other intellectual property rights.

3. Intellectual Property Warranty and Indemnification:

The Contractor represents and warrants that any materials or deliverables, including all Works, provided pursuant to this RFP or subsequent Contract are either original, not encumbered and do not infringe upon the copyright, trademark, patent or other intellectual property rights of any third party, or are in the public domain. If deliverables, materials, or Works provided pursuant to this RFP or subsequent Contract become the subject of a claim, suit or allegation of copyright, trademark or patent infringement, City shall have the right, in its sole discretion, to require Contractor to produce, at Contractor’s own expense, new non-infringing materials, deliverables or Works as a means of remedying any claim of infringement in addition to any other remedy available to the City under law or equity. Contractor further agrees to indemnify and hold harmless the City, its officers, employees and agents from and against any and all claims, actions, costs, judgments or damages of any type alleging or threatening that any materials, deliverables, supplies, equipment, services or Works provided pursuant to this RFP or subsequent Contract infringe the copyright, trademark, patent or other intellectual property or proprietary rights of any third party (Third Party Claims of Infringement). If a Third Party Claim of Infringement is threatened or made before Contractor receives

payment under this RFP or subsequent Contract, City shall be entitled, upon written notice to Contractor, to withhold some or all of such payment.

J. INSTALLATION, TESTING AND ACCEPTANCE

Upon award of the contract, the Contractor shall have thirty (30) days to complete the customization of the application reporting system and to complete all other requirements as specified in Section II.

The City will evaluate the application reporting system upon receipt and request any modifications prior to City's acceptance.

K. SAFETY AND ACCIDENT PREVENTION

Proposer must comply with all applicable federal, state, county or municipal safety and accident prevention requirements, such as Occupational Safety and Health Administration (OSHA), a regulatory office of the U.S. Department of Labor.

L. DOCUMENTATION AND REPORTS

Any documentation and reporting should be clearly specified in this RFP including type, quantity, frequency and general fields of information.

M. PROPOSERS IMPLEMENTATION PLAN

Proposers shall include an implementation plan proposing procedural, operational steps, technical approach and milestones of how proposer intends to provide the work plan with requirements as previously specified. Any challenges or problems should be identified. A revised schedule may be required from the proposer within ten (10) calendar days of the City's notification of provisional award.

N. QUALIFICATIONS AND EXPERIENCE

To enable the City to evaluate the qualifications and experience of the Proposer(s) please provide the following information:

1. Organization Structure:

Describe your organizational structure as it relates to the provision of services to the City.

2. Key Staff:

Identify dedicated staff to be assigned, and describe their reporting relationships.

3. Resumes/Experience:

For all persons to be assigned to City project, provide detailed resumes and attach the resumes to your firm's submittal. Provide one information sheet per person. The resume shall include: the individual's name, her/his current duties, years of relevant experience, years of education and extra qualifications/licensing.

O. REFERENCES

Proposers, including subcontractors if applicable, are required to provide a minimum of three (3) references to demonstrate successful performance for work of similar contracts as specified in this RFP during the past seven (7) years. Previous experience furnishing Federal, State, local governments or other agencies with tax audits will be an important consideration and will be included in the evaluation of references. Previous experience with public agencies is desirable. The description of the contract, a brief description of results, and the dollar amount of the contract shall be provided for each listed reference along with contact information.

SECTION D
PACKAGING AND MARKING
(RESERVED)

SECTION E INSPECTION AND ACCEPTANCE

The City of San Diego's Financial Management Deputy Director, or designee, will be responsible for inspecting and accepting all work, documents and information received from the Contractor (same as Contract Administrator) for the scope of services specified herein.

Inspection and acceptance will occur at destination unless specified otherwise, and will be made by the City department shown in the shipping address of the Purchase Order or other duly authorized representative of the City.

Risk of loss or damage to deliverables prior to the time of their receipt and acceptance by the City is upon the Contractor. The City has no obligation to accept damaged and/or non-functional deliverables and reserves the right to return or reject them, at the Contractor's expense, damaged and/or non-functional deliverables even though the damage and/or non-function was not apparent or discovered until after receipt.

SECTION F

DELIVERIES OR PERFORMANCE

PERIOD OF PERFORMANCE

Contractor shall perform services as described in Section C for the duration period as specified in the Notice to Proceed, with additional Options if exercised at the sole discretion of the City, in accordance with Section I.05 of this RFP.

Delivery shall be made in accordance with the Contract Documents (see Section I.01, “Definitions”). The City, in its sole discretion, may extend the time for delivery as specified in Section I, General Contract Clauses. The City may order, in writing, the suspension, delay, or interruption of delivery of goods or services.

The Contractor shall immediately notify the City in writing if there are, or it is anticipated, that there will be a delay in performance. The written notice shall include an explanation of the cause for, and a reasonable estimate of the length of the delay. If in the opinion of the City, the delay is material, and the circumstances are within the control of the Contractor, the City may terminate this Contract as provided in Section I.

If delays in the performance are caused by unforeseen events beyond the control of the parties, such delay may entitle the Contractor to a reasonable extension of time, but such delay shall not entitle the Contractor to damages or additional compensation. Any such extension of time must be approved in writing by the City. The following conditions may constitute such a delay: war; changes in law or government regulation; labor disputes; strikes; fires, floods, adverse weather or other similar condition of the elements necessitating cessation of the performance; inability to obtain materials, equipment or labor or other specific reasons agreed to between the City and the Contractor; provided, however, that: (a) this provision shall not apply to a delay caused by the acts or omissions of the Contractor; and (b) a delay caused by the inability to obtain materials, equipment, or labor shall not entitle the Contractor to an extension of time unless the City has received, in a timely manner, documentary proof satisfactory to City of the Contractor’s inability to obtain materials, equipment, or labor.

SECTION G

CONTRACT ADMINISTRATION DATA

The Contract Administrator for this service is the City of San Diego's Financial Management Deputy Director or designee. The Contractor Administrator will provide daily oversight of this contract to ensure compliance. The Purchasing Agent shall be responsible for all contractual matters and is the only individual authorized to make changes of any kind to the contract. The Contractor shall not rely upon any oral change from anyone, or a written request for change from someone other than the Purchasing Agent. All changes must be in writing, signed by the Purchasing Agent.

- INVOICING AND PAYMENT

1. Invoices must be submitted quarterly per year in duplicate (one copy to be marked "original") to:

- The City of San Diego
Deputy Director
Financial Management
202 C Street, MS 8A
San Diego, CA 92101

and shall conform to policies or regulations adopted from time to time by the City of San Diego. Invoices shall be legible and shall contain, as a minimum, the following information: (1) the contract and purchase order number (if any); (2) a complete itemization of all costs including quantities ordered and delivery order numbers (if any); (3) any discounts offered to the City of San Diego under the terms of the contract; (4) evidence of the acceptance of the supplies or services by the City of San Diego; (5) unique traceable invoice number(s); (6) a copy of all records supporting a copy of all records supporting Small Local Business Enterprises (SLBE) and Emerging Local Business Enterprises (ELBE), Disadvantaged Business Enterprise (DBE), Disadvantaged Veterans Business Enterprise (DVBE), Minority Business Enterprises (MBE) and Women-Owned Business Enterprise (WBE) vendor/contractor participation for the payment period to be sent under separate cover to Program Manager, Office of Equal Opportunity Contracting, 1200 Third Avenue, Suite 200, San Diego, CA 92101; (7) total charges billed at this time and date; and (8) total payments received to date.

2. Upon review and approval from the Financial Management Department, invoices shall be forwarded to Comptroller's Department for payment. The approval shall be electronic.
3. Subject to the withholding provisions of the contract, if any, payment shall be made within thirty (30) days after the City of San Diego's receipt of a properly prepared/approved invoice.

4. The Contractor shall provide to the Purchasing Agent a fully executed W-9 Form. It is the Contractor's responsibility to notify the Purchasing Agent of any changes in the remittal address. Failure to provide this information may impact payment of invoices by the City of San Diego. In order that this Form is the current Revision at time of submittal, the Contractor shall download this Form from the Internal Revenue Service website shown below, complete the Form and submit as specified herein. The website from which to obtain this Form is: <http://www.irs.ustreas.gov/pub/irs-pdf/fw9.pdf>.
5. The City shall pay the Contractor in arrears for services rendered. Billing shall be in accordance with the Price Schedule, allowing for City approved adjustments, if any. Invoices shall be submitted in duplicate with an original and copy clearly identified to the Contract Administrator or designee, at the address specified on the Purchase Order(s) (see Section I.01, "Definitions"). The invoice shall reference the Purchase Order number, include the date of services, description of the work performed by location and/or section or a listing of materials provided, and state the total invoice cost.
6. If applicable, any extra-ordinary labor charges for services shall be included on the invoice along with a description of the extra-ordinary work to include the location/and or section work was performed. Contractor must attach written authorization from the Contract Administrator approving extraordinary work. Failure to do so will result in payment being withheld for such services. The extraordinary labor cost shall be as stated on the current Price Schedule.
7. If applicable, for parts delivered, invoices shall list the manufacturer of the part, manufacturer's published list price, percentage discount applied per the Contract's pricing agreement, and the net price to the City as well as item description, quantity, and extension.

SECTION H
SPECIAL CONTRACT REQUIREMENTS
(RESERVED)

SECTION I

GENERAL CONTRACT CLAUSES

I.01 **Definitions**

Addenda – Additional terms or modifications to a Request For Proposal (RFP) after original RFP was issued.

Alternative Proposal – A response to a Solicitation, in addition to a Proposal that meets Specifications, which meets or exceeds the Specifications and offers additional advantages to the City.

Announcement of the Selected Contractor – A written announcement sent to all Contractors that submitted a proposal in response to this RFP (also known as the Intent to Award to an Apparent Successful Proposal or Contractor).

Apparent Successful Proposal or Contractor – The entity that submitted the Proposal best meeting the City’s requirements and will be awarded the Contract, provided that all conditions precedent to Award are fulfilled.

Award – City’s official acceptance of the Apparent Successful Proposer’s Proposal after all conditions precedent to Award and required approvals are fulfilled.

BAFO – Best and Final Offer.

Contract – The agreement between the City and the Contractor which consists of the Contract Documents.

Contract Administrator - Contractor’s point of contact for matters related to the provision of goods or services by Contractor pursuant to this Contract. The name(s) of the Contract Administrator(s) will be provided after Award. Same as Project Manager.

Contract Documents – The documents as defined in the “Contract Form.”

Contractor – A supplier of goods and services. A reference to a supplier of product or service. Also known as Vendor, Proposer, Bidder, or Consultant. These names may be interchangeably used throughout the RFP.

Debarment – A prohibition against participation in City Contracts for reasons and grounds specified in the San Diego Municipal Code.

Emergency – Reasonably unforeseen circumstances as defined in the Municipal Code.

Guarantee of Good Faith – A guarantee in the form of a check, bond or deposit required from each Contractor to be used by the City in the event that an Apparent Successful Contractor fails to honor the terms of the Contract.

Must - Used throughout this RFP to indicate mandatory requirements. Same as “shall.”

Notice to Proceed – A written notification from the City to the successful bidder or Contractor stating that there is an award of contract in accordance with the a bid or proposal previously submitted, and that effective with receipt the contractor shall proceed with performance; allows work to start.

Price Schedule – Forms issued by the Purchasing Agent in Section B for Contractors to quote Contract Amount.

Procurement Card – City issued credit card.

Proposal – An offer to enter into a Contract with the City for goods or services for a specified amount as indicated in the Price Schedule contained in Section B, subject to the terms and conditions of the Contract Documents.

Proposal Closing – The date and time when all Proposals must be received by the Purchasing Agent in order to be considered for Award.

Protest – A complaint by an unsuccessful Contractor about a City action or decision related to the selection of the Apparent Successful Contractor prepared in compliance with the provisions of the San Diego Municipal Code.

Purchase Order – The Purchasing Agent’s form used to formalize a purchase transaction which is necessary prior to any services or goods being provided pursuant to the Contract.

Purchasing Agent – The person with authority under the San Diego Charter Section 35 and San Diego Municipal Code Section 22.3202, and as delegated by the Mayor to enter into, administer, and terminate City contracts, and make related determinations and findings.

Solicitation or Request For Proposal – Document inviting prospective Contractors to submit Proposals for goods or services.

Specifications or Scope of Services – A description of the physical and functional characteristics or the nature of a supply or service and the performance requirements as outlined in Section C.

Suspension – A prohibition against submitting Proposals on City projects for a temporary period of time as specified in the San Diego Municipal Code.

I.02 Type of Contract

This is a Firm Fixed Percentage contract.

I.03 Term of Contract

The term of this contract shall be the performance period as defined in the Contract Form and Section A, with dates to be memorialized in the Notice to Proceed.

I.04 Notice to Proceed

The Contractor shall not proceed with any performance of services or supply of goods required by this contract without a written Notice to Proceed from the City of San Diego. Any work performed or expenses incurred by the Contractor prior to the Contractor's receipt of Notice to Proceed shall be entirely at the Contractor's risk.

I.05 Option to Extend

The City's option to extend is for four (4) increments of one (1) year each for a total of four (4) years beyond the expiration of the Initial Term, not to exceed five years, pursuant to Pricing Schedule. Unless City notifies Contractor in writing, not less than 15 days prior to the expiration date that they do not intend to renew the Agreement, the Agreement will be automatically renewed for another year. The rates set forth in Pricing page, or other pricing section of this Agreement shall apply to any option exercised pursuant to this option clause unless provision for appropriate price adjustment has been made elsewhere in this Agreement or by Agreement amendment. All payments are subject to "Availability of Funds."

I.06 Conflict of Interest

The Contractor is subject to all federal, state and local conflict of interest laws, regulations and policies applicable to public contracts and procurement practices, including but not limited to California Government Code sections 1090, et. seq. and 81000, et. seq., the City of San Diego Ethics Ordinance, codified in the San Diego Municipal Code at Section 27.3501 to 27.3595. The City may determine that a conflict of interest code requires the Contractor to complete one or more statements of economic interest disclosing relevant financial interests. Upon City's request, Contractor shall submit the necessary documents to the City.

The Contractor shall establish and make known to its employees and agents appropriate safeguards to prohibit employees from using their positions for a purpose that is, or that gives the appearance of being, motivated by the desire for

private gain for themselves or others, particularly those with whom they have family, business or other relationships.

In connection with any task, Contractor shall not recommend or specify any product, supplier, or contractor with whom the Contractor has a direct or indirect financial or organizational interest or relationship that would violate conflict of interest laws, regulations, or policies.

If the Contractor violates any conflict of interest laws or any of these provisions in this Section, the violation shall be grounds for immediate termination of this Agreement. Further, the violation subjects the Contractor to liability to the City for all damages sustained as a result of the violation.

I.07 **Holidays:** The City of San Diego observes the following Holidays:

New Year's Day
Martin Luther King, Jr. Day
Presidents' Day
Cesar Chavez Day
Memorial Day
Independence Day
Labor Day
Veterans' Day
Thanksgiving Day
Christmas Day

I.08 **Availability of Funds**

Multi-year Contracts are subject to annual appropriation of funds by the City Council. Purchase Orders are funded when issued, so are not subject to any subsequent appropriation of funds. All goods and services will be ordered by means of a Purchase Order or through a Procurement Card transaction.

In the event sufficient funds are not appropriated for the next fiscal year, the Contract may be terminated at the end of the current fiscal year. The City shall not be obligated to make further payments. In the event of termination or reduction of services or quantity of goods, Contractor shall be compensated in accordance with auditable costs for services or products provided prior to notification of termination.

I.09 Insurance

Contractor shall not begin any work under Agreement until it has: (a) obtained, and upon the City's request provided to the City, insurance certificates reflecting evidence of all insurance required in below; however, the City reserves the right to request, and the Contractor shall submit, copies of any policy upon reasonable request by the City; (b) obtained City approval of each insurance company or companies; and (c) confirmed that all policies contain the specific provisions required below. Contractor's liabilities, including but not limited to Contractor's indemnity obligations, under this Agreement, shall not be deemed limited in any way to the insurance coverage required herein. Maintenance of specified insurance coverage is a material element of this Agreement and Contractor's failure to maintain or renew coverage or to provide evidence of renewal during the term of this Agreement may be treated as a material breach of contract by the City. The Contractor shall not modify any policy or endorsement thereto which increases the City's exposure to loss for the duration of this Agreement.

9.1 Types of Insurance. At all times during the term of this Agreement, the Contractor shall maintain insurance coverage as follows:

Commercial General Liability (CGL). Insurance written on an ISO Occurrence form CG 00 01 07 98 or an equivalent form providing coverage at least as broad which shall cover liability arising from any and all personal injury or property damage in the amount of \$1 million per occurrence and subject to an annual aggregate of \$2 million. There shall be no endorsement or modification of the CGL limiting the scope of coverage for either insured vs. insured claims or contractual liability. All defense costs shall be outside the limits of the policy.

Commercial Automobile Liability. For all of the Contractor's automobiles including owned, hired and non-owned automobiles, the Contractor shall keep in full force and effect, automobile insurance written on an ISO form CA 00 01 12 90 or a later version of this form or an equivalent form providing coverage at least as broad for bodily injury and property damage for a combined single limit of \$1 million per occurrence. Insurance certificate shall reflect coverage for any automobile (any auto).

Workers' Compensation. For all of the Contractor's employees who are subject to this Agreement and to the extent required by the applicable state or federal law, the Contractor shall keep in full force and effect, a Workers' Compensation policy. That policy shall provide a minimum of \$1 million of employers' liability coverage, and the Contractor shall provide an endorsement that the insurer waives the right of subrogation against the City and its respective elected officials, officers, employees, agents and representatives.

9.2 Deductibles. All deductibles on any policy shall be the responsibility of the Contractor and shall be disclosed to the City at the time the evidence of insurance is provided.

9.3 Acceptability of Insurers. Except for the State Compensation Insurance Fund, all insurance required by this Contract or in the Special General Conditions shall only be carried by insurance companies with a rating of at least “A-, VI” by A.M. Best Company, that are authorized by the California Insurance Commissioner to do business in the State of California, and that have been approved by the City.

The City will accept insurance provided by non-admitted, “surplus lines” carriers only if the carrier is authorized to do business in the State of California and is included on the List of Approved Surplus Lines Insurers (LASLI list). All policies of insurance carried by non-admitted carriers are subject to all of the requirements for policies of insurance provided by admitted carriers described herein.

9.4 Required Endorsements. The following endorsements to the policies of insurance are required to be provided to the City before any work is initiated under this Agreement.

Commercial General Liability Insurance Endorsements

ADDITIONAL INSURED. To the fullest extent allowed by law including but not limited to California Insurance Code Section 11580.04, the policy or policies must be endorsed to include as an Insured the City of San Diego and its respective elected officials, officers, employees, agents and representatives with respect to liability arising out of (a) ongoing operations performed by you or on your behalf, (b) your products, (c) your work, including but not limited to your completed operations performed by you or on your behalf, or (d) premises owned, leased, controlled or used by you.

PRIMARY AND NON-CONTRIBUTORY COVERAGE. The policy or policies must be endorsed to provide that the insurance afforded by the Commercial General Liability policy or policies is primary to any insurance or self-insurance of the City of San Diego and its elected officials, officers, employees, agents and representatives as respects operations of the Named Insured. Any insurance maintained by the City of San Diego and its elected officials, officers, employees, agents and representatives shall be in excess of Contractor’s insurance and shall not contribute to it.

SEVERABILITY OF INTEREST. The policy or policies must be endorsed to provide that the Contractor’s insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer’s liability and shall provide cross-liability coverage.

Automobile Liability Insurance Endorsements

ADDITIONAL INSURED. To the fullest extent allowed by law including but not limited to California Insurance Code Section 11580.04, the policy or policies must be endorsed to include as an Insured the City of San Diego and its respective elected officials, officers, employees, agents and representatives with respect to liability arising out of automobile owned, leased, hired or borrowed by or on behalf of the Contractor.

SEVERABILITY OF INTEREST. The policy or policies must be endorsed to provide that Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability and shall provide cross-liability coverage.

Worker's Compensation Insurance Endorsements

WAIVER OF SUBROGATION. The Worker's Compensation policy or policies must be endorsed to provide that the insurer will waive all rights of subrogation against the City and its respective elected officials, officers, employees, agents and representatives for losses paid under the terms of this policy or these policies which arise from work performed by the Named Insured for the City.

9.5 Reservation of Rights. The City reserves the right, from time to time, to review the Contractor's insurance coverage, limits, deductible, and self-insured retentions to determine if they are acceptable to the City. The City will reimburse the Contractor for the cost of the additional premium for any coverage requested by the City in excess of that required by this Agreement without overhead, profit, or any other markup.

9.6 Additional Insurance. The Contractor may obtain additional insurance not required by this Agreement.

9.7 Excess Insurance. All policies providing excess coverage to the City shall follow the form of the primary policy or policies including but not limited to all endorsements.

I.10 Criminal Background Screening

The San Diego Police Department may conduct background investigations, of which the scope is determined by the San Diego Police Department, for any individual that may require access to Police facilities. Additionally, the San Diego Police Department may require background investigations, on all contractor employees, when information becomes available that indicates a potential breach in safety or security.

I.11 Governing Law

The Contract and all Contract Documents shall be deemed to be made under, and shall be construed in accordance with and governed by the laws of the State of California without regard to the conflicts or choice of law provisions thereof.

I.12 Legal Requirements

Federal, state, county and local laws, ordinance, rules and regulations that in any manner affect the goods or services covered herein apply. Lack of knowledge by the Contractor will in no way be a cause for relief from responsibility. Any acts or omissions of Contractor in violation of federal, state, or municipal law, City Charter, City Policies or regulations [regarding anti-competitive practices, unfair trade practices, collusion, gratuities, kickbacks, contingent fees, contemporaneous employment, or similar violations creating an unfair influence on the public solicitation and award process pertaining to this Contract] shall void this Contract. In addition to all other remedies or damages allowed by law, Contractor is liable to City for all damages arising out of the violation of any applicable law, including costs for substitute performance, and is subject to Suspension and Debarment.

I.13 Changes

- a. The Purchasing Agent may, at any time, by written order and without notice to the sureties, make changes within the general scope of the contract in the services to be performed. If such changes cause an increase or decrease in the Contractor's cost of, or time required for, performance of any services under this contract, whether or not changed by any order, an equitable adjustment shall be made and the contract shall be modified in writing accordingly. Any claim of the Contractor for adjustment under this clause must be asserted in writing within thirty (30) days from the date of receipt by the Contractor of the notification of change unless the Purchasing Agent grants a further period of time before the date of final payment under the contract.
- b. No services for which an additional cost or fee will be charged by the Contractor shall be furnished without the prior written authorization of the Purchasing Agent.
- c. The Contract Documents fully express all understandings of the parties concerning the matters therein. No verbal understanding of the parties, their officers, agents, or employees shall be valid unless made in the form of a written change agreed to in writing.

I.14 Drug-Free Workplace

The Contractor agrees to comply with the City's Drug-Free Workplace requirements set forth in Council Policy 100-17, adopted by San Diego Resolution R-277952 and incorporated into this Agreement by this reference.

I.15 Notices

Notices under this Contract shall be in writing, shall reference the Contract Number, and shall be considered effective upon personal delivery to the individuals listed below or five (5) calendar days after deposit in any U.S. mailbox, first class and addressed to the other party as follows:

- The City of San Diego:
Purchasing Agent
Purchasing & Contracting Department
1200 Third Avenue, Suite 200
San Diego CA 92101-4195

I.16 Indemnification and Hold Harmless Agreement

With respect to any liability, including but not limited to claims asserted for costs, losses, or payments for injury to any person or property caused or claimed to be caused by the acts or omissions of the Contractor, or the Contractor's employees, agents, and officers, arising out of performance involving this Contract, the Contractor agrees to defend, indemnify, protect, and hold harmless the City, its agents, officers, and employees from and against all liability. Also covered is liability arising from, connected with, caused by, or claimed to be caused by the active or passive negligent acts or omissions of the City, its agents, officers, or employees which may be in combination with the active or passive negligent acts or omissions of the Contractor, its employees, agents or officers, or any third party. The Contractor's duty to defend, indemnify, protect and hold harmless shall not include any claims or liabilities arising from the sole negligence or sole willful misconduct of the City, its agents, officers or employees.

I.17 City of San Diego Restrictions

In the event any City of San Diego restrictions may be imposed which would necessitate alteration of material, quality, workmanship or performance of the goods or services offered, it shall be the responsibility of the Contractor to immediately notify the City in writing specifying the regulation which requires alteration. The City of San Diego reserves the right to accept any such alteration, including any reasonable price adjustments occasioned thereby, or to cancel the contract at no expense to the City of San Diego.

I.18 Assignment or Transfer

The Contractor shall not assign or transfer any interest in the contract, in whole or part, without the prior written approval of the Purchasing Agent. Claims for sums of money due, or to become due from the City of San Diego pursuant to the contract may be assigned to a bank, trust company or other financial institution. The City of San Diego is hereby expressly relieved and absolved of any and all liability in the event a purported assignment or subcontracting of the contract is attempted in the absence of the Contractor obtaining the Purchasing Agent's prior written approval.

Any assignment in violation of this paragraph shall constitute a default and is grounds for immediate termination of this Contract, at the sole discretion of the City. In no event shall any putative assignment create a contractual relationship between the City and any putative assignee.

I.19 Availability of Records

The Contractor shall retain and maintain all records and documents relating to City Contracts for five (5) years after receipt of final payment by the City, and shall make them available for inspection and audit by authorized representatives of the City, including the Purchasing Agent or designee.

The Contractor shall make available all requested data and records upon reasonable advance notice at locations within the City or County of San Diego, at any time during normal business hours, and as often as the City deems necessary. If records are not made available within the City or County of San Diego, the Contractor shall pay the City's travel costs to the location where the records are maintained. Failure to make requested records available for audit by the date requested may result in termination of the Contract.

Contractor must include this provision in all subcontracts.

I.20 Standards of Conduct

The Contractor shall be responsible for maintaining satisfactory standards of employees' competence, conduct, courtesy, appearance, honesty, and integrity. It shall be responsible for taking such disciplinary action with respect to any of its employees as may be necessary. The following actions may require discipline:

- a. Neglect of duty;
- b. Disorderly conduct, use of abusive or offensive language, quarreling, intimidation by words or actions or fighting;
- c. Theft, vandalism, immoral conduct or any other criminal action;

- d. Selling, consuming, possessing, or being under the influence of intoxicants, including alcohol, or illegal substances while on assignment at the City of San Diego; and
- e. Criminal convictions.

Contractor shall be responsible for working in harmony with all others involved with this Contract. Employees and agents of Contractor shall, while on the premises of the City, comply with all City rules and regulations.

I.21 Removal of Employees

The City of San Diego may request the Contractor immediately remove from assignment to the City of San Diego any employee found unfit to perform duties at the discretion of the City of San Diego and Contractor shall comply with all such requests.

I.22 Supervision

The Contractor shall provide adequate and competent supervision at all times during the performance of the contract. The Contractor or his designated representative shall be readily available to meet with the City of San Diego personnel. The Contractor shall provide the telephone numbers where its representative(s) can be reached.

I.23 Performance Evaluation Meeting

The Contractor shall be readily available to meet with representatives of the City of San Diego weekly during the first month of the contract and as often as necessary thereafter for the purpose of evaluating Contractor's performance on the Contract. A mutual effort will be made to resolve any and all performance problems identified at these meetings.

I.24 Federal, State and Local Reporting Compliance

The Contractor shall provide such financial and program information as required by the City of San Diego to comply with all Federal, State and local law reporting requirements.

I.25 Nondiscrimination

25.1 Nondiscrimination in Employment. The contractor shall comply with the City's Equal Opportunity Contracting Program. For applicable rules see: San Diego Municipal Code Chapter 2, Article 2, Division 27 (Section 22.2701 et. seq.), and <http://www.sandiego.gov/eoc/index.shtml>. The Contractor shall not discriminate against any employee or applicant for employment on any basis prohibited by law. The Contractor shall provide equal opportunity in all employment practices. The Contractor shall ensure that its Subcontractors comply with the City's Equal Opportunity Contracting Program Contractor Requirements.

Nothing in this Section shall be interpreted to hold the Contractor liable for any discriminatory practice of its Subcontractors.

25.2 Nondiscrimination in Contracting. The Contractor shall not discriminate on the basis of race, gender, religion, national origin, ethnicity, sexual orientation, age, or disability in the solicitation, selection, hiring or treatment of Subcontractors, Contractors or suppliers. The Contractor shall provide equal opportunity for Subcontractors to participate in subcontracting opportunities. The Contractor understands and agrees that violation of this clause shall be considered a material breach of the contract and may result in contract termination, debarment, and other sanctions. This language shall be in contracts between the Contractor and any Subcontractors, Contractors and suppliers.

25.3 Contract Disclosure Requirements. Upon the City's request, the Contractor agrees to provide to the City, within sixty (60) calendar days, a truthful and complete list of the names of all Subcontractors, Contractors, and suppliers that the Contractor has used in the past five (5) years on any of its contracts that were undertaken within San Diego County, including the total dollar amount paid by the Contractor for each subcontract or supply contract. The Contractor further agrees to fully cooperate in any investigation conducted by the City pursuant to the City's Nondiscrimination in Contracting Ordinance [San Diego Municipal Code sections 22.3501-22.3517]. The Contractor understands and agrees that violation of this clause shall be considered a material breach of the contract and may result in remedies being ordered against the Contractor up to and including contract termination, debarment, and other sanctions.

I.26 Project Personnel

Except as formally approved by the City of San Diego, the key personnel identified in the Contractor's Proposal shall be the individuals who will actually complete the work, at the proposed levels of effort. Changes in staffing must be proposed in writing to the City of San Diego and approved.

I.27 Photo Identification Badge

The Contractor(s) shall provide any individual assigned to the City of San Diego, a company photo identification badge, which must be worn at all times while on the City of San Diego property. The City of San Diego reserves the right to require the Contractor to pay fingerprinting fees for personnel assigned to work in sensitive areas. Upon completion of the service and prior to final payment of invoice, all employees shall turn in their photo identification badges to the Contractor.

I.28 Lobbyist Activities

Persons acting as lobbyists must state, at the beginning of their presentation, letter, telephone call, e-mail or facsimile transmission to any Purchasing Agent,

Council Member of the City of San Diego, Mayor, members of Senior Management; the name of, the group, association, organization or business interest she/he is representing.

1. For purposes of The City of San Diego Policy, as currently enacted or as amended from time to time, a lobbyist is defined as a person who for immediate or subsequent compensation, (e.g., monetary profit/personal gain) represents a public or private group, association, organization or business interest and engages in efforts to influence the City of San Diego on matters within their official jurisdiction.
2. For purposes of this Policy, a lobbyist is not considered a public official acting in her/his official capacity.
3. Lobbyists shall annually disclose in each instance and for each client prior to any lobbying activities, their identity and activities.
4. The lobbyist must disclose any direct business association with any current elected or appointed official or employee or any immediate family member of a City of San Diego employee.

I.29 Gratuities

1. The Contract may be terminated by written notice if the Purchasing Agent determines that the Contractor, its agent, or another representative:
 - a. Offered or gave a gratuity (e.g. an entertainment or gift) to an officer, or employee of the City of San Diego; and
 - b. Intended, by the gratuity, to obtain a contract or favorable treatment under a contract.
2. If this contract is terminated under the first paragraph above, The City of San Diego is entitled to pursue breach of contract remedies and all other remedies available at law.

I.30 Termination

1. Termination for Default

The City may, by written notice of default to the Contractor, terminate the whole, or any part of, this Contract, provided that Contractor fails to cure such default within ten (10) days after receipt of such notice and assuming such default is capable of being cured. The following are considered defaults:

- a. Failure to make delivery of the goods or to perform the services of the required quality or within the time specified; or

- b. Failure to perform any of the obligations of this Contract, or to make sufficient progress in performance which may jeopardize full performance.

In the event the City terminates this Contract, in whole or in part, the City may procure, upon such terms and in such manner as the Purchasing Agent may deem appropriate, equivalent goods or services and the Contractor shall be liable to the City for any excess costs. The Contractor shall also continue performance to the extent not terminated.

2. Termination for Convenience

The Purchasing Agent, by written thirty (30) day notice, may terminate this Contract, in whole or in part, when it is in the best interest of the City. Contractor shall be compensated in accordance with auditable costs for services or products provided prior to notification of termination.

The Purchasing Agent may, by written notice to the Contractor, terminate this contract in whole or in part at any time as stated above. Upon receipt of such notice, the Contractor shall: (1) immediately discontinue all services affected (unless the notice directs otherwise), and (2) deliver to the Purchasing Agent all data, drawings, specifications, reports, estimates, summaries, and such other information and materials as may have been accumulated by the Contractor in performing this contract, whether completed or in process.

- a. If the termination is for the convenience of the City of San Diego and if this is a fixed price contract, an equitable adjustment in the contract price shall be made, but no amount shall be allowed for anticipated profit on unperformed services.
- b. If, after notice of termination for failure to fulfill contract obligations (default), it is determined that the Contractor had not so failed, the termination shall be deemed to have been effected for the convenience of the City of San Diego. In such event, adjustment in the contract price shall be made as provided in paragraph (a) of this clause.
- c. The rights and remedies of the City of San Diego provided in this clause are in addition to any other rights and remedies provided by law or under this contract. Time is of the essence for all delivery, performance, submittal, and completion dates in this contract.

I.31 **Insolvency**

In the event the Contractor enters into proceedings relating to bankruptcy, whether voluntary or involuntary, the Contractor agrees to furnish, by certified mail or electronic commerce method authorized by the contract, written notification of the bankruptcy to the Purchasing Agent responsible for

administering the contract. This notification shall be furnished within five (5) days of the initiation of the proceedings relating to bankruptcy filing. This notification shall include the date on which the bankruptcy petition was filed, the identity of the court in which the bankruptcy petition was filed, and a listing of the City of San Diego contract numbers and contracting offices for all the City of San Diego contracts against which final payment has not been made. This obligation remains in effect until final payment under this contract.

I.32 Dispute Resolution

If a dispute arises out of or relates to this Contract and if said dispute cannot be settled through normal contract negotiations, the Contractor and the City must first endeavor to settle the dispute in an amicable manner, using mandatory non-binding mediation under the rules of the American Arbitration Association or any other neutral organization agreed upon before having recourse in a court of law.

1. **Selection of Mediator.** A single mediator that is acceptable to both parties shall be used to mediate the claim. The mediator will be knowledgeable in the subject matter of this Contract, if possible, and chosen from lists furnished by the American Arbitration Association or any other agreed upon mediator.
2. **Expenses.** The expenses of witnesses for either side shall be paid by the party producing such witnesses. All other expenses of the mediation, including required traveling and other expenses of the mediator, and the cost of any proofs or expert advice produced at the direct request of the mediator, shall be borne equally by the parties, unless they agree otherwise.
3. **Conduct of Mediation Sessions.** Mediation hearings will be conducted in an informal manner and discovery will not be allowed. The discussions, statements, writings and admissions will be confidential to the proceedings (pursuant to California Evidence Code Sections 1115 through 1128) and will not be used for any other purpose unless otherwise agreed by the parties in writing. The parties may agree to exchange any information they deem necessary. Both parties shall have a representative attend the mediation who is authorized to settle the dispute, though the City's recommendation of settlement may be subject to the approval of the Mayor and City Council. Either party may have attorneys, witnesses or experts present.
4. **Mediation Results.** Any resultant agreements from mediation shall be documented in writing. The results of the mediation shall not be final or binding unless otherwise agreed to in writing by the parties. Mediators shall not be subject to any subpoena or liability and their actions shall not be subject to discovery.

I.33 Patents and Royalties

Unless otherwise specified, the Contractor shall pay all royalties, license and patent fees. In submitting a Proposal, the Contractor warrants that the materials to be supplied do not infringe upon any patent, trademark or copyright and further agrees to defend any and all suits, actions and claims for infringement that are brought against the City, whether general, exemplary or punitive, as a result of any actual or claimed infringement asserted against the City, the Contractor or those furnishing material to the Contractor pursuant to this Contract. The Contractor, without exception, shall defend, indemnify and hold harmless The City of San Diego, its elected officials, officers, and employees from liability of any nature or kind, including cost and expenses for or on account of any copyrighted, patented, or unpatented invention, process, or article manufactured or used in the performance of the contract, including its use by The City of San Diego. If the Contractor uses any design, device, or materials covered by letters, patent, or copyright, it is mutually understood and agreed without exception that the contract prices shall include all royalties or cost arising from the use of such design, device or materials in any way involved in the work.

I.34 Warranty of Services

1. "Acceptance," as used in this clause, means the act of an authorized representative of the City of San Diego by which the City of San Diego assumes for itself, or as an agent of another, ownership of existing and identified supplies, or approves specific services, as partial or complete performance of the contract. "Correction," as used in this clause, means the elimination of defect.
2. Notwithstanding inspection and acceptance by the City of San Diego or any provision concerning the conclusiveness thereof, the Contractor warrants that all services performed under this contract will, at the time of acceptance, be free from defects in workmanship and conform to the requirements of this contract. The Purchasing Agent shall give written notice of any defect or nonconformance to the Contractor within twenty-four (24) hours. This notice shall state either (1) that the Contractor shall correct or re-perform any defective or nonconforming services, or (2) that the City of San Diego does not require correction or re-performance.
3. If the Contractor is required to correct or re-perform, it shall be at no cost to the City of San Diego, and any services corrected or re-performed by the Contractor shall be subject to this clause to the same extent as work initially performed. If the Contractor fails or refuses to correct or re-perform, the Purchasing Agent may, by contract or otherwise, correct or replace with similar services and charge to the Contractor the cost occasioned to the City of San Diego thereby, or make an equitable adjustment in the contract price.

I.35 Licenses and Permits

The Contractor shall, without additional expense to the City of San Diego, be responsible for obtaining any necessary licenses, permits, certifications, accreditations, fees and approvals for complying with any federal, state, county, municipal, and other laws, codes, and regulations applicable to the performance of the work or to the products or services to be provided under this contract including, but not limited to, any laws or regulations requiring the use of licensed Contractors to perform parts of the work.

I.36 Taxes

The City will furnish Exemption Certificates for Federal Excise Tax. The City is liable for State, City, and County Sales Taxes. Do not include this tax in the Amount proposed; it will be added to the net amount invoiced. All or any portion of the City Sales Tax returned to the City will be considered in the evaluation of Proposals.

I.R.S. regulations require the City to have the correct name, address, and Taxpayer Identification Number (TIN) or Social Security Number (SSN) on file for businesses or persons who provide services or products to the City. This information is necessary to complete Form 1099 at the end of each tax year.

In order to comply with I.R.S. regulations, the City requires each Contractor to provide a Form W-9 prior to Award of Contract. Failure to provide a completed Form W-9 within ten (10) business days of the City's request may result in a Proposal being declared non-responsive and rejected.

I.37 Protection of the City of San Diego Property

The Contractor shall use reasonable care to avoid damaging existing buildings, equipment, and vegetation on or about premises owned by, or under the control of, the City of San Diego. If the Contractor's failure to use reasonable care causes damage to any of this property, the Contractor shall replace or repair the damage at no expense to the City of San Diego as the Purchasing Agent directs. If the Contractor fails or refuses to make such repair or replacement, the Contractor shall be liable for the cost, which may be deducted from the contract price.

I.38 Publicity Releases

All publicity releases or releases of reports, papers, articles, maps, or other documents in any way concerning this contract or the work, hereunder, which the Contractor or any of its subcontractors desires to make for purposes of publication in whole or in part, shall be subject to approval by the Purchasing Agent prior to release.

I.39 Suspension of Work

The Purchasing Agent may order the Contractor in writing to suspend all or any part or the work for such period of time as he or she may determine to be appropriate for the convenience of the City of San Diego. In the case of delay caused by the City, the Contractor may be entitled to an adjustment. However, no part of any claim based on the provisions of this clause shall be allowed if not supported by adequate evidence showing that the cost would not have been incurred but for a delay within the provisions of this clause.

I.40 Standards of Performance

The Contractor shall perform all services required by this contract in accordance with high professional standards prevailing in the Contractor's field of work.

Unless otherwise required in the Scope of Services/Work, all goods furnished shall be new and the best of their kind.

Any reference to a specific brand name is illustrative only and describes a component best meeting the specific operational, design, performance, maintenance, quality or reliability standards and requirements of the City, thereby incorporating these requirements by reference within the Specification. An equivalent ("or equal") may be offered by the Contractor in response to a brand name reference (Proposed Equivalent). The City may consider the Proposed Equivalent after it is subjected to testing and evaluation which must be completed prior to Award of the Contract. If the Contractor offers an item of a manufacturer or Contractor other than that specified, Contractor must identify maker, brand, quality, manufacturer number, product number, catalog number, or other trade designation.

The City has sole discretion in determining whether a Proposed Equivalent will satisfy its requirements. It is the Contractor's responsibility to provide, at its expense, any product information, test data or other information or documents the City requests in order to properly evaluate or demonstrate the acceptability of the Proposed Equivalent, including independent testing or evaluation at qualified test facilities or destructive testing.

If the item in the Specifications has a trade name, brand, catalog, manufacturer, and/or product number, Contractor shall state the applicable trade name, brand, catalog, manufacturer, and/or product number in the Proposal.

Services performed and goods provided, must be acceptable to the City, in strict conformity with all instructions, conditions, and terms of the Contract Documents and performed in accordance with the standards customarily adhered to by an experienced and competent professional using the degree of care and skill ordinarily exercised by reputable professionals practicing in the same field of service in the State of California. Where approval by the City, the City Mayor, or

other representatives of the City is required, it is understood to be general approval only and does not relieve the Contractor of responsibility for complying with all applicable laws, codes, and good business practices.

I.41 Notice of Labor Disputes

- a. If the Contractor has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this contract, the Contractor immediately shall give notice, including all relevant information, to the Purchasing Agent.
- b. The Contractor agrees to insert the substance of this clause, including this paragraph, in any subcontract under which a labor dispute may delay the timely performance of this contract; except that each subcontract shall provide that in the event its timely performance is delayed or threatened by delay by any actual or potential labor dispute, the subcontractor shall immediately notify the next higher tier subcontractor or the Contractor, as the case may be, of all relevant information concerning the dispute.

I.42 Pending Legal Dispute

If the Contractor is currently involved in litigation with the City or any of the Agencies identified in this RFP, the Contractor must identify the title of the litigation, the Court(s) where the litigation is pending, and the case number(s), along with a brief description(s) of the nature of the dispute(s).

I.43 Time of Essence

Time is of the essence for each provision of the Contract Documents, unless specified otherwise.

I.44 Americans with Disabilities Act Certification

The Contractor hereby certifies that it agrees to comply with the City's Americans With Disabilities Act Compliance/City Contracts requirements set forth in Council Policy 100-04, adopted by San Diego Resolution R-282153 and incorporated into this Agreement by this reference.

I.45 Debarment Proceedings

Contractor misconduct may be punishable by suspension or debarment in accordance with San Diego Municipal Code Sections 22.0801, *et seq.*

I.46 Other Public Agencies

Public agencies other than the City of San Diego, as defined by Cal. Gov. Code § 6500 may choose to use this Contract, subject to the Contractor's acceptance. The City is not liable or responsible for any obligations related to a subsequent

agreement between the Contractor and another public agency. If agreements are entered into by other agencies and the Contractor, Contractor shall furnish the City with an annual report showing the name of the agencies, contact person and phone number for each agency, and details of goods or services provided, including quantities. This report shall be furnished to the City upon request.

I.47 Product Endorsements

Contractor is prohibited from indicating, either directly or by implication, that the City has endorsed its goods or services without prior written authorization by the City.

I.48 Procurement Card Transactions

DELETED.

I.49 Severability

The unenforceability, invalidity, or illegality of any provision of the Contract Documents shall not render any other provision unenforceable, invalid, or illegal.

I.50 No Waiver

No failure of either the City or the Contractor to insist upon the strict performance by the other of any covenant, term or condition of this Agreement, nor any failure to exercise any right or remedy consequent upon a breach of any covenant, term, or condition of this Agreement, shall constitute a waiver of any such breach of such covenant, term or condition. No waiver of any breach shall affect or alter this Agreement, and each and every covenant, condition, and term hereof shall continue in full force and effect without regard to any existing or subsequent breach.

I.51 Covenants and Conditions

All provisions in the Contract expressed as either covenants or conditions on the part of the City or Contractor, shall be deemed to be both covenants and conditions.

I.52 Headings

All article headings are for convenience only and shall not affect the interpretation of these Contract Documents.

I.53 Independent Contractors

The Contractor and any subcontractors employed by the Contractor shall be independent contractors and not agents of the City. Any provisions in the Contract that may appear to give the City any right to direct the Contractor

concerning the details of performance, or to exercise any control over such performance, shall mean only that the Contractor shall follow the direction of the City concerning the end results of the performance.

I.54 Successors in Interest

This Contract and all rights and obligations created by this Contract shall be in force and effect whether or not any parties to the Contract have been succeeded by another entity, and all rights and obligations created by this Contract shall be vested and binding on any party's successor in interest.

I.55 Software Licensing

Contractor represents and warrants that the software, as delivered to the City, does not contain any program code, virus, worm, trap door, back door, timer, or clock that would erase data or programming or otherwise cause the software to become inoperable, inaccessible, or incapable of being used in accordance with its user manuals, either automatically, upon the occurrence of Licensor-selected conditions, or manually on the command of the Contractor.

I.56 Intellectual Property

56.1 Work For Hire. All original designs, plans, specifications, reports, documentation, and other informational materials, whether written or readable by machine, originated or prepared exclusively for the City pursuant to this Agreement (Deliverable Materials) is “work for hire” under the United States Copyright law and shall become the sole property of the City. The Contractor, including its employees, and independent Subcontractor(s), shall not assert any common law or statutory patent, copyright, trademark, or any other intellectual proprietary right to the City to the deliverable Materials.

56.2. Rights in Data. All rights (including, but not limited to publication(s), registration of copyright(s), and trademark(s)) in the Deliverable Materials, developed by the Contractor, including its employees, agents, talent and independent Subcontractors pursuant to this Agreement are the sole property of the City. The Contractor, including its employees, agents, talent, and independent Subcontractor(s), may not use any such Product mentioned in this article for purposes unrelated to Contractor’s work on behalf of the City without prior written consent of the City.

56.3 Intellectual Property Rights Assignment. Contractor, its employees, agents, talent, and independent Subcontractor(s) agree to promptly execute and deliver, upon request by City or any of its successors or assigns at any time and without further compensation of any kind, any power of attorney, assignment, application for copyright, patent, trademark or other intellectual property right protection, or other papers or instruments which may be necessary or desirable to fully secure, perfect or otherwise protect to or for the City, its successors and

assigns, all right, title and interest in and to the content of the Deliverable Materials; and cooperate and assist in the prosecution of any action or opposition proceeding involving said rights and any adjudication of the same.

56.4 Moral Rights. Contractor, its employees, agents, talent, and independent Subcontractor(s) hereby irrevocably and forever waives, and agrees never to assert, any Moral Rights in or to the Deliverable Materials which Contractor, its employees, agents, talent, and independent Subcontractor(s), may now have or which may accrue to Contractor, its employees, agents, talent, and independent Subcontractor(s)' benefit under U.S. or foreign copyright laws and any and all other residual rights and benefits which arise under any other applicable law now in force or hereafter enacted. The term "Moral Rights" shall mean any and all rights of paternity or integrity of the content and the right to object to any modification, translation or use of said content, and any similar rights existing under judicial or statutory law of any country in the world or under any treaty, regardless of whether or not such right is denominated or referred to as a moral right.

56.5 Subcontracting. In the event that Contractor utilizes a Subcontractor(s) for any portion of the Work that is in whole or in part of the specified Deliverable(s) to the City, the agreement between Contractor and the Subcontractor [Subcontractor Agreement] shall include a statement that identifies that the Deliverable/Work product as a "work-for hire" as defined in the Act and that all intellectual property rights in the Deliverable/Work product, whether arising in copyright, trademark, service mark or other belongs to and shall vest solely with the City. Further, the Subcontractor Agreement shall require that the Subcontractor, if necessary, shall grant, transfer, sell and assign, free of charge, exclusively to the City, all titles, rights and interests in and to said Work/Deliverable, including all copyrights and other intellectual property rights. City shall have the right to review any Subcontractor agreement for compliance with this provision.

56.6 Publication. Contractor may not publish or reproduce any Deliverable Materials, for purposes unrelated to Contractor's work on behalf of the City without prior written consent of the City.

56.7 Intellectual Property Warranty and Indemnification. Contractor represents and warrants that any materials or deliverables, including all Deliverable Materials, provided under this contract are either original, not encumbered and do not infringe upon the copyright, trademark, patent or other intellectual property rights of any third party, or are in the public domain. If Deliverable Materials provided hereunder become the subject of a claim, suit or allegation of copyright, trademark or patent infringement, City shall have the right, in its sole discretion, to require Contractor to produce, at Contractor's own expense, new non-infringing materials, deliverables or Works as a means of remedying any claim of infringement in addition to any other remedy available to

the City under law or equity. Contractor further agrees to indemnify and hold harmless the City, its officers, employees and agents from and against any and all claims, actions, costs, judgments or damages of any type alleging or threatening that any materials, deliverables, supplies, equipment, services or Works provided under this contract infringe the copyright, trademark, patent or other intellectual property or proprietary rights of any third party (Third Party Claims of Infringement). If a Third Party Claim of Infringement is threatened or made before Contractor receives payment under this contract, City shall be entitled, upon written notice to Contractor, to withhold some or all of such payment.

I.57 Confidentiality of Services

All services performed by Contractor, and any subcontractors if applicable including but not limited to all drafts, data, information, correspondence, proposals, reports or any nature, estimates compiled or composed by the Contractor, are for the sole use of the City, its agents and employees. Neither the documents nor their contents shall be released to any third party without the prior written consent of the City. This provision does not apply to information that (a) was publicly known, or otherwise known to the Contractor, at the time that it was disclosed to the Contractor by the City, (b) subsequently becomes publicly known through no act or omission of the Contractor, or (c) otherwise becomes known to the Contractor other than through disclosure by the City.

I.58 Business Tax License

Any company doing business with the City of San Diego is required to comply with Section 31.0301 of the San Diego Municipal Code regarding Business Tax. For more information please visit the City of San Diego website at www.sandiego.gov/treasurer/ or call (619) 615-1500. The City requires that each Contractor provide a copy of their Business Tax License, or a copy of their application receipt. Failure to provide the required documents within ten (10) business days of the City's request may result in a Bid being declared non-responsive and rejected.

I.59 Performance and Payment Bond

If a Guarantee of Good Faith is required, any of the following may be submitted in the amount specified made payable to the City: a certified check; a bank or postal money order; or a bid bond executed by a corporation authorized to issue surety bonds in the State of California. Failure to submit an acceptable Guarantee of Good Faith with the Proposal will automatically render it void.

The Apparent Successful Contractor may be required to furnish the City with a surety bond conditioned upon the faithful performance of the Contract. This may take the form of a bond executed by a surety company authorized to do business in the State of California and approved by the City, an endorsed Certificate of

Deposit, or a money order or a certified check drawn on a solvent bank. The bond shall be in a sum equal to one hundred percent (100%) of the Amount of the Contract, unless stated differently in the Specific Provisions. The City may file a claim against such bond or deposit in the event the Contractor fails or refuses to fulfill all terms and conditions of the Contract.

I.60 Compliance with Controlling Law

The Contractor shall comply with all laws, ordinances, regulations, and policies of the federal, state, and local governments applicable to this Agreement. In addition, the Contractor shall comply immediately with all directives issued by the City or its authorized representatives under authority of any laws, statutes, ordinances, rules, or regulations.

I.61 Equal Benefits

Effective January 1, 2011, any contract awarded from this solicitation is subject to the City of San Diego's Equal Benefits Ordinance [EBO], Chapter 2, Article 2, Division 43 of the San Diego Municipal Code [SDMC].

In accordance with the EBO, contractors must certify they will provide and maintain equal benefits as defined in SDMC §22.4302 for the duration of the contract [SDMC §22.4304(f)]. Failure to maintain equal benefits is a material breach of the contract [SDMC §22.4304(e)]. Contractors must notify employees of their equal benefits policy at the time of hire and during open enrollment periods and must post a copy of the following statement in an area frequented by employees:

During the performance of a contract with the City of San Diego, this employer will provide equal benefits to its employees with spouses and its employees with domestic partners.

Contractors also must give the City access to documents and records sufficient for the City to verify the contractors are providing equal benefits and otherwise complying with EBO requirements.

Full text of the EBO and the Rules Implementing the Equal Benefits Ordinance are posted on the City's website at www.sandiego.gov/purchasing/ or can be requested from the Equal Benefits Program at (619) 533-3948.

I.62 Contractor Standards

This Contract is subject to the Contractor Standards clause of the Municipal Code, Chapter 2, Article 2, Division 30 adopted by Ordinance No. O-19383. All Contractors are required to complete the Contractor Standards Pledge of Compliance included in this RFP. The Contractor Standards are available online

at www.sandiego.gov/purchasing/vendor/index.shtml or by request from the Purchasing & Contracting Department by calling (619) 236-6000.

I.64 Incurred Expenses

The City will not be responsible for any expenses incurred by Proposers in participating in the RFP process, including but not limited to preparing and submitting a Proposal or best and final offers, or in making an oral presentation or demonstrations.

SECTION J

LIST OF ATTACHMENTS, EXHIBITS, OR APPENDICES

Attachment - Equal Opportunity Contracting Program (EOCP) Proposer Requirements

SECTION K

REPRESENTATIONS, CERTIFICATIONS, AND OTHER STATEMENTS OF CONTRACTORS OR RESPONDENTS

- K.1** By submission of this proposal, the Contractor certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal, State or Local departments or agencies.
- K.2** Should the Contractor be unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.
- K.3** The following forms are required to be completed to validate the proposal and upon acceptance of the contract will confirm compliance with The City of San Diego eligibility requirements as stated in Section L.

FORMS REQUIRED OF ALL CONTRACTORS:

1. Contractor's Cover Sheet
2. Pre-Award Survey/List of References/List of Subcontractors
3. Certification Regarding Debarment, Suspension on, Proposed Debarment, and other Responsibility matters
4. Declaration Regarding Information Requested Under The California Public Records Act
5. Proof of Insurance
6. Criminal Background Certification
7. Affidavit for Contractor/Vendor
8. Conflict of Interest Disclosure Statement
9. Drug Free Workplace Certification
10. Equal Benefits Ordinance Certification of Compliance
11. Contractor Standards Pledge of Compliance
12. American With Disabilities Act (ADA) Compliance Certification

1. CONTRACTOR'S COVER SHEET

Legal Status of Contractor:

1. Name of Firm: _____

2. Type of Business: The bidder represents as part of its offer that it operates as (*Mark one with an 'X'*) An Individual ____; A Corporation ____; Partnership ____ or Joint Venture ____ . (If a Joint Venture, provide information for each party to the joint venture when answering items 3-7 below.)
 - a. If incorporated, existing under the laws of the State of: _____.

 - b. Date of incorporation: _____

 - c. The ID Number/Registration Number assigned to your Corporation or Limited Partnership by the State named above: _____. Data Universal Numbering System (DUN & BRADSTREET) Number: _____.

 - d. Office which will be responsible for providing the City of San Diego the specified services:

Address: _____

- Contact Person/Telephone Number: _____ Fax Number: _____
Email: _____

5. Name, title, and signature of individual duly authorized as representative to execute contracts:

Name: _____

Title: _____

Signature: _____

6. The undersigned understands that the City of San Diego reserves the right to reject any and all solicitation and to waive informalities and irregularities if there's a mistake in the offer.

- 7a. The undersigned further understands that the contents within this solicitation will become a part of the contract when awarded to the above named Propose Firm.

- 7b. My signature below certifies that the proposal as submitted complies with all terms and conditions as set forth within the Request for Proposal.

- 7c. My signature also certifies that the accompanying solicitation is not the result of, or affected by, any unlawful act of collusion with another person or company engaged in the same line of business, or any act of fraud. Furthermore, I understand that fraud and unlawful collusion are crimes under Federal Law, and can result in fines and/or civil damage awards.

I, hereby certify that I am a duly authorized representative of the forenamed Firm and have the authority to enter an agreement if so awarded by the City of San Diego:

Authorized Representative Signature: _____

Printed Name: _____

Position: _____

Dated this _____ day of _____, 20__.

2. PRE-AWARD SURVEY DOCUMENTS

This statement is an integral part of a Contractor's proposal. All references and information shall be current and traceable. If the Contractor is a joint venture, each Contractor shall prepare a separate form.

SOLICITATION NUMBER: _____

NAME OF CONTRACTOR: _____

ADDRESS: _____

TELEPHONE: _____

1. Name your principal financial institution for financial reference:

Name of Bank: _____

Point of Contact: _____

Address: _____

Telephone Number: _____

I authorize the release of credit information for verification of financial responsibility.

Contractor's Signature

(Date)

Name (typed or written)

2. State your firm's average receipts over the past 3 years: \$_____.

3. If your firm is a partnership, list names and addresses of partners; if a corporation, list names of directors, State of incorporation and addresses of corporation: if a joint venture, list names and addresses of ventures.

(Name) (Address)

(Name) (Address)

(Name) (Address)

4. How many years has your firm been in business as a contractor under your present name?
____ years.
5. How many people are currently employed by your firm? _____
6. Have your firm failed to complete a contract? Yes ___ No ___ (check one)

If yes, give details

7. List the names of three (3) references to demonstrate successful performance for work of similar size and scope as specified in this contract during the past seven (7) years. Proposers must also demonstrate that they are properly equipped to perform the work as specified in this contract. Previous experience in furnishing the services as specified in this RFP will be an important consideration.

LIST OF REFERENCES

Reference #1

Name of Entity:

Contact Person:

Phone No:

Dollar Value of Contract: \$ _____ Contract Dates: _____

Requirements of the Contract:

Reference #2

Name of Entity:

Contact Person:

Phone No:

Dollar Value of Contract: \$ _____ Contract Dates: _____

Requirements of the Contract:

Reference #3

Name of Entity:

Contact Person:

Phone No:

Dollar Value of Contract: \$ _____ Contract Dates: _____

Requirements of the Contract:

Company Name: _____ **Contact Name:** _____

Address: _____ **Phone Number:** _____

_____ **Fax Number:** _____

Dollar amount of sub-contract: \$ _____ **Contract Dates:** _____

Contractor's License #: _____

Requirements of contract: _____

What portion of work will be assigned to this subcontractor: _____

Company Name: _____ **Contact Name:** _____

Address: _____ **Phone Number:** _____

_____ **Fax Number:** _____

Dollar amount of sub-contract: \$ _____ **Contract Dates:** _____

Contractor's License #: _____

Requirements of contract: _____

What portion of work will be assigned to this subcontractor: _____

Company Name: _____ **Contact Name:** _____

Address: _____ **Phone Number:** _____

_____ **Fax Number:** _____

Dollar amount of sub-contract: \$ _____ **Contract Dates:** _____

Contractor's License #: _____

Requirements of contract: _____

What portion of work will be assigned to this subcontractor: _____

3. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, PROPOSED DEBARMENT, AND OTHER RESPONSIBILITY MATTERS

- A. The Contractor certifies, to the best of its knowledge and belief, that --
1. The Contractor and/or any of its Principals --
 - a. ARE ←checking this box means you are presently debarred, etc., ARE NOT presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any public (Federal, State, or Local) agency;
 - b. HAVE ←checking this box means you have been convicted, etc., HAVE NOT , within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public contract or subcontract; violation of Federal or State antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; and
 - c. ARE ←checking this box means you are presently indicted, etc., ARE NOT presently indicted for, or otherwise criminally or civilly charged by a public entity with, commission of any of the offenses enumerated in paragraph (a) (1) (ii) of this provision.
 2. The Contractor HAS ←checking this box means you have defaulted on contracts, HAS NOT , within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.
 3. "Principals," for the purposes of this certification, means officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity. This Certification Concerns a Matter Within the Jurisdiction of the City of San Diego and the Making of a False, Fictitious, or Fraudulent Certification May Render the Maker Subject to Prosecution.
- B. The Contractor shall provide immediate written notice to the Purchasing Agent if, at any time prior to contract award, the Contractor learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- C. A certification that any of the items in paragraph (a) of this provision exists will not necessarily result in withholding of an award under this solicitation. However, the certification will be considered in connection with a determination of the Contractor's responsibility. Failure of the Contractor to furnish a certification or provide such

additional information as requested by the Purchasing Agent may render the Contractor non-responsible.

- D. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an Contractor is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- E. The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the Contractor knowingly rendered an erroneous certification, in addition to other remedies available to the City of San Diego, the Purchasing Agent may terminate the contract resulting from this solicitation for default.

Name of Firm

Signature of Authorized Representative

Printed/Typed Name

Date

4. DECLARATION REGARDING INFORMATION REQUESTED UNDER THE CALIFORNIA PUBLIC RECORDS ACT

The undersigned duly authorized representative, on behalf of the named Contractor declares and acknowledges the following:

Any information submitted in response this Request for Proposal is a public record subject to disclosure unless a specific exemption in the California Public Records Act applies.

If a Contractor submits information **clearly marked** confidential or proprietary, the City of San Diego (City) may protect such information and treat it with confidentiality only to the extent permitted by law. However, it will be the **responsibility of the Contractor** to provide to the City the specific legal grounds on which the City can rely in withholding information requested under the California Public Records Act, should the City choose to withhold such information.

General references to sections of the California Public Records Act will not suffice. Rather, the Contractor must provide a **specific and detailed legal basis, including applicable case law** that **clearly establishes** the requested information is exempt from the disclosure requirements of the California Public Records Act.

If the Contractor does not provide a specific and detailed legal basis for withholding the requested information within a time specified by the City, the City will release the information as required by the California Public Records Act and the **Contractor will hold the City harmless** for release of this information.

It will be the **Contractor's obligation to defend**, at Contractor's expense, any legal actions or challenges seeking to obtain from the City any information requested under the California Public Records Act withheld by the City at the Contractor's request. Furthermore, the Contractor shall **indemnify** the City and **hold it harmless** for any claim or liability, and **defend any action** brought against the City, resulting from the City's refusal to release information requested under the Public Records Act withheld at Contractor's request.

Nothing in this Agreement creates any obligation for the City to notify the Contractor or obtain the Contractor's approval or consent before releasing information subject to disclosure under the California Public Records Act.

Name of Firm

Signature of Authorized Representative

Printed/Typed Name

Date

5. PROOF OF INSURANCE

Contractor acknowledges that it has read and understands the City's insurance requirements and will comply. In addition, Contractor acknowledges that it has shared the insurance requirements with its agent and its agent has agreed to comply. Upon award, Contractor shall supply the city with a copy of your Workers' Compensation, Comprehensive Automobile, Comprehensive General Liability and Other declaration pages as specified herein, which illustrates the coverage and limits for this solicitation.

The undersigned duly authorized representative, on behalf of the named Contractor declares that the Contractor will comply.

Name of Firm

Signature of Authorized Representative

Printed/Typed Name

Date

6. CRIMINAL BACKGROUND CERTIFICATION

Contractor performing this Contract herein certifies that all employees working on this Contract has had a criminal background check and said employees are clear of any sexual and drug related convictions. All employees whether Contractor or Subcontractor shall be free from any felony convictions.

The undersigned duly authorized representative, on behalf of the named Contractor declares that this certification is true and correct.

Name of Firm

Signature of Authorized Representative

Printed/Typed Name

Date

7. AFFIDAVIT FOR CONTRACTOR/VENDOR

**PURCHASING & CONTRACTING DEPARTMENT
OFFICE OF EQUAL OPPORTUNITY CONTRACTING PROGRAM
1200 Third Avenue, Suite 200
San Diego, CA 92101
619-236-6000**

I, the undersigned, being first duly sworn, depose and say that I have read the STANDARDS RELATED TO CONFLICTS OF INTEREST INVOLVING COUNCIL MEMBERS OR EMPLOYEES OF THE CITY OF SAN DIEGO, understand them and that neither I, nor the owner/officers of the firm, nor any member of it, is involved, directly or indirectly, in a business relationship with any member or employee of the City of San Diego, and that, to the best of my knowledge, a conflict of interest situation, within the meaning of the STANDARDS RELATED TO CONFLICTS OF INTEREST INVOLVING COUNCIL MEMBERS OR EMPLOYEES OF THE CITY OF SAN DIEGO does not exist.

Name: _____
(type or print)

Signature: _____
(Must be signed by President or Vice President)

Social Security Number or Federal ID Number: _____

Position: _____

Firm: _____

8. CONFLICT OF INTEREST DISCLOSURE STATEMENT

**PURCHASING & CONTRACTING DEPARTMENT
OFFICE OF EQUAL OPPORTUNITY CONTRACTING PROGRAM
1200 Third Avenue, Suite 200
San Diego, CA 92101
619-236-6000**

I, the undersigned, being first duly sworn, depose and say that I have read the standards related to Conflicts Of Interest involving council members or employees of the City of San Diego, understand them and make the following disclosures concerning myself, the owners/officers of the firm I represent, or any member of it. The statement prohibits public servants from directly or indirectly soliciting any contract between his or her public entity employer and any of the following:

1. Him or Herself.
2. Any firm, meaning a co-partnership or other unincorporated association, of which one is a partner, member or employee.
3. Any private corporation in which one is a stockholder owning more than one percent (1%) of the total outstanding stock of any class if the stock is not listed on a stock exchange, or stock with a present total market value in excess of \$25,000 if the stock is listed on a stock exchange or of which one is a director officer, or employee.
4. Any trust of which he or she is a beneficiary or trustee.
5. Do not take part in the negotiations for such a contract or the renegotiation or amendment of the contract, or the approval of the contract.
6. Represent either party in the transaction.
7. Promptly discloses any pecuniary interest in the contract to the official body that has power to approve the contract, which disclosure shall be made a matter of record in its official proceedings.

Name (type or print): _____

Signature: _____
(Must be signed by President or Vice President)

Position: _____

Firm: _____

9. DRUG-FREE WORKPLACE

A. GENERAL

All City projects are now subject to The City of San Diego Resolution No. R-277952 adopted on May 20, 1991. All bidders should be aware of the provisions of San Diego City Council Policy No. 100-17 which was established by the above numbered resolution. The policy applies equally to the Contractor and all Subcontractors. The elements of the policy are outlined below.

B. DEFINITIONS

- 1) “Drug-Free Workplace” means a site for the performance of work done in connection with a contract let by The City of San Diego for the construction, maintenance, or repair of any facility, or public work, or for professional, or nonprofessional services rendered on behalf of the City by an entity at which employees of the entity are prohibited from engaging in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance in accordance with the requirements of this section.
- 2) “Employee” means the employee of a Contractor directly engaged in the performance of work pursuant to a contract as described in Section C.
- 3) “Controlled Substance” means a controlled substance in Schedules I through V of Section 202 of the Controlled Substances Act (21 U.S.C. Sec. 812).
- 4) “Contractor” means the department, division, or other unit of a person or organization responsible to the Contractor for the performance of a portion of the work under the contract.

C. CITY CONTRACTOR REQUIREMENTS

- 1) Every person or organization awarded a contract or grant by the City of San Diego for the provision of services shall certify to the City that it will provide a Drug-Free Workplace by doing all of the following:
 - a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the person’s organization’s workplace and specifying the actions that will be taken against employees for violations of the prohibition.

- b) Establishing a Drug-Free Awareness Program to inform employees about all of the following:
 - (1) The dangers of drug abuse in the workplace.
 - (2) The person's or organization's policy of maintaining a Drug-Free Workplace.
 - (3) Any available drug counseling, rehabilitation, and employee assistance programs.
 - (4) The penalties that may be imposed upon employees for drug abuse violations.
 - c) Posting the statement required by subdivision (1) in a prominent place at Contractor's main office. For projects large enough to necessitate a construction trailer at the job site, the required signage would also be posted at the job site.
- 2) Contractors shall include in each subcontract agreement language which indicates the Subcontractor's agreement to abide by the provisions of subdivisions a) through c) inclusive of Section C1. Contractors and Subcontractors shall be individually responsible for their own Drug-Free Workplace programs.

NOTE: The requirements of a Drug-Free Awareness Program can be satisfied by periodic tailgate sessions covering the various aspects of drug-abuse education. Although an in-house employee assistance program is not required, Contractors should be able to provide a listing of drug rehabilitation and counseling programs available in the community at large.

Questions about the City's Drug-Free Workplace Policy should be referred to the Purchasing Agent.

**THIS DOCUMENT MUST BE COMPLETED,
SIGNED, AND SUBMITTED PRIOR TO CONTRACT AWARD
DRUG-FREE WORKPLACE
CONTRACTOR CERTIFICATION**

BID NUMBER:

PROJECT TITLE: _____

I hereby certify that I am familiar with the requirements of **San Diego City Council Policy No. 100-17** regarding Drug-Free Workplace as outlined in the request for proposals, and that,

(Name under which business is conducted)

has in place a Drug-Free Workplace Program that complies with said policy. I further certify that each subcontract agreement for this project contains language which indicates the Subcontractor's agreement to abide by the provisions of subdivisions a) through c) of the policy as outlined.

SIGNED: _____

PRINTED NAME: _____

TITLE: _____

COMPANY NAME: _____

ADDRESS: _____

TELEPHONE: _____ FAX: _____

DATE: _____

10. EQUAL BENEFITS ORDINANCE CERTIFICATION OF COMPLIANCE



For additional information, contact:
CITY OF SAN DIEGO

EQUAL BENEFITS PROGRAM
202 C Street, MS 9A, San Diego, CA 92101

COMPANY INFORMATION

Company Name:	Contact Name:
Company Address:	Contact Phone:
	Contact Email:

CONTRACT INFORMATION

Contract Title:	Start Date:
Contract Number (if no number, state location):	End Date:

SUMMARY OF EQUAL BENEFITS ORDINANCE REQUIREMENTS

The Equal Benefits Ordinance [EBO] requires the City to enter into contracts only with contractors who certify they will provide and maintain equal benefits as defined in San Diego Municipal Code §22.4302 for the duration of the contract. To comply:

- Contractor shall offer equal benefits to employees with spouses and employees with domestic partners.
 - Benefits include health, dental, vision insurance; pension/401(k) plans; bereavement, family, parental leave; discounts, child care; travel/relocation expenses; employee assistance programs; credit union membership; or any other benefit.
 - Any benefit not offered to an employee with a spouse, is not required to be offered to an employee with a domestic partner.
- Contractor shall post notice of firm's equal benefits policy in the workplace and notify employees at time of hire and during open enrollment periods.
- Contractor shall allow City access to records, when requested, to confirm compliance with EBO requirements.
- Contractor shall submit *EBO Certification of Compliance*, signed under penalty of perjury, prior to award of contract.

NOTE: This summary is provided for convenience. Full text of the EBO and its Rules are posted at www.sandiego.gov/administration.

CONTRACTOR EQUAL BENEFITS ORDINANCE CERTIFICATION

Please indicate your firm's compliance status with the EBO. The City may request supporting documentation.

- I affirm **compliance** with the EBO because my firm (*contractor must select one reason*):
 - Provides equal benefits to spouses and domestic partners.
 - Provides no benefits to spouses or domestic partners.
 - Has no employees.
 - Has collective bargaining agreement(s) in place prior to January 1, 2011, that has not been renewed or expired.
- I request the City's approval to pay affected employees a **cash equivalent** in lieu of equal benefits and verify my firm made a reasonable effort but is not able to provide equal benefits upon contract award. I agree to notify employees of the availability of a cash equivalent for benefits available to spouses but not domestic partners and to continue to make every reasonable effort to extend all available benefits to domestic partners.

It is unlawful for any contractor to knowingly submit any false information to the City regarding equal benefits or cash equivalent associated with the execution, award, amendment, or administration of any contract. [San Diego Municipal Code §22.4307(a)]

Under penalty of perjury under laws of the State of California, I certify the above information is true and correct. I further certify that my firm understands the requirements of the Equal Benefits Ordinance and will provide and maintain equal benefits for the duration of the contract or pay a cash equivalent if authorized by the City.

Name/Title of Signatory	Signature	Date
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FOR OFFICIAL CITY USE ONLY

Receipt Date:	EBO Analyst:	<input type="checkbox"/> Approved	<input type="checkbox"/> Not Approved – Reason:	
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City of San Diego Purchasing & Contracting Department

CONTRACTOR STANDARDS
Pledge of Compliance

Effective December 24, 2008, the Council of the City of San Diego adopted Ordinance No. O-19808 to extend the Contractor Standards Ordinance to all contracts greater than \$50,000. The intent of the Contractor Standards clause of San Diego Municipal Code §22.3224 is to ensure the City of San Diego conducts business with firms that have the necessary quality, fitness and capacity to perform the work set forth in the contract.

To assist the Purchasing Agent in making this determination and to fulfill the requirements of §22.3224(d), each bidder/proposer must complete and submit this *Pledge of Compliance* with the bid/proposal. If a non-competitive process is used to procure the contract, the proposed contractor must submit this completed *Pledge of Compliance* prior to execution of the contract. A submitted *Pledge of Compliance* is a public record and information contained within will be available for public review for at least ten (10) calendar days, except to the extent that such information is exempt from disclosure pursuant to applicable law.

All responses must be typewritten or printed in ink. If an explanation is requested or additional space is required, respondents must use the *Pledge of Compliance Attachment "A"* and sign each page. The signatory guarantees the truth and accuracy of all responses and statements. Failure to submit this completed *Pledge of Compliance* may make the bid/proposal non-responsive and disqualified from the bidding process. If a change occurs which would modify any response, Contractor must provide the Purchasing Agent an updated response within thirty(30) calendar days.

A. PROJECT TITLE:

B. BIDDER/CONTRACTOR INFORMATION:

Legal Name	DBA		
Street Address	City	State	Zip
Contact Person, Title	Phone	Fax	

C. OWNERSHIP AND NAME CHANGES:

- In the past five (5) years, has your firm changed its name?
 Yes **No**

If **Yes**, use *Pledge of Compliance Attachment "A"* to list all prior legal and DBA names, addresses and dates when used. Explain the specific reasons for each name change.

- In the past five (5) years, has a firm owner, partner or officer operated a similar business?
 Yes **No**

If **Yes**, use *Pledge of Compliance Attachment "A"* to list names and addresses of all businesses and the person who operated the business. Include information about a similar business only if an owner, partner or officer of your firm holds or has held a similar position in another firm.

D. BUSINESS ORGANIZATION/STRUCTURE: Indicate the organizational structure of your firm. Check one only on this page. Use *Pledge of Compliance Attachment "A"* if more space is required.

Corporation Date incorporated: ___/___/___ State of incorporation: _____

List corporation's current officers: President: _____
Vice Pres: _____
Secretary: _____
Treasurer: _____

Is your firm a publicly traded corporation? **Yes** **No**

If **Yes**, name those who own five percent (5%) or more of the corporation's stocks:

Limited Liability Company Date formed: ___/___/___ State of formation: _____

List names of members who own five percent (5%) or more of the company:

Partnership Date formed: ___/___/___ State of formation: _____

List names of all firm partners:

Sole Proprietorship Date started: ___/___/___

List all firms you have been an owner, partner or officer with during the past five (5) years. Do not include ownership of stock in a publicly traded company:

Joint Venture Date formed: ___/___/___

List each firm in the joint venture and its percentage of ownership:

Note: Each member of a Joint Venture must complete a separate *Contractor Standards Pledge of Compliance* for a Joint Venture's submission to be considered responsive.

E. FINANCIAL RESOURCES AND RESPONSIBILITY:

1. Is your firm in preparation for, in the process of, or in negotiations toward being sold?
 Yes **No**

If **Yes**, use *Pledge of Compliance Attachment "A"* to explain specific circumstances, including name of the buyer and principal contact information.

2. In the past five (5) years, has your firm been denied bonding?
 Yes **No**

If **Yes**, use *Pledge of Compliance Attachment "A"* to explain specific circumstances; include bonding company name.

3. In the past five (5) years, has a bonding company made any payments to satisfy claims made against a bond issued on your firm's behalf for a firm where you were the principal?
 Yes **No**

If **Yes**, use *Pledge of Compliance Attachment "A"* to explain specific circumstances.

F. PERFORMANCE HISTORY:

1. In the past five (5) years, has your firm been found civilly liable, either in a court of law or pursuant to the terms of a settlement agreement, for defaulting or breaching a contract with a government agency?
 Yes **No**

If **Yes**, use *Pledge of Compliance Attachment "A"* to explain specific circumstances.

2. In the past five (5) years, has a government agency terminated your firm's contract prior to completion?
 Yes **No**

If **Yes**, use *Pledge of Compliance Attachment "A"* to explain specific circumstances and provide principal contact information.

3. In the past five (5) years, has your firm entered into any settlement agreement for any lawsuit that alleged default, breach of contract, or fraud with or against a government agency?
 Yes **No**

If **Yes**, use *Pledge of Compliance Attachment "A"* to explain specific circumstances.

4. Is your firm currently involved in any lawsuit with a government agency in which it is alleged that your firm has defaulted, breached a contract, or committed fraud?
 Yes **No**

If **Yes**, use *Pledge of Compliance Attachment "A"* to explain specific circumstances.

G. COMPLIANCE:

1. In the past five (5) years, has your firm or any firm owner, partner, officer, executives or management been criminally penalized or found civilly liable, either in a court of law or pursuant to the terms of a settlement agreement for violating any federal, state or local law in performance of a contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws which affect employees?
 Yes **No**

If **Yes**, use *Pledge of Compliance Attachment "A"* to explain specific circumstances surrounding each instance; include name of entity involved, specific infraction(s) or violation(s), dates of instances, and outcome with current status.

2. In the past five (5) years, has your firm been debarred or determined to be non-responsible by a government agency?
 Yes **No**

If **Yes**, use *Pledge of Compliance Attachment "A"* to explain specific circumstances of each instance; include name of entity involved, specific infraction, dates, and outcome.

H BUSINESS INTEGRITY:

1. In the past five (5) years, has your firm been convicted of or found liable in a civil suit for making a false claim or material misrepresentation to a private or governmental entity?
 Yes **No**

If **Yes**, use *Pledge of Compliance Attachment "A"* to explain specific circumstances of each instance; include the entity involved, specific infraction(s) or violation(s), dates, outcome and current status.

2. In the past five (5) years, has your firm or any of its executives, management personnel, or owners been convicted of a crime, including misdemeanors, or been found liable in a civil suit involving the bidding, awarding, or performance of a government contract?
 Yes **No**

If **Yes**, use *Pledge of Compliance Attachment "A"* to explain specific circumstances of each instance; include the entity involved, specific infraction(s), dates, outcome and current status.

I TYPE OF SUBMISSION: This document is submitted as:

- Initial submission of *Contractor Standards Pledge of Compliance*.
 Update of prior *Contractor Standards Pledge of Compliance* dated ____/____/____.

Complete all questions and sign below. Each *Pledge of Compliance Attachment "A"* page must be signed.

Under penalty of perjury under the laws of the State of California, I certify I have read and understand the questions contained in this *Pledge of Compliance* and that I am responsible for completeness and accuracy of responses and all information provided is true to the best of my knowledge and belief. I further certify my agreement to the following provisions of San Diego Municipal Code §22.3224:

- (a) To comply with all applicable local, State and Federal laws, including health and safety, labor and employment, and licensing laws that affect the employees, worksite or performance of the contract.
- (b) To notify the Purchasing Agent within fifteen (15) calendar days upon receiving notification that a government agency has begun an investigation of the Contractor that may result in a finding that the Contractor is or was not in compliance with laws stated in paragraph (a).
- (c) To notify the Purchasing Agent within fifteen (15) calendar days when there has been a finding by a government agency or court of competent jurisdiction of a violation by the Contractor of laws stated in paragraph (a).
- (d) To provide the Purchasing Agent updated responses to the *Contractor Standards Pledge of Compliance* within thirty (30) calendar days if a change occurs which would modify any response.

- (e) To notify the Purchasing Agent within fifteen (15) days of becoming aware of an investigation or finding by a government agency or court of competent jurisdiction of a violation by a subcontractor of laws stated in paragraph (a).
- (f) To cooperate fully with the Purchasing Agent and the City during any investigation and to respond to a request for information within ten (10) working days from the request date.

Failure to sign and submit this form with the bid/proposal shall make the bid/proposal non-responsive.

Print Name, Title	Signature	Date
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City of San Diego Purchasing & Contracting Department
CONTRACTOR STANDARDS
Pledge of Compliance Attachment "A"

Provide additional information in space below. Use additional *Pledge of Compliance Attachment "A"* pages as needed; sign each page. Print in ink or type responses and indicate question being answered. Information provided will be available for public review, except if exempt from disclosure pursuant to applicable law.

Under penalty of perjury under the laws of the State of California, I certify I have read and understand the questions contained in this *Contractor Standards Pledge of Compliance* and that I am responsible for completeness and accuracy of responses on this *Pledge of Compliance Attachment "A"* page and all information provided is true to the best of my knowledge.

Print Name, TitleSignatureDate

12. AMERICAN WITH DISABILITIES ACT (ADA) COMPLIANCE CERTIFICATION

I hereby certify that I am familiar with the requirements of San Diego City Council Policy No. 100-04 regarding the American With Disabilities Act (ADA) outlined in Section I “American with Disabilities Act Certification”, of the Contract, and that;

(Name under which business is conducted)

has in place workplace program that complies with said policy. I further certify that any subcontract agreement for this contract contains language which indicates the subcontractor’s agreement to abide by the provisions of the policy as outlined.

Signed _____

Printed Name _____

Title _____

SECTION L

INSTRUCTIONS, CONDITIONS AND NOTICES TO CONTRACTORS

All Proposers must follow the instructions below in preparing and submitting their Proposals.

L.1 There will be no recommended pre-proposal conference for this solicitation.

L.2 Questions

Contractors are responsible for reading carefully and understanding fully the terms and conditions of this RFP. All contact between Contractors and the City will be formally made at scheduled meetings in person, telephone or in writing through the Procurement Specialist. Requests for clarification or additional information must be made in writing to the Procurement Specialist and received at the Purchasing & Contracting Office listed on the cover page no later than 5:00 p.m. P.T. on the due date specified on the Cover Page of this solicitation. Such requests should contain the following: “QUESTIONS: 10038642-14-W-RFP”. Only written communications relative to the procurement shall be considered. Electronic mail is the only acceptable method for submission of questions. Please e-mail the Procurement Specialist listed on the cover page. It is incumbent upon Contractors to verify City receipt of their questions. All questions will be answered in writing. Both questions and answers will be distributed, without identification of the inquirer(s), to all Contractors who are on record with the Procurement Specialist as having received this RFP. No oral communications can be relied upon for this Proposal. To the extent that a question causes a change to any part of this RFP, an addendum shall be issued addressing such.

L.3 Additional Instructions

1. **Contractor’s Mailing Address**

It is the responsibility of every Contractor to register and maintain their current mailing address with the City of San Diego.

2. **Submission Instructions**

For purposes of review and in the interest of the City's sustainable business practices in general, the City strongly recommends the use of submittal materials (i.e. paper, dividers, binders, brochures, etc.) that contain post-consumer recycled content and are readily recyclable. The City discourages the use of materials that cannot be readily recycled such as PVC (vinyl) binders, spiral bindings, and plastic or glossy covers or dividers. Alternative bindings such as reusable/recyclable binding posts, reusable binder clips or binder rings, and recyclable cardboard/paperboard binders are examples of preferable submittal materials. Respondents should print/copy on both sides of a single sheet of paper wherever applicable; if sheets are printed on both sides, it is considered to be two pages. Color is acceptable, but content should not be lost by black-and-white printing or copying.

Proposers shall submit one (1) original and five (5) complete copies of their proposal documents in sealed envelopes or cartons. **In addition, Proposers shall include an electronic copy of their proposal with the original package.** The original proposal must be clearly marked, signed (use blue ink) and submit in a separate sealed envelope, with all copies being addressed to:

Purchasing & Contracting Department
The City of San Diego
1200 Third Avenue, Suite 200
San Diego, CA 92101

Proposals must be delivered by 4:00 p.m. PT on the Closing Date specified on the Cover Page. Late proposals delivered/received after 4:00 p.m. PT will not be accepted.

The outside of each envelope or package must be labeled:

- a. RFP Description
- b. RFP No. 10038642-14-W
- c. Name of Contractor
- d. Package x of y

3. Firm Offer Period

By submission of a Proposal, Contractor guarantees that the offer is firm for ninety (90) calendar days, commencing the day following the date of Proposal Closing. If an Award is not made during that period, the Proposal shall automatically extend for another ninety (90) days, unless the Contractor indicates otherwise to the contact person listed on the cover page of the Proposal in writing thirty (30) days prior to expiration of the current ninety (90) days period.

4. Detailed Proposal

All items specified in Section C, "Scope of Services" beginning with Paragraph C, "Specifications" must be addressed in the proposal. Proposers must expressly indicate that the Proposal satisfies and is fully capable of providing each point listed in this section. Proposers shall provide responses to each paragraph in the same order as the RFP citing the heading and then their response. Simple "Yes", "No", or "Comply" responses to stated specifications are insufficient. Rather, the Proposers must describe in detail how the proposed products and/or services meet or exceed the requirements of this RFP and Proposers shall state their understanding and compliance. Additionally, Proposers must explain any exception or deviation from the requirements in accordance with the applicable terms of this RFP. Proposers should also include any other information they feel may be of benefit to the City. Exceptions are deemed rejected unless accepted in writing by the City of San Diego.

In order for a Proposal to be accepted, it must be submitted on the forms, if any, provided by the Purchasing Agent. A detailed proposal must be submitted along with those forms identified in Section K for the proposal to be complete. The documents should be prepared in single-spaced type on 8 ½ x 11" paper. The original proposal must contain a signature of an authorized representative of the Contractor. An authorized representative of the Contractor must initial all corrections made on the proposal sheets. The company name must appear on

each sheet where a correction is made. The Proposal must include all documents materials and information required herein. Pages should be numbered at the bottom to show page numbers and total number of pages should be no more than 50 pages, excluding any forms or attachments required per this RFP. This also does not include resumes or descriptive literature. (e.g. Page 1 of xx, etc.)

Contractor shall carefully examine all Contract Documents and regulations relating to the goods or services to be furnished and shall be bound by same unless exceptions are proposed in writing at the time of submission of the Proposal and said exceptions are accepted by the City in writing. Any exceptions to the City's Contract Documents submitted by Contractor are deemed rejected unless and until accepted by the City in writing as discussed above. The City may reject Contractor's Proposal as non-responsive or consider the Proposal without Contractor's proposed exceptions if exceptions are submitted. If after Award of Contract, Contractor attempts to provide materials or services subject to new or additional terms or conditions, unless mutually agreed between City and Contractor, they too shall be considered void and City may terminate the Contract.

5. Schedule

The unit of measure specified in the Schedule is descriptive only and is not used as a basis to determine award of Contract.

- a. The line item(s) in the Price Schedule (Section B) must include any and all warehousing, freight, delivery, pickup, financing, carrying charges, and all other such charges to accommodate the supply/service and delivery requirements.
- b. Contractor shall insert a unit price, and extended amount for each line item specified on the schedule, if applicable. Additionally, Contractors shall calculate and insert the total offer price, where appropriate on the schedule.
- c. Contractors are cautioned that the item descriptions in the Schedule are not intended as complete descriptions of the required supplies or services to be purchased under this solicitation. Each Contractor must consult the Specifications of the solicitation document for complete descriptions of the required supplies or services.
- d. Contractor shall verify all prices and extensions before submitting a Proposal. Withdrawal or correction will not be permitted except as provided below.
- e. Prior to the exact hour and date set for Proposal Closing, Proposals may be modified or withdrawn by providing written notice by either the Contractor, or an authorized representative of the Contractor. Telephonic withdrawals or modifications are not permitted.

7. Awards

One award of contract is anticipated under this solicitation. Based on the Proposal submitted the results of the evaluation process, the City will select an Apparent Successful Proposer. A written Notice of Apparent Successful Proposer or Notice of Intent to Award mailed or otherwise furnished to the Apparent Successful Proposer within the initial (90) days period or extension thereof, shall result in a tentative award subject to required post-award submittals and approvals by the appropriate City official(s) or body. Final approval and execution by the City will result in a binding Contract..

8. Contact during and after Contractor's Submittal

All Contractors who are considering submitting a proposal for a project are prohibited from having any communication concerning the RFP with any City employee (excluding elected officials and their staff), or any Evaluation Committee Member, after issuance of the RFP, and prior to the Contract being awarded, with the exception of communications with the contact person listed on the cover page of this RFP, or designee, in the Purchasing & Contracting Department. A proposal from any Contractor will be disqualified when the Contractor violates this condition of the RFP. The City will inform all Contractors of its Intent to Award a Contract (also known as an Announcement of the Selected Contractor) in writing.

9. Acceptance and Rejection of Proposals

- a. Acceptance: All proposals properly completed and submitted shall be considered by The City of San Diego.
- b. Rejection: A proposal may be rejected if it does not conform to the rules or the requirements contained in this RFP. Examples for rejection include, but are not limited to the following:
 - (1) The proposal is time-stamped at the Purchasing & Contracting Department after the deadline specified in the RFP.
 - (2) Failure to execute and return the required forms.
 - (3) Failure to respond to all subsections within the RFP. All proposals that are materially unbalanced, (i.e. that contain unreasonably high unit prices for some items and/or unreasonably low unit prices for other items.
 - (4) The Contractor warrants that: (1) this Proposal is genuine and not sham or collusive, or made in the interest of or on behalf of any person, firm or corporation not therein named; (2) the Contractor has not directly or indirectly induced or solicited any other Contractor to put in a sham Proposal, or any other person, firm or corporation to refrain from submitting a proposal; and (3) the Contractor has not in any manner sought by collusion to secure any advantage over the other Contractors. Proof of collusion

among Contractors, in which case all suspected proposals involved in the alleged collusive action shall be rejected, and any participants to such collusion shall be barred from future procurement opportunities until reinstated.

- (5) The proposal shows non-compliance with applicable laws or contains any unauthorized additions, deviations or deletions, is a conditional proposal, is an incomplete proposal, or contains irregularities of any kind which make the proposal incomplete, indefinite, or ambiguous as to its meaning.
 - (6) The Contractor adds provisions reserving the right to accept or reject an award or to enter into a contract pursuant to award or adds provisions contrary to those in the RFP.
- c. Pursuant to the Notice to Contractors advertised in the official City newspaper and/or the Solicitation issued by the City, the Contractor's offer to furnish the City of San Diego (City) with the goods or services described in the Proposal is binding at the price stated (Contract Amount), and is subject to all of the terms and conditions of these General Contract Clauses (Section I), all Contract Documents, as well as the City of San Diego Charter and Municipal Code. The City may, in its sole discretion, initiate negotiations with the Contractor submitting the winning Proposal to clarify and refine the Proposal and the terms of the Contract, but such negotiations shall not relieve the Contractor of its obligation to honor its original Proposal for the duration specified in this RFP.
 - d. The time of mailing of proposals or other documents, modifications, or withdrawals submitted by registered or certified mail shall be the last minute of the date shown in the postmark on the registered mail receipt or registered mail wrapper or on the Receipt for Certified Mail, unless the Contractor furnishes evidence from the post office station of mailing which establishes an earlier time.
 - e. The terms and conditions stated in any Addenda to this RFP shall be considered in evaluating and submitting Proposals. It is the Contractor's responsibility to ensure that any Addenda to a Proposal are downloaded from the City's website or otherwise obtained. Failure to respond to any Addenda issued may render a Proposal invalid and result in its rejection.

10. **Protests**

If an unsuccessful Contractor wants to dispute the Award, the Protest must be submitted in writing to the Purchasing Agent no later than ten (10) calendar days after Announcement of the Apparent Successful Contractor/Notice of Intent to Award, detailing the grounds, factual basis and providing all supporting information. Failure to submit a timely written Protest to the Purchasing Agent will bar consideration of the Protest. Protests will be processed in accordance with San Diego Municipal Code Section 22.3017.

11. Requirements Prior to Contract Execution

Prior to contract execution, the selected Contractor will be required to provide the additional materials as referenced below within ten (10) calendar days from the date of the City's request, if not already on file. Failure to provide the required submittals within the time period specified may be cause for the provisional award to be voided and the Contractor to be rejected as non-responsive. Required submittals include:

- a. Insurance requirements, as specified in Section I.09.
- b. Taxpayer Identification number (W-9), as specified in Section I.36.
- c. San Diego Business Tax License, as specified in Section I.58, if not currently on file.
- d. THIS ONLY APPLIES TO CONSULTANT CONTRACTS. REMOVE IF NOT APPLICABLE: In order to prevent potential or perceived conflicts of interest among Proposer personnel, the Contractor shall submit a current Statement of Economic Interest Form 700 applicable to this scope of work prior to execution of the Contract. Please visit the link for the form and instructions at <http://www.fppc.ca.gov/index.php?id=500>.

L.4 RFP Proposal Format and Organization

Contractors shall compile and organize the responses according to the tabs listed below. Within the tabbed section, clearly organize and mark your responses according to the topics outlined below. It is very important for you to follow the format outlined below to assist us in the evaluation process. All proposals should be securely bound (does not apply to the electronic document), and must include the following items. Responses must be in the same order as, and responsive to, the information requested. Unnecessarily elaborate proposals and/or lengthy presentations are not desired or required by the City of San Diego.

1. **Tab A - Representations and Certifications.** Contractor shall include all completed verification statements and required forms specified in Section K.
2. **Tab B - Executive Summary and Responses to Scope of Services.** Contractor shall provide the following information in the order outlined below:
 - a. A title page;
 - b. A table of contents;
 - c. Executive Summary – This summary, limited to one typewritten page, should provide a high level description of the Contractor's ability to meet the requirements of the RFP and a statement describing why the Contractor believes itself to be best qualified to provide the identified services;

- d. List any exceptions to this RFP. Exceptions listed elsewhere will not be recognized. Any exceptions determined to be material by the City of San Diego may cause the proposal to be not further considered; and
- e. Responses to all items specified in Section C, “Scope of Services” beginning with Paragraph C, “Scope of Services.”

3. Tab C - Cost/Price Proposal (if applicable)

Contractors shall submit its detailed cost proposal as specified in Section B, including any required attachments as specified in Section B.

4. Tab D – Equal Employment Opportunity (EEO) Policy and Forms and Subcontracting Plan:

The City Council and Mayor of the City of San Diego are committed to the goals of equal employment opportunity. All Contractors must submit with their proposal all requirements and forms as specified in Section J “Equal Opportunity Contracting Program (EOCP)”.

5. Tab E - Signed Contract: This tab represents the Contract in its entirety, which shall include Sections A through J and the proposal by the Contractor. This tab must include each and every page, form, option, or submittal, as specified in Sections A – J. Therefore, the Contractor shall prepare this tab as follows:

- a. Complete Section A, Contract (blocks 4, 6 and 8) of the RFP;
- b. Complete Section B of the RFP in its entirety to include any options;
- c. Include Section C of the RFP, and Contractor’s proposal in response to Section C;
- d. Include Sections D through I of the RFP;
- e. Include Section J of the RFP and all completed forms as required in this section; and

All Proposals must be signed with the firm name as indicated. A Proposal by a corporation must be signed by a duly authorized officer, employee or agent, with his or her title. The representative signing on behalf of a corporation, partnership, sole proprietorship, joint venture or entity hereby declares that authority has been obtained to sign on behalf of the corporation, partnership, sole proprietorship, joint venture, or entity and agrees to hold the City harmless, if it is later determined that such authority does not exist. An original signature, in ink, is required. Copies and facsimiles are not acceptable. A Best and Final Offer (BAFO) or written clarifications to the Contractor’s proposal, if requested by the City, will become part of the contract only upon written acceptance by the City in the form of a fully executed Signature Page. If the City requests a BAFO or written clarifications of the Contractor’s proposal, the Contractor shall complete a revised Section A, Contract (blocks 4, 6 and 8), sign and return the revised Contract Document(s). Any changes that result from the BAFO or written clarifications of the Contractor’s proposal shall be clearly identified and justified by the Contractor in a cover letter attached to the revised Contract Document(s).

SECTION M

EVALUATION PROCESS

M.1 Evaluation

In accordance with San Diego Municipal Code section 22.3206(a), the contract will be awarded to the Proposer offering the best value to the City. The City of San Diego shall evaluate each responsive Proposal to determine which Proposal best meets the City's requirements and gains the best economic advantage for the City in accordance with the evaluation criteria set forth in subsection M.4. The firm offering the lowest overall price will not necessarily be awarded a contract.

M.2 Process for Award

The combined relative merit of the evaluation criteria listed below will be used in the selection of the Contractor. The City of San Diego may seek clarification of information submitted in response to this RFP. The City of San Diego may also make award without further discussion.

CONFIRM BELOW POINTS:

Optional Oral Presentation: Interviews and/or oral presentations from Contractors may be required. Interviews and/or oral presentations will be conducted only if one or more Proposals score within Ten (10) points or less of the Proposal with the highest score. Only the Proposer with the highest scoring Proposal and those Proposers scoring within Ten (10) points or less of the highest scoring Proposal will be asked to interview and/or make an oral presentation. Interviews and/or oral presentations will be made to the City Evaluation Committee, or its designated representatives, in order to clarify the Proposals and to answer any questions. The interviews and/or oral presentations will be scored as part of the selection process. Prior to any oral interview, the City will have completed all reference checks. Additionally, the Proposer's key personnel may be required to be interviewed by the City's Evaluation Committee, or its designated representatives. Interviews may be by telephone and/or in person. Multiple interviews may be required. The purpose of the interview of the key personnel is to determine if the City is able to establish rapport and a productive professional working relationship with these individual(s) and to assess their expertise. If the City determines that such oral presentation and interview of the key personnel is needed, the City will schedule a time and place. Proposers are required to make the oral presentation and interview of the key personnel within seven (7) workdays after request by the City. Proposers should be prepared to discuss and substantiate any of the areas of the Proposal submitted, as well as its qualifications to furnish the specified products and services. Notwithstanding the possibility of a request for an oral presentation and interview of the key personnel, Proposers shall not rely on the possibility of such a request and shall submit a complete and comprehensive written response to this solicitation. Any costs incurred for the oral presentation and interview of the key personnel are the responsibility of the Proposer.

Optional Discussions/Negotiations: The City has the right to accept the Proposal, which serves the best interest of the City, as submitted, without discussion or negotiation. Contractors should, therefore, not rely on having a chance to discuss, negotiate, and adjust their Proposals. Contractors, who submit Proposals initially judged by the Procurement Specialist to be reasonably susceptible of being selected for award may be asked to discuss and/or negotiate their Proposals with the City to facilitate arrival at a Proposal that is most advantageous to the City. Discussions/negotiations may include verbal and/or written clarifications in price, specifications, terms and conditions, quality, performance of the contract, and any other aspect of this procurement. If the Procurement Specialist determines that discussions/negotiations are in the best interest of the City, the Procurement Specialist will advise select firms in the competitive range to have discussions/negotiations, and then contact those select firms in writing to submit a Best and Final Offer (BAFO) allowing Proposer(s) to change their price proposal after the RFP due date based upon discussions/negotiations for consideration by the City after discussions/negotiations are held. However, discussions/negotiations may not be conducted if the Procurement Specialist determines either that discussions/negotiations are not in the best interests of the City or that discussions/negotiations need not be conducted: (a) with respect to Price Proposals that are fixed by law or regulation, although consideration shall be given to competitive terms and conditions; (b) because the time of delivery or performance does not permit discussions; or (c) because it can be demonstrated clearly from the existence of adequate competition or accurate prior Price Proposal experience with the particular item that acceptance of an initial offer without negotiation would result in a fair and reasonable Price Proposal.

The City of San Diego also reserves the right to make award without further discussion. In addition, the City of San Diego reserves the right to seek clarification of information submitted in response to this RFP and/or to request additional information during the evaluation process. The City may elect to waive informalities, technical defects and minor irregularities in Proposals and may reject all Proposals when to do so is in the best interest of the City.

M.3 Evaluation Panel

1. Based on the evaluation criteria outlined in M.4, all responsive Proposals shall be evaluated and scored by the City Evaluation Committee designated by the City of San Diego. Written or oral discussions may be requested from the Contractors to resolve uncertainties relating to their Proposals and to arrive at a complete agreement on all requirements. The City Evaluation Committee, upon completion of evaluating the proposals and any interviews or oral presentations, will recommend to the Purchasing Agent that Award be made to the firm with the highest scoring Proposal.
2. The City of San Diego reserves the right to investigate the qualifications of all Contractors under consideration and to confirm any part of the information furnished by a Contractor, or to require other evidence of managerial, financial or technical capabilities which are considered necessary for the successful performance of the work.

M.4 Evaluation Criteria The following elements represent the evaluation criteria that will be considered during the evaluation process:

A. Responsiveness to the Request for Proposal. (10 Points) 1. Requested information included and thoroughness of response. 2. Executive Summary, understanding of the project. 3. Creativity of proposed project approach. 4. Clarity and brevity of the response.
B. Responses to Scope of Services. (25 Points)
C. Optional demonstration of the (EQUIPMENT, SOFTWARE, ETC.) offered with real time operation if required and/or Optional Oral Presentations and establishment of Rapport with Key Personnel, at no cost to the City. (10 Points)
D. Qualifications and Experience. (35 Points)
E. Past Performance as Indicated by References. (10 Points)
F. Equal Opportunity Contracting Program (EOCP) Commitment to Equal Opportunity demonstrated by programs and hiring practices in employment and subcontracting. See Section J for details.
G. Cost. (10 Points)
GRAND TOTAL (__ points + __ points (optional) = 100 points)

All responsive proposals will be evaluated in accordance with the evaluation factors specified above. The evaluation criteria are weighted as indicated above.

M.5 Additional Eligibility Requirements

M.5.1 The Contractor must have no conflict of interest with regard to any other work performed by the Contractor for The City of San Diego.

M.5.2 The Contractor must adhere to the instructions in this RFP on preparing and submitting the response.

ATTACHMENT

EQUAL OPPORTUNITY CONTRACTING PROGRAM (EOCP)

GOODS OR SERVICES CONTRACTOR REQUIREMENTS

- I. City's Equal Opportunity Commitment
- II. Nondiscrimination in Contracting Ordinance
- III. Equal Employment Opportunity Outreach Program
- IV. Small and Local Business Program
- V. Demonstrated Commitment to Equal Opportunity
- VI. Definitions
- VII. Certification
- VIII. List of Attachments
 - AA. Work Force Report
 - BB. Subcontractors List
 - CC. Contract Activity Report

I. City's Equal Opportunity Commitment. The City of San Diego (City) is strongly committed to equal opportunity for employees and Subcontractors of Contractors doing business with the City. The City encourages its Contractors to share this commitment. Contractors are encouraged to take positive steps to diversify and expand their Subcontractor solicitation base and to offer consulting opportunities to all eligible Subcontractors.

II. Nondiscrimination in Contracting Ordinance. All Contractors doing business with the City, and their Subcontractors, must comply with requirements of the City's *Nondiscrimination in Contracting Ordinance*, San Diego Municipal Code Sections 22.3501 through 22.3517.

A. Bid or Proposal Documents to include Disclosure of Discrimination Complaints. As part of its bid or proposal, Contractor shall provide to the City a list of all instances within the past ten (10) years where a complaint was filed or pending against Contractor in a legal or administrative proceeding alleging that Contractor discriminated against its employees, Subcontractors, vendors, or suppliers, and a description of the status or resolution of that complaint, including any remedial action taken.

- B. Nondiscrimination in Contracting. The following language shall be included in contracts for City projects between the Contractor and any Subcontractors, vendors, and suppliers:

Contractor shall not discriminate on the basis of race, gender, religion, national origin, ethnicity, sexual orientation, age, or disability in the solicitation, selection, hiring, or treatment of subcontractors, vendors, or suppliers. Contractor shall provide equal opportunity for Subcontractors to participate in opportunities. Contractor understands and agrees that violation of this clause shall be considered a material breach of the contract and may result in contract termination, debarment, or other sanctions.

- C. Contract Disclosure Requirements. Upon the City's request, Contractor agrees to provide to the City, within sixty (60) calendar days, a truthful and complete list of the names of all Subcontractors, vendors, and suppliers that Contractor has used in the past five (5) years on any of its contracts that were undertaken within County of San Diego, including the total dollar amount paid by Contractor for each subcontract or supply contract. Contractor further agrees to fully cooperate in any investigation conducted by the City pursuant to the City's Nondiscrimination in Contracting Ordinance, Municipal Code Sections 22.3501 through 22.3517. Contractor understands and agrees that violation of this clause shall be considered a material breach of the contract and may result in remedies being ordered against the Contractor up to and including contract termination, debarment and other sanctions.

III. Equal Employment Opportunity Outreach Program. Contractors shall comply with requirements of San Diego Municipal Code Sections 22.2701 through 22.2707. Contractors shall submit with their bid or proposal a *Work Force Report* for approval by the Program Manager of the City of San Diego Equal Opportunity Contracting Program (EOCP).

- A. Nondiscrimination in Employment. Contractor shall not discriminate against any employee or applicant for employment on any basis prohibited by law. Contractor shall provide equal opportunity in all employment practices. Contractors shall ensure that their subcontractors comply with this program. Nothing in this Section shall be interpreted to hold a Contractor liable for any discriminatory practice of its subcontractors.
- B. Work Force Report. If based on a review of the *Work Force Report* (Attachment AA) submitted an EOCP staff Work Force Analysis determines there are under representations when compared to County Labor Force Availability data, then the Contractor will also be required to submit an *Equal Employment Opportunity (EEO) Plan* to the Program Manager of the City of San Diego Equal Opportunity Contracting Program (EOCP) for approval
- C. Equal Employment Opportunity Plan. If an *Equal Employment Opportunity Plan* is required, the Program Manager of EOCP will provide a list of plan requirements to Contractor.

IV. Small and Local Business Program Requirements. The City has adopted a Small and Local Business Enterprise (SLBE) program for Goods or services contracts. SLBE program requirements for goods or services contracts are set forth Council Policy 100-10.

A. SLBE and ELBE Participation for Contracts Valued Over \$50,000:

1. The City shall apply a bid discount in the way of:
 - a. 2% discount of the bid price for SLBE or ELBE prime contractors; or
 - b. 2% discount of the bid price for prime contractors achieving the voluntary goal of 20% for SLBE or ELBE subcontractor participation set forth in subsection 2 below.

The discount will not apply if an award to the discounted bidder would result in a total contract cost of \$10,000 in excess of the low, non-discounted bid. In the event of a tie between a discounted bidder and non-discounted bidder, the discounted bidder will be awarded the contract.

2. All goods or services contracts valued over \$50,000 or more have a voluntary SLBE/ELBE goal of 20%. For the purposes of this Council Policy, the subcontractor requirement may be met by a provider of materials or supplies. Details can be found at <http://www.sandiego.gov/eoc/boc/slbe.shtml>.

B. Subcontractor Participation List. The *Subcontractor Participation List* (Attachment BB) shall indicate the Name and Address, Scope of Work, Percent of Total Proposed Contract Amount, Certification Status and Where Certified for each proposed Subcontractor/SubContractor.

C. Commitment Letters. Contractor shall also submit Subcontractor *Commitment Letters* on Subcontractor's letterhead, no more than one page each, from all proposed Subcontractors to acknowledge their commitment to the team, scope of work, and percent of participation in the project.

D. Contract Activity Reports. To permit monitoring of the winning Contractor's commitment to achieving compliance, *Contract Activity Reports* (Attachment CC) reflecting work performed by Subcontractors/Vendors shall be submitted quarterly for any work covered under an executed contract.

V. Demonstrated Commitment to Equal Opportunity. The City seeks to foster a business climate of inclusion and to eliminate barriers to inclusion.

A. Contractors are required to submit the following information with their bid or proposal:

1. Outreach Efforts. Description of Contractor's outreach efforts undertaken on this project to make subcontracting opportunities available to all interested and qualified firms including SLBE/ELBE/DBE/MBE/WBE/DVBE/OBE.
 2. Past Participation Levels. Listing of Contractor's Subcontractor participation levels achieved on all private and public projects within the past three (3) years. Include name of project, type of project, value of project, Subcontractor firm's name, percentage of Subcontractor firm's participation, and identification of Subcontractor firm's ownership as a certified Small or Emerging Local Business Enterprise, Woman Business Enterprise, Disadvantaged Business Enterprise, Disabled Veteran Business Enterprise, or Other Business Enterprise.
 3. Equal Opportunity Employment. Listing of Contractor's strategies to recruit, hire, train and promote a diverse workforce. These efforts will be considered in conjunction with Contractor's *Workforce Report* as compared to the County's Labor Force Availability.
 4. Community Activities. Listing of Contractor's current community activities such as membership and participation in local organizations, associations, scholarship programs, mentoring, apprenticeships, internships, community projects, charitable contributions and similar endeavors.
- B. In accordance with the City's Equal Opportunity Commitment, the City will consider the four factors described above as part of the RFB or RFP evaluation process. These factors will be evaluated on a pass or fail basis.

VI. Definitions.

Certified "**Minority Business Enterprise**" (MBE) means a business which is at least fifty-one percent (51%) owned by African Americans, American Indians, Asians, Filipinos, and/or Latinos and whose management and daily operation is controlled by one or more members of the identified ethnic groups. In the case of a publicly-owned business, at least fifty-one percent (51%) of the stock must be owned by, and the business operated by, one or more members of the identified ethnic groups.

Certified "**Women Business Enterprise**" (WBE) means a business which is at least fifty-one percent (51%) owned by one or more women and whose management and daily operation is controlled by the qualifying party(s). In the case of a publicly-owned business, at least fifty-one percent (51%) of the stock must be owned by, and the business operated by, one or more women.

Certified "**Disadvantaged Business Enterprise**" (DBE) means a business which is at least fifty-one percent (51%) owned and operated by one or more socially and economically disadvantaged individuals and whose management and daily operation is controlled by the qualifying party(s). In the case of a publicly-owned business, at least fifty-one percent (51%) of the stock must be owned by, and the business operated by, socially and economically disadvantaged individuals.

Certified **“Disabled Veteran Business Enterprise” (DVBE)** means a business which is at least fifty-one percent (51%) owned by one or more veterans with a service related disability and whose management and daily operation is controlled by the qualifying party(s).

“Other Business Enterprise” (OBE) means any business which does not otherwise qualify as Minority, Woman, Disadvantaged or Disabled Veteran Business Enterprise.

Emerging Local Business Enterprise (ELBE) – Any for-profit enterprise that is not a broker, that is independently owned and operated; that is not a subsidiary of another business; that meets the definition of a local business; and that is not dominant in its field of operation whose average gross annual receipts in the prior three fiscal years do not exceed:

1. \$2.75 million – Construction
2. \$1.5 million – Specialty Construction
3. \$1.5 million – Goods/Materials/Services
4. 1.0 million – Trucking
5. \$750,000 – Professional Services and Architect/Engineering

If a business has not existed for 3 years, the gross sales limits described above shall be applied based upon the annual averages over the course of the existence of the business.

Local Business Enterprise (LBE) – A firm having a Principal Place of Business and a Significant Employment Presence in San Diego City or County, California that has been in operation for 12 consecutive months and a valid business tax certificate. This definition is subsumed within the definition of Small Local Business Enterprise.

Small Local Business Enterprise (SLBE) – Any for-profit enterprise that is not a broker, that is independently owned and operated; that is not a subsidiary of another business; that meets definition of a local business; and that is not dominant in its field of operation whose average gross annual receipts in the prior three fiscal years do not exceed:

- \$5.0 million – Construction
- \$3.0 million – Specialty Construction
- \$3.0 million – Goods/Materials/Services
- \$2.0 million – Trucking
- \$1.5 million – Professional Services and Architect/Engineering

California State certified Micro and Disabled Veteran Owned business enterprises shall also satisfy the requirements to be defined as a Small Business Enterprise.

If a business has not existed for 3 years, the employment and gross sales limits described above shall be applied based upon the annual averages over the course of the existence of the business.

VII. Certification.

Below are the EOC – accepted certification agencies along with certifiable groups:

City of San Diego:	ELBE, SLBE
Caltrans:	DBE, SMBE, SWBE
Dept. of General Services:	DVBE
CA Public Utilities Commission:	MBE, WBE
City of Los Angeles:	DBE, WBE, MBE
SD Regional Minority Supplier Diversity Council:	MBE, WBE

VIII. List of Attachments.

- AA. Work Force Report
- BB. Subcontractors List
- CC. Contract Activity Report



City of San Diego.

EQUAL OPPORTUNITY CONTRACTING (EOC)

1010 Second Avenue • Suite 500 • San Diego, CA 92101

Phone: (619) 533-4464 • Fax: (619) 533-4474

WORK FORCE REPORT

ADMINISTRATIVE

The objective of the *Equal Employment Opportunity Outreach Program*, San Diego Municipal Code Sections 22.3501 through 22.3517, is to ensure that contractors doing business with the City, or receiving funds from the City, do not engage in unlawful discriminatory employment practices prohibited by State and Federal law. Such employment practices include, but are not limited to unlawful discrimination in the following: employment, promotion or upgrading, demotion or transfer, recruitment or recruitment advertising, layoff for termination, rate of pay or other forms of compensation, and selection for training, including apprenticeship. Contractors are required to provide a completed *Work Force Report (WFR)*.

CONTRACTOR IDENTIFICATION

Type of Contractor: Construction Vendor/Supplier Financial Institution Lessee/Lessor
 Consultant Grant Recipient Insurance Company Other

Name of Company: _____

AKA/DBA: _____

Address (Corporate Headquarters, where applicable): _____

City _____ County _____ State _____ Zip _____

Telephone Number: (____) _____ FAX Number: (____) _____

Name of Company CEO: _____

Address(es), phone and fax number(s) of company facilities located in San Diego County (if different from above):

Address: _____

City _____ County _____ State _____ Zip _____

Telephone Number: (____) _____ FAX Number: (____) _____

Type of Business: _____ Type of License: _____

The Company has appointed: _____

as its Equal Employment Opportunity Officer (EEOO). The EEOO has been given authority to establish, disseminate, and enforce equal employment and affirmative action policies of this company. The EEOO may be contacted at:

Address: _____

Telephone Number: (____) _____ FAX Number: (____) _____

- One San Diego County (or Most Local County) Work Force - Mandatory
- Branch Work Force *
- Managing Office Work Force

Check the box above that applies to this WFR.

**Submit a separate Work Force Report for all participating branches. Combine WFRs if more than one branch per county.*

I, the undersigned representative of _____
(Firm Name)

_____, _____ hereby certify that information provided
(County) (State)

herein is true and correct. This document was executed on this _____ day of _____, 20____.

(Authorized Signature)

(Print Authorized Signature)

WORK FORCE REPORT – NAME OF FIRM: _____ DATE: _____

OFFICE(S) or BRANCH(ES): _____ COUNTY: _____

INSTRUCTIONS: For each occupational category, indicate number of males and females in every ethnic group. Total columns in row provided. Sum of all totals should be equal to your total work force. Include all those employed by your company on either a full or part-time basis. The following groups are to be included in ethnic categories listed in columns below:

- (1) Black, African-American
- (2) Hispanic, Latino, Mexican-American, Puerto Rican
- (3) Asian, Pacific Islander
- (4) American Indian, Eskimo
- (5) Filipino
- (6) White, Caucasian
- (7) Other ethnicity; not falling into other groups

OCCUPATIONAL CATEGORY	(1) Black		(2) Hispanic		(3) Asian		(4) American Indian		(5) Filipino		(6) White		(7) Other Ethnicities	
	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)
	Management & Financial													
Professional														
A&E, Science, Computer														
Technical														
Sales														
Administrative Support														
Services														
Crafts														
Operative Workers														
Transportation														
Laborers*														

*Construction laborers and other field employees are not to be included on this page

Totals Each Column														
--------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Grand Total All Employees

Indicate by Gender and Ethnicity the Number of Above Employees Who Are Disabled

Disabled														
----------	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Non-Profit Organizations Only:

Board of Directors														
Volunteers														
Artists														

WORK FORCE REPORT – Page 3

NAME OF FIRM: _____ DATE: _____

OFFICE(S) or BRANCH(ES): _____ COUNTY: _____

I. INSTRUCTIONS: FOR EACH OCCUPATIONAL CATEGORY, INDICATE NUMBER OF MALES AND FEMALES IN EVERY ETHNIC GROUP. TOTAL COLUMNS IN ROW PROVIDED. SUM OF ALL TOTALS SHOULD BE EQUAL TO YOUR TOTAL WORK FORCE. INCLUDE ALL THOSE EMPLOYED BY YOUR COMPANY ON EITHER A FULL OR PART-TIME BASIS. THE FOLLOWING GROUPS ARE TO BE INCLUDED IN ETHNIC CATEGORIES LISTED IN COLUMNS BELOW:

- (1) Black, African-American
- (2) Hispanic, Latino, Mexican-American, Puerto Rican
- (3) Asian, Pacific Islander
- (4) American Indian, Eskimo
- (5) Filipino
- (6) White, Caucasian
- (7) Other ethnicity; not falling into other groups

TRADE OCCUPATIONAL CATEGORY	(1) Black		(2) Hispanic		(3) Asian		(4) American Indian		(5) Filipino		(6) White		(7) Other Ethnicity	
	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)
Brick, Block or Stone Masons														
Carpenters														
Carpet, Floor & Tile Installers Finishers														
Cement Masons, Concrete Finishers														
Construction Laborers														
Drywall Installers, Ceiling Tile Inst														
Electricians														
Elevator Installers														
First-Line Supervisors/Managers														
Glaziers														
Helpers; Construction Trade														
Millwrights														
Misc. Const. Equipment Operators														
Painters, Const. & Maintenance														
Pipelayers, Plumbers, Pipe & Steam Fitters														
Plasterers & Stucco Masons														
Roofers														
Security Guards & Surveillance Officers														
Sheet Metal Workers														
Structural Metal Fabricators & Fitters														
Welding, Soldering & Brazing Workers														
Workers, Extractive Crafts, Miners														

Totals Each Column														
--------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Grand Total All Employees

Indicate By Gender and Ethnicity the Number of Above Employees Who Are Disabled:

Disabled														
----------	--	--	--	--	--	--	--	--	--	--	--	--	--	--



CITY OF SAN DIEGO WORK FORCE REPORT – ADMINISTRATIVE

HISTORY

The Work Force Report (WFR) is the document that allows the City of San Diego to analyze the work forces of all firms wishing to do business with the City. We are able to compare the firm’s work force data to County Labor Force Availability (CLFA) data derived from the United States Census. CLFA data is a compilation of lists of occupations and includes the percentage of each ethnicity we track (Black, Hispanic, Asian, American Indian, Filipino) for each occupation. Currently, our CLFA data is taken from the 2000 Census. In order to compare one firm to another, it is important that the data we receive from the Contractor firm is accurate and organized in the manner that allows for this fair comparison.

WORK FORCE & BRANCH WORK FORCE REPORTS

When submitting a WFR, especially if the WFR is for a specific project or activity, we would like to have information about the firm’s work force that is actually participating in the project or activity. That is, if the project is in San Diego and the work force is from San Diego, we want a San Diego County Work Force Report.¹ By the same token, if the project is in San Diego, but the work force is from another county, such as Orange or Riverside County, we want a Work Force Report from that county.² For example, if participation in a San Diego project is by work forces from San Diego County, Los Angeles County and Sacramento County, we will ask for separate Work Force Reports representing the work forces of

your firm from each of the three counties.^{1,2} On the other hand, if the project will be accomplished completely outside of San Diego, we ask for a Work Force Report from the county or counties where the work will be accomplished.²

MANAGING OFFICE WORK FORCE

Equal Opportunity Contracting may occasionally ask for a Managing Office Work Force (MOWF) Report. This may occur in an instance where the firm involved is a large national or international firm but the San Diego or other local work force is very small. In this case, we may ask for both a local and a MOWF Report.^{1,3} In another case, when work is done only by the Managing Office, only the MOWF Report may be necessary.³

TYPES OF WORK FORCE REPORTS:

Please note, throughout the preceding text of this page, the superscript numbers one ¹, two ² & three ³. These numbers coincide with the types of work force report required in the example. See below:

- ¹ One San Diego County (or Most Local County) Work Force – Mandatory in most cases
- ² Branch Work Force *
- ³ Managing Office Work Force

**Submit a separate Work Force Report for all participating branches. Combine WFRs if more than one branch per county*

Exhibit: Work Force Report Job categories

Refer to this table when completing your firm’s Work Force Report form(s).

Management & Financial

Advertising, Marketing, Promotions, Public Relations, and Sales Managers
Business Operations Specialists
Financial Specialists
Operations Specialties Managers
Other Management Occupations
Top Executives

Professional

Art and Design Workers
Counselors, Social Workers, and Other Community and Social Service Specialists
Entertainers and Performers, Sports and Related Workers
Health Diagnosing and Treating Practitioners
Lawyers, Judges, and Related Workers
Librarians, Curators, and Archivists
Life Scientists

Media and Communication Workers
Other Teachers and Instructors
Postsecondary Teachers
Primary, Secondary, and Special Education School Teachers
Religious Workers
Social Scientists and Related Workers

Architecture & Engineering, Science, Computer

Architects, Surveyors, and Cartographers
Computer Specialists
Engineers
Mathematical Science Occupations
Physical Scientists

Technical

Drafters, Engineering, and Mapping Technicians
Health Technologists and Technicians
Life, Physical, and Social Science Technicians
Media and Communication Equipment Workers

Sales

Other Sales and Related Workers
Retail Sales Workers
Sales Representatives, Services
Sales Representatives, Wholesale and Manufacturing
Supervisors, Sales Workers

Administrative Support

Financial Clerks
Information and Record Clerks
Legal Support Workers
Material Recording, Scheduling, Dispatching, and Distributing Workers
Other Education, Training, and Library Occupations
Other Office and Administrative Support Workers
Secretaries and Administrative Assistants
Supervisors, Office and Administrative Support Workers

Services

Building Cleaning and Pest Control Workers
Cooks and Food Preparation Workers
Entertainment Attendants and Related Workers
Fire Fighting and Prevention Workers
First-Line Supervisors/Managers, Protective Service Workers
Food and Beverage Serving Workers
Funeral Service Workers
Law Enforcement Workers
Nursing, Psychiatric, and Home Health Aides
Occupational and Physical Therapist Assistants and Aides
Other Food Preparation and Serving Related Workers
Other Healthcare Support Occupations
Other Personal Care and Service Workers

Other Protective Service Workers
Personal Appearance Workers
Supervisors, Food Preparation and Serving Workers
Supervisors, Personal Care and Service Workers
Transportation, Tourism, and Lodging Attendants

Crafts

Construction Trades Workers
Electrical and Electronic Equipment Mechanics, Installers, and Repairers
Extraction Workers
Material Moving Workers
Other Construction and Related Workers
Other Installation, Maintenance, and Repair Occupations
Plant and System Operators
Supervisors of Installation, Maintenance, and Repair Workers
Supervisors, Construction and Extraction Workers
Vehicle and Mobile Equipment Mechanics, Installers, and Repairers
Woodworkers

Operative Workers

Assemblers and Fabricators
Communications Equipment Operators
Food Processing Workers
Metal Workers and Plastic Workers
Motor Vehicle Operators
Other Production Occupations
Printing Workers
Supervisors, Production Workers
Textile, Apparel, and Furnishings Workers

Transportation

Air Transportation Workers
Other Transportation Workers
Rail Transportation Workers
Supervisors, Transportation and Material Moving Workers
Water Transportation Workers

Laborers

Agricultural Workers
Animal Care and Service Workers
Fishing and Hunting Workers
Forest, Conservation, and Logging Workers
Grounds Maintenance Workers
Helpers, Construction Trades
Supervisors, Building and Grounds Cleaning and Maintenance Workers
Supervisors, Farming, Fishing, and Forestry Workers

Attachment BB

SUBCONTRACTOR PARTICIPATION LIST

This list shall include the name and complete address of all Subcontractors who qualify as SLBEs or ELBEs. Contractors may also list participation by MBE, WBE, DBE, DBVE and OBE firms. However, no additional points will be awarded for participation by these firms, except that DVBEs that qualify as local businesses shall counted as SLBEs.

Contractor shall also submit Subcontractor commitment letters on Subcontractor’s letterhead, no more than one page each, from Subcontractors listed below to acknowledge their commitment to the team, scope of work, and percent of participation in the project.

Subcontractors shall be used in the percentages listed. No changes to this Participation List will be allowed without prior written City approval.

NAME AND ADDRESS SUBCONTRACTORS	SCOPE OF WORK	PERCENT OF CONTRACT	DOLLAR AMOUNT OF CONTRACT	SLBE/ELBE (* / MBE/ WBE/DBE/ DVBE/OBE)	** WHERE CERTIFIED

* Listed for informational purposes only.

** Contractor shall indicate if Subcontractor is certified by one of the agencies listed in Section VII of the Equal Opportunity Contracting Program (EOCP) Attachment.

List of Abbreviations:

Certified Minority Business Enterprise	MBE
Certified Woman Business Enterprise	WBE
Certified Disadvantaged Business Enterprise	DBE
Certified Disabled Veteran Business Enterprise	DVBE
Other Business Enterprise	OBE
Small Local Business Enterprise	SLBE
Emerging Local Business Enterprise	ELBE

Attachment CC

CONTRACT ACTIVITY REPORT

Contractors are required by contract to report SubContractor activity in this format. Reports shall be submitted via the Project Manager to the *Equal Opportunity Contracting Program (EOCP)* no later than thirty (30) days after the close of each quarter.

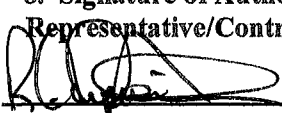
PROJECT: _____ **PRIME CONTRACTOR:** _____
CONTRACT AMOUNT: _____ **INVOICE PERIOD:** _____ **DATE:** _____

Include Additional Services Not-to-Exceed Amount

SubContractor	Indicate SLBE, ELBE, MBE, WBE, DBE, DVBE or OBE	Current Period		Paid to Date		Original Commitment	
		Dollar Amount	% of Contract	Dollar Amount	% of Contract	Dollar Amount	% of Contract
Prime Contractor Total:							
Contract Total:							

Completed by: _____

**SECTION A
SIGNATURE PAGE**

1. Contract No.:		2. RFP No.: 10038642-14-W	
3. Contract Title: Sales, Use Tax, Property Tax Audit and Recovery, and Information Services			
(SALES & USE TAX)			
4. Contract Amount: 15% (See Section B - Pricing)		Prompt Payment Discount Terms: _____ % _____ Days	
5. Term of Contract: 1 year from Notice to Proceed, with 4 additional 1 year option periods			
6. Contractor Name: Hinderliter, de Llamas and Associates			
Address: 1340 Valley Vista Drive, Suite 200			
City/State/Zip: Diamond Bar, California 91765			
Telephone: 909.861.4335			
Contact: Andrew Nickerson		E-Mail Address: anickerson@hdlcompanies.com	
The City of San Diego Business Tax License Number: Will provide if awarded contract			
Federal Tax ID Number: 33-0008507			
7. Contract Table of Contents			
Section A: Signature Page			
Section B: Price Schedule			
Section C: Scope of Services			
Section D: Packaging and Marking (Reserved)			
Section E: Inspection and Acceptance			
Section F: Deliveries or Performance			
Section G: Contract Administration Data			
Section H: Special Contract Requirements			
Section I: General Contract Clauses			
Section J: List of Attachments, Exhibits, or Appendices			
Contractor's Proposal			
<p>8. Signature of Authorized Representative/Contractor</p>  <p>_____ Andrew Nickerson (Print Name)</p> <p>_____ President (Title)</p> <p>_____ 10-17-13 (Date)</p>	<p>9. Signature of The City of San Diego Purchasing Agent</p> <p>_____</p> <p>_____ (Print Name)</p> <p>_____ (Title)</p> <p>_____ (Date)</p>	<p>10. Signature of The City of San Diego City Attorney</p> <p>_____</p> <p>Approved for Form and Legality</p> <p>_____ (Print Name)</p> <p>_____ (Title)</p> <p>_____ (Date)</p>	

**SECTION A
SIGNATURE PAGE**

1. Contract No.: _____ **2. RFP No.:** 10038642-14-W

3. Contract Title: Sales, Use Tax, Property Tax Audit and Recovery, and Information Services
(PROPERTY TAX SERVICES)

4. Contract Amount: \$40,000 **Prompt Payment Discount Terms:** ____ % ____ Days

5. Term of Contract: 1 year from Notice to Proceed, with 4 additional 1 year option periods

6. Contractor Name: HdL Coren & Cone
Address: 1340 Valley Vista Drive, Suite 200
City/State/Zip: Diamond Bar, California 91765
Telephone: 909.861.4335
Contact: Paula Cone **E-Mail Address:** pcone@hdlccpropertytax.com
The City of San Diego Business Tax License Number: Will provide if awarded contract
Federal Tax ID Number: 95-4398586

7. Contract Table of Contents

Section A: Signature Page
Section B: Price Schedule
Section C: Scope of Services
Section D: Packaging and Marking (Reserved)
Section E: Inspection and Acceptance
Section F: Deliveries or Performance
Section G: Contract Administration Data
Section H: Special Contract Requirements
Section I: General Contract Clauses
Section J: List of Attachments, Exhibits, or Appendices

Contractor's Proposal

<p>8. Signature of Authorized Representative/Contractor</p> <p><i>Paula Cone</i> _____ Paula Cone (Print Name) _____ President (Title) _____ 10/14/2013 (Date)</p>	<p>9. Signature of The City of San Diego Purchasing Agent</p> <p>_____ _____ (Print Name) _____ (Title) _____ (Date)</p>	<p>10. Signature of The City of San Diego City Attorney</p> <p>_____ Approved for Form and Legality _____ (Print Name) _____ (Title) _____ (Date)</p>
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SECTION B

PRICE SCHEDULE

A. PRICE SCHEDULE INSTRUCTIONS FOR SCOPE OF SERVICES AS SPECIFIED IN SECTION C

Proposers shall submit their proposal for pricing on the following City's Price Schedule page(s). Using the enclosed Price Schedule page(s) will help ensure consistency in the price evaluation. The Price Schedule page(s) are to be completed in full and shall be incorporated herein. Only the City's Price Schedule page(s) will be accepted. Any deviations from the Price Schedule page(s) may result in the rejection of the proposal as being non-responsive.

Proposers must provide attachment worksheets, which include a breakdown of labor hours and any other rationale used in determining their pricing for all of the specified requirements. Blanks on the Price Schedule page(s) will be interpreted as zero (0) and no price will be allowed.

Prompt Payment Discounts

The City's Standard Payment Terms are Net 30 Days. Proposers may offer other payment terms (e.g., 2% 20 days) but they will not be considered in making the award decision. If different terms are offered, the City retains the option of making payment(s) based on these terms. Discounts will be taken at the time of payment when applicable. Prompt payment discounts shall be identified on the Signature Page, Section A.4. Discount is taken based on the date of the payment check. Time will be computed from the date of delivery at destination or acceptance by City, or the date supplied to the carrier when acceptance is at the point of origin, or from the date a corrected invoice is received, whichever is later.

Any discount offered other than for prompt payment should be included in the net price quoted, rather than shown as a separate item. Any discount shown separately will be adjusted on the Purchase Order.

Pricing

Proposer (s) shall provide their percentage of gross revenue from all generated on new Sales remits and/or Use taxes and Property taxes. The percentage should be to the hundredth of a percent. 15 % For retroactive back quarter reallocations and allocations received in the first six consecutive reporting quarters following correction of the misallocation.

Unless called for in the General Contract Clauses, no escalation factor is allowed. The Contractor must notify the City in writing in the event of a decline in market price(s) below the Price Schedule and the City will make an adjustment in the Contract Amount or elect to re-solicit.

Unless the Contractor clearly indicates that the price is based on consideration of being awarded the entire lot and that an adjustment to the price was made based on receiving the entire Proposal, any difference between the unit price correctly extended and the total price shown for all items offered shall be resolved in favor of the unit price.

SECTION B

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City of San Diego
Section B Attachment - Price Schedule
Hinderliter, de Llamas & Associates - Sales and Use Tax
Price Proposal: 15% for retroactive back quarter reallocations and allocations received in the first six consecutive reporting quarters following correction of the misallocation.
Rationale of Pricing: Our pricing includes all labor hours by our staff that will be needed meet the requirements of the sales and use tax portion of RFP. 10038642-14-W. This includes audit work, ongoing analysis, reports, legislative support and unlimited access to HdL's team members for sale and use tax related questions, as well as training and support for internal implementation of a program of use tax maximization.
Optional Services: Additional services beyond the scope of this proposal are priced separately depending on the complexity of the tasks involved. Such fees can either be fixed or time and materials. Our current hourly rates are below.
Principal - \$225 per hour
Programmer - \$195 per hour
Senior Associate - \$150 per hour
Analyst - \$75 per hour
HdL Coren & Cone - Property Tax
Price Proposal: \$40,000 Annual Fee
Rationale of Pricing: Our pricing includes all labor hours by our staff that will be needed meet the requirements of the property tax portion of RFP. 10038642-14-W. The annual fee includes property tax services, audits, analysis, deliverables and web-based property tax software. HdL Coren & Cone's services also include developing the City/Agency database, analytical reports and staff assistance for the annual retainer fee.
Optional Services: Additional services beyond the scope of this proposal are priced separately depending on the complexity of the tasks involved. Such fees can either be fixed or time and materials. Our current hourly rates are below. Hourly rates exclude out of pocket expenses which are billed a 1.15 times the actual cost.
Partner - \$225 per hour
Principal - \$195 per hour
Programmer - \$150 per hour
Associate - \$150 per hour
Senior Analyst - \$100 per hour
Analyst - \$65 per hour
Administrative - \$45 per hour



SECTION C
SCOPE OF SERVICES

A. BACKGROUND

In March of 1991, the City entered into an agreement with MBIA MuniServices Company (MMC) for providing Sales Tax Audit and Information Services. In March, 1997, the City extended the agreement with MMC for new services which included a Business License Information and Management Service, an Audit Program targeting documentary transfer taxes and property taxes (Including Redevelopment Agency (RDA) Tax Increments) and a Geo-based Revenue Information Program which included a computerized database of all City land parcels, major buildings and users as well as major sources of general revenue (e.g., business license tax, franchise fees, property tax, sales and use tax, state subventions and transient occupancy tax). In 2003, the agreement with MBIA MuniServices (MuniServices) was extended for another five-year period which expired in March, 2008 and subsequently extended through February, 2009. Upon the expiration of the agreement in February 2009, the City entered into a two-year agreement with three additional one-year renewal options with MuniServices. The current agreement will expire on March 23, 2014.

The purpose of MuniServices' Sales and Use Tax Audit and Information Services was to maximize the City's sales and use tax revenues and minimize lost tax revenues by detecting and documenting misallocations of sales and use tax activity within the time limitations of administrative recoverability. During the past 20 years, through these sales and use tax services, the City has recovered approximately \$2 million per year in unrealized sales tax revenue. Similarly, the purpose of MuniServices property tax audit services was to assist the City and RDA in recovering all of the revenue to which they are entitled from the property tax and RDA Tax Increment within the time limitations of administrative recoverability.

The City of San Diego is issuing this RFP to solicit the aforementioned services.

This RFP is being issued in order to solicit proposals from qualified proposers to provide sales and use tax and property tax audit and recovery services. Interested parties who have successfully performed work for similar contracts are invited to submit a proposal in response to this RFP.

B. OBJECTIVE

The objective of this RFP is to make an award to a qualified Contractor which delivers sales and use tax and property tax audit and recovery services as well as Business to Business use tax monitoring and Geo-coding services that represents best overall value to the City while meeting or exceeding the specifications and requirements of this RFP.

C. SCOPE OF WORK

To ensure through comprehensive audit measures that the revenue information used by the City and ongoing economic analysis includes all sales and use tax generators. Assist the City with strategies to preserve and enhance sales and use tax revenue generated by existing businesses within the City. The sales and use tax audit services shall include the following:

Sales and Use Tax Audit

1. Detect, document and assist in correcting the sales and use tax reporting errors of businesses that, based on the location of their activities, are not properly registered with the City.
2. Detect, document and assist in correcting the reporting of businesses that are improperly reporting local tax (e.g., classifying sales tax as use tax) and thereby depriving the City of sales tax revenue.
3. Detect, document and assist in correcting sales and use tax reporting errors/omissions and thereby generate new, previously unrealized revenue for the City.
4. Provide the City with Business to Business use tax monitoring.

Sales Tax Analysis and Sales Tax Analysis Query System

1. Provides digest summary of statewide trends that may affect the City's sales and use taxes and an analysis of the City's sales and use composition, changes, and performance. Provide quarterly reports including a comprehensive analysis of the City's sales and use tax economic base and performance with a 10-year history.
2. Provide City staff with ability to run queries in the sales tax analysis system to analyze the sales and use tax revenue from each tax payer in the City on an individual, grouped or sorted-order basis (e.g., by business name, business type, etc.).
3. Provide quarterly meetings and consulting.

Property Tax Audit

1. Detect, examine and document records pertaining to property tax with identification and confirmation of any errors and omissions that result in deficient payment of property tax revenues to the City.
2. Provide additional assistance as necessary to support the City in recovering and preventing property tax allocation errors and omissions.

Geo-Area

1. Provide for Geo-coding, which allows City staff to complete analyses of specific geographic areas by type and economic activity. Geo-coding is group businesses geographically by address location into specific study areas.
2. Provide database software application for staff's use to review individual businesses and geographic areas (Geo-areas) account's quarterly and annual payments, with historical data beginning in 1992. Geo-areas can be created by the business name. This application would require the ability to provide the most current information and historic information. Taxpayer information must be able to be queried by California State Board of Equalization Categories and Business-to-Business sales, as well as other methodology developed by the applicant. The preferred software application will have a GIS interface, which would permit City staff to create its own geo-areas. Data must be quarterly updated.

Property Tax

1. Property Tax database must be accessible through software application. Parcel number, owner(s) and business name must be included. The parcel number can serve as unique ID. The Property tax application must present secured (land and improved parcel tax) and must also report separately unsecured property tax amounts for each parcel. Five years of historical data preferred. The ability to create geo-areas for analysis either by City staff or consulting firm must be included in this software application. Ability to sort/query businesses' property taxes from residential property taxes and those parcels that are not subject to property tax must be included in this application. The top 100 property tax payers must be able to be identified through query element. A GIS interface which permits City staff to create geo-areas is preferred. Data must be quarterly updated.
2. Combine Property Tax inventory (secured and unsecured) and Treasurers' Business and Rental license information into database format. For each business assign name, address, assessor parcel number, business category and detail the revenue sources generated (historical information to also be available). Validate data. Update data as a by-product of audit program. Customizing this product to interface with existing City GIS parcel index is preferred. Queries must generate data for Geoareas, parcel specific or by business name. It is preferred that sales tax generated by each business on specific parcel also be included in this data application. Data must be quarterly updated.

D. SPECIFICATIONS

The tax auditor service contractor shall provide comprehensive audits and recovery of sales and use tax for the City of San Diego. The contractor shall represent the City for purposes of examining State Board of Equalization (SBE) Quarterly Distribution Reports. The contractor shall be responsible for detected misallocations, and to coordinate with SBE to make necessary corrections in addition to retroactive adjustments for eligible amounts of sales and use tax improperly distributed in prior quarters.

1. The contractor shall review purchases made by local residents and businesses out of state for use within the City limits, to identify instances in which the City did not receive the 1% local sales and use tax it was entitled to.
2. The City reserves the right to perform its own sales and use tax augmentation efforts, including the filing of the necessary paperwork with the State Board of Equalization, and/or working directly with the City's taxpayers or prospective taxpayers, and their vendors, customers, contractors, sub-contractors, accountants, and tax consultants. The City similarly reserves the right to outsource any such related services to any third-party service providers, at its sole discretion. In the event the City elects to perform retroactive corrections of claimed misallocation of sales or use tax or to outsource such services to any third-party service provider, the City will, on a case by case basis, give prior notification to the tax consultant selected for this RFP to ensure that, to the extent possible, there is no duplication of efforts.

E. CORE REQUIREMENTS, DELIVERABLES AND TIMELINE

The aforementioned specifications will be accomplished on an ongoing basis during the contract term.

1. The Proposer will identify and correct improperly registered permits from companies having point-of-sale or use operations in the City.
2. The contractor shall detect and correct State Board of Equalization deficiency assessment misallocations.
3. The contractor shall include audits of California taxpayer purchases of tangible personal property from out-of-state retailers.
4. The sales and use tax audit services will identify possible new revenue for the City.
5. Maintain records in a database that includes a geographic reference system, which identifies all community plan areas with designated/zoned commercial/industrial land; all adopted Business Improvement Districts. Desirable but not required, database format compatibility with the City's Geographic Information System and ArcGIS. This geocoding can be completed in phases.

6. Maintain records in a database format that denotes receipts from businesses defined as industrial, technology, and research and development based. For example, receipts from biotechnology, biomedical, electronics and computer/software related industries.

F. USE OF STANDARDS

The contractor shall perform all audits in accordance with Government Accounting Standards Board (GASB) practices.

G. LICENSES

1. Licensing:

The Proposer shall grant the City a non-exclusive, non-transferable, license to use the application reporting system for the duration of the hosting period solely for internal business purposes in the following manner: (1) use of computers owned by Licensee or of computers operated by any employee or agent of Licensee; (2) use of an internal client/server or Intranet computer network managed and operated by the City for employee use only; and (3) use of an extranet computer network of the City that grants access to selected stakeholders for the purposes of working with the City, (e.g. residents, contractors, consultants, etc.).

2. Software and Data Standards/Compatibility:

- a. The application reporting system must be compatible with the current production version and major production version immediately prior to the current production version of Internet Explorer, the Microsoft Office Suite and Adobe Acrobat Reader.
- b. Drawings and images created and retained as part of the reporting system will be stored in TIFF, JPG, Excel, DBF or PDF format.

3. Hosting:

- a. The application reporting system must reside on a system hosted by the Proposer or City approved subcontractor.
- b. The Proposer must keep application reporting system on a secure ASP hosted server.
- c. The Proposer must provide a means to back up the data daily.
- d. The City will have administrative rights to set up User IDs for City staff.
- e. The Proposer must provide maintenance, support and system/software updates.

4. Support:

- a. The Proposer shall provide Questions & Answers type support by telephone 8:00 a.m. through 5:00 p.m. Pacific Time Monday through Friday except on City recognized Holidays, for the length of the contract period.
- b. The Proposer shall provide application reporting system technical support via a toll free telephone number for the length of the contract period.

5. System Performance:

- a. The system must be available for City use from 7:00 a.m. through 6:00 p.m. Pacific Time, Monday through Friday, except on City recognized Holidays, for the length of the contract period.
- b. The system must be available and working 98 percent of the time during these hours. The contractor shall supply quarterly statements showing the system availability. If the system has performance problems, the Contractor must commit to correct problems within four (4) hours.
- c. The Proposer must notify the City in advance of all planned downtime and/or system modifications or upgrades.

H. DATA OWNERSHIP

The City retains for itself ownership and rights of ownership to all data entered into the Proposer's software or application reporting system. The Proposer acknowledges that City retains ownership and rights of ownership to all of its data. The Proposer shall not, without the written consent of the City, copy or use such records, except to carry out contracted work, and will not transfer such records to any other party not involved in the performance of this Agreement.

Each employee involved in this contract will be required to sign a confidentiality agreement upon award of this contract. (See Exhibit B)

I. INTELLECTUAL PROPERTY

1. Ownership of Application Reporting System:

City acknowledges that Contractor is the agent of the owner or is the owner of the application reporting system and documentation, including its source code, object code, and documentation, and that these shall remain the exclusive property of Contractor. All applicable patents, trademarks, copyrights, trade secrets and other proprietary rights are and shall remain with the Contractor.

2. Works for Hire:

Contractor understands and agrees that any and all materials and deliverables that are subject to copyright protection that are developed as stand alone custom applications, enhancements or "plug-ins" to the underlying software solution specifically related to the Contractor's performance of the RFP or subsequent Contract (Works) shall constitute a "work-for-hire" as that term is defined in the Copyright Act of 1976 (Act), as amended. As a result, all right, title and interest in and to all such Works shall vest jointly with the Contractor and City, including without limitation all copyrights and other intellectual property rights therein. If, for any reason, Works are not deemed to be a work for hire, Contractor hereby grants, transfers, sells and assigns, royalty free, to the City all rights, in and to said Works, including all copyrights and other intellectual property rights. The Contractor further agrees to execute and deliver to the City a confirmatory grant and assignment of the rights in and to the Works and to execute any other proper document the City deems necessary to ensure the complete and effective transfer of the interest and rights in Works to the City.

In the event that Contractor utilizes a sub-contractor(s) for any portion of the Works that is in whole or in part of the specified deliverable(s) to the City, Contractor shall include a statement in the Contractor-subcontractor agreement (Subcontractor Agreement) that identifies that the deliverable/Works product to the City is a work-for-hire as defined in the Act and that the intellectual property rights in the deliverable/Works product, whether arising in copyright, trademark, service mark or other belongs to and shall vest in the City as set forth in the preceding paragraph. Further, the Subcontractor Agreement shall require that the subcontractor grants, transfers, sells and assigns, royalty free of charge, to the City, all rights in and to said Works/deliverable, including all copyrights and other intellectual property rights.

3. Intellectual Property Warranty and Indemnification:

The Contractor represents and warrants that any materials or deliverables, including all Works, provided pursuant to this RFP or subsequent Contract are either original, not encumbered and do not infringe upon the copyright, trademark, patent or other intellectual property rights of any third party, or are in the public domain. If deliverables, materials, or Works provided pursuant to this RFP or subsequent Contract become the subject of a claim, suit or allegation of copyright, trademark or patent infringement, City shall have the right, in its sole discretion, to require Contractor to produce, at Contractor's own expense, new non-infringing materials, deliverables or Works as a means of remedying any claim of infringement in addition to any other remedy available to the City under law or equity. Contractor further agrees to indemnify and hold harmless the City, its officers, employees and agents from and against any and all claims, actions, costs, judgments or damages of any type alleging or threatening that any materials, deliverables, supplies, equipment, services or Works provided pursuant to this RFP or subsequent Contract infringe the copyright, trademark, patent or other intellectual property or proprietary rights of any third party (Third Party Claims of Infringement). If a Third Party Claim of Infringement is threatened or made before Contractor receives

payment under this RFP or subsequent Contract, City shall be entitled, upon written notice to Contractor, to withhold some or all of such payment.

J. INSTALLATION, TESTING AND ACCEPTANCE

Upon award of the contract, the Contractor shall have thirty (30) days to complete the customization of the application reporting system and to complete all other requirements as specified in Section II.

The City will evaluate the application reporting system upon receipt and request any modifications prior to City's acceptance.

K. SAFETY AND ACCIDENT PREVENTION

Proposer must comply with all applicable federal, state, county or municipal safety and accident prevention requirements, such as Occupational Safety and Health Administration (OSHA), a regulatory office of the U.S. Department of Labor.

L. DOCUMENTATION AND REPORTS

Any documentation and reporting should be clearly specified in this RFP including type, quantity, frequency and general fields of information.

M. PROPOSERS IMPLEMENTATION PLAN

Proposers shall include an implementation plan proposing procedural, operational steps, technical approach and milestones of how proposer intends to provide the work plan with requirements as previously specified. Any challenges or problems should be identified. A revised schedule may be required from the proposer within ten (10) calendar days of the City's notification of provisional award.

N. QUALIFICATIONS AND EXPERIENCE

To enable the City to evaluate the qualifications and experience of the Proposer(s) please provide the following information:

1. Organization Structure:

Describe your organizational structure as it relates to the provision of services to the City.

2. Key Staff:

Identify dedicated staff to be assigned, and describe their reporting relationships.

3. Resumes/Experience:

For all persons to be assigned to City project, provide detailed resumes and attach the resumes to your firm's submittal. Provide one information sheet per person. The resume shall include: the individual's name, her/his current duties, years of relevant experience, years of education and extra qualifications/licensing.

O. REFERENCES

Proposers, including subcontractors if applicable, are required to provide a minimum of three (3) references to demonstrate successful performance for work of similar contracts as specified in this RFP during the past seven (7) years. Previous experience furnishing Federal, State, local governments or other agencies with tax audits will be an important consideration and will be included in the evaluation of references. Previous experience with public agencies is desirable. The description of the contract, a brief description of results, and the dollar amount of the contract shall be provided for each listed reference along with contact information.

SECTION D
PACKAGING AND MARKING
(RESERVED)

SECTION E
INSPECTION AND ACCEPTANCE

The City of San Diego's Financial Management Deputy Director, or designee, will be responsible for inspecting and accepting all work, documents and information received from the Contractor (same as Contract Administrator) for the scope of services specified herein.

Inspection and acceptance will occur at destination unless specified otherwise, and will be made by the City department shown in the shipping address of the Purchase Order or other duly authorized representative of the City.

Risk of loss or damage to deliverables prior to the time of their receipt and acceptance by the City is upon the Contractor. The City has no obligation to accept damaged and/or non-functional deliverables and reserves the right to return or reject them, at the Contractor's expense, damaged and/or non-functional deliverables even though the damage and/or non-function was not apparent or discovered until after receipt.

SECTION F

DELIVERIES OR PERFORMANCE

PERIOD OF PERFORMANCE

Contractor shall perform services as described in Section C for the duration period as specified in the Notice to Proceed, with additional Options if exercised at the sole discretion of the City, in accordance with Section I.05 of this RFP.

Delivery shall be made in accordance with the Contract Documents (see Section I.01, "Definitions"). The City, in its sole discretion, may extend the time for delivery as specified in Section I, General Contract Clauses. The City may order, in writing, the suspension, delay, or interruption of delivery of goods or services.

The Contractor shall immediately notify the City in writing if there are, or it is anticipated, that there will be a delay in performance. The written notice shall include an explanation of the cause for, and a reasonable estimate of the length of the delay. If in the opinion of the City, the delay is material, and the circumstances are within the control of the Contractor, the City may terminate this Contract as provided in Section I.

If delays in the performance are caused by unforeseen events beyond the control of the parties, such delay may entitle the Contractor to a reasonable extension of time, but such delay shall not entitle the Contractor to damages or additional compensation. Any such extension of time must be approved in writing by the City. The following conditions may constitute such a delay: war; changes in law or government regulation; labor disputes; strikes; fires, floods, adverse weather or other similar condition of the elements necessitating cessation of the performance; inability to obtain materials, equipment or labor or other specific reasons agreed to between the City and the Contractor; provided, however, that: (a) this provision shall not apply to a delay caused by the acts or omissions of the Contractor; and (b) a delay caused by the inability to obtain materials, equipment, or labor shall not entitle the Contractor to an extension of time unless the City has received, in a timely manner, documentary proof satisfactory to City of the Contractor's inability to obtain materials, equipment, or labor.

SECTION G

CONTRACT ADMINISTRATION DATA

The Contract Administrator for this service is the City of San Diego's Financial Management Deputy Director or designee. The Contractor Administrator will provide daily oversight of this contract to ensure compliance. The Purchasing Agent shall be responsible for all contractual matters and is the only individual authorized to make changes of any kind to the contract. The Contractor shall not rely upon any oral change from anyone, or a written request for change from someone other than the Purchasing Agent. All changes must be in writing, signed by the Purchasing Agent.

- INVOICING AND PAYMENT

1. Invoices must be submitted quarterly per year in duplicate (one copy to be marked "original") to:

- The City of San Diego
Deputy Director
Financial Management
202 C Street, MS 8A
San Diego, CA 92101

and shall conform to policies or regulations adopted from time to time by the City of San Diego. Invoices shall be legible and shall contain, as a minimum, the following information: (1) the contract and purchase order number (if any); (2) a complete itemization of all costs including quantities ordered and delivery order numbers (if any); (3) any discounts offered to the City of San Diego under the terms of the contract; (4) evidence of the acceptance of the supplies or services by the City of San Diego; (5) unique traceable invoice number(s); (6) a copy of all records supporting a copy of all records supporting Small Local Business Enterprises (SLBE) and Emerging Local Business Enterprises (ELBE), Disadvantaged Business Enterprise (DBE), Disadvantaged Veterans Business Enterprise (DVBE), Minority Business Enterprises (MBE) and Women-Owned Business Enterprise (WBE) vendor/contractor participation for the payment period to be sent under separate cover to Program Manager, Office of Equal Opportunity Contracting, 1200 Third Avenue, Suite 200, San Diego, CA 92101; (7) total charges billed at this time and date; and (8) total payments received to date.

2. Upon review and approval from the Financial Management Department, invoices shall be forwarded to Comptroller's Department for payment. The approval shall be electronic.
3. Subject to the withholding provisions of the contract, if any, payment shall be made within thirty (30) days after the City of San Diego's receipt of a properly prepared/approved invoice.

4. The Contractor shall provide to the Purchasing Agent a fully executed W-9 Form. It is the Contractor's responsibility to notify the Purchasing Agent of any changes in the remittal address. Failure to provide this information may impact payment of invoices by the City of San Diego. In order that this Form is the current Revision at time of submittal, the Contractor shall download this Form from the Internal Revenue Service website shown below, complete the Form and submit as specified herein. The website from which to obtain this Form is: <http://www.irs.ustreas.gov/pub/irs-pdf/fw9.pdf>.
5. The City shall pay the Contractor in arrears for services rendered. Billing shall be in accordance with the Price Schedule, allowing for City approved adjustments, if any. Invoices shall be submitted in duplicate with an original and copy clearly identified to the Contract Administrator or designee, at the address specified on the Purchase Order(s) (see Section I.01, "Definitions"). The invoice shall reference the Purchase Order number, include the date of services, description of the work performed by location and/or section or a listing of materials provided, and state the total invoice cost.
6. If applicable, any extra-ordinary labor charges for services shall be included on the invoice along with a description of the extra-ordinary work to include the location/and or section work was performed. Contractor must attach written authorization from the Contract Administrator approving extraordinary work. Failure to do so will result in payment being withheld for such services. The extraordinary labor cost shall be as stated on the current Price Schedule.
7. If applicable, for parts delivered, invoices shall list the manufacturer of the part, manufacturer's published list price, percentage discount applied per the Contract's pricing agreement, and the net price to the City as well as item description, quantity, and extension.

SECTION H
SPECIAL CONTRACT REQUIREMENTS
(RESERVED)

SECTION I
GENERAL CONTRACT CLAUSES

I.01 Definitions

Addenda – Additional terms or modifications to a Request For Proposal (RFP) after original RFP was issued.

Alternative Proposal – A response to a Solicitation, in addition to a Proposal that meets Specifications, which meets or exceeds the Specifications and offers additional advantages to the City.

Announcement of the Selected Contractor – A written announcement sent to all Contractors that submitted a proposal in response to this RFP (also known as the Intent to Award to an Apparent Successful Proposal or Contractor).

Apparent Successful Proposal or Contractor – The entity that submitted the Proposal best meeting the City's requirements and will be awarded the Contract, provided that all conditions precedent to Award are fulfilled.

Award – City's official acceptance of the Apparent Successful Proposer's Proposal after all conditions precedent to Award and required approvals are fulfilled.

BAFO – Best and Final Offer.

Contract – The agreement between the City and the Contractor which consists of the Contract Documents.

Contract Administrator - Contractor's point of contact for matters related to the provision of goods or services by Contractor pursuant to this Contract. The name(s) of the Contract Administrator(s) will be provided after Award. Same as Project Manager.

Contract Documents – The documents as defined in the "Contract Form."

Contractor – A supplier of goods and services. A reference to a supplier of product or service. Also known as Vendor, Proposer, Bidder, or Consultant. These names may be interchangeably used throughout the RFP.

Debarment – A prohibition against participation in City Contracts for reasons and grounds specified in the San Diego Municipal Code.

Emergency – Reasonably unforeseen circumstances as defined in the Municipal Code.

Guarantee of Good Faith – A guarantee in the form of a check, bond or deposit required from each Contractor to be used by the City in the event that an Apparent Successful Contractor fails to honor the terms of the Contract.

Must - Used throughout this RFP to indicate mandatory requirements. Same as “shall.”

Notice to Proceed – A written notification from the City to the successful bidder or Contractor stating that there is an award of contract in accordance with the a bid or proposal previously submitted, and that effective with receipt the contractor shall proceed with performance; allows work to start.

Price Schedule – Forms issued by the Purchasing Agent in Section B for Contractors to quote Contract Amount.

Procurement Card – City issued credit card.

Proposal – An offer to enter into a Contract with the City for goods or services for a specified amount as indicated in the Price Schedule contained in Section B, subject to the terms and conditions of the Contract Documents.

Proposal Closing – The date and time when all Proposals must be received by the Purchasing Agent in order to be considered for Award.

Protest – A complaint by an unsuccessful Contractor about a City action or decision related to the selection of the Apparent Successful Contractor prepared in compliance with the provisions of the San Diego Municipal Code.

Purchase Order – The Purchasing Agent’s form used to formalize a purchase transaction which is necessary prior to any services or goods being provided pursuant to the Contract.

Purchasing Agent – The person with authority under the San Diego Charter Section 35 and San Diego Municipal Code Section 22.3202, and as delegated by the Mayor to enter into, administer, and terminate City contracts, and make related determinations and findings.

Solicitation or Request For Proposal – Document inviting prospective Contractors to submit Proposals for goods or services.

Specifications or Scope of Services – A description of the physical and functional characteristics or the nature of a supply or service and the performance requirements as outlined in Section C.

Suspension – A prohibition against submitting Proposals on City projects for a temporary period of time as specified in the San Diego Municipal Code.

I.02 Type of Contract

This is a Firm Fixed Percentage contract.

I.03 Term of Contract

The term of this contract shall be the performance period as defined in the Contract Form and Section A, with dates to be memorialized in the Notice to Proceed.

I.04 Notice to Proceed

The Contractor shall not proceed with any performance of services or supply of goods required by this contract without a written Notice to Proceed from the City of San Diego. Any work performed or expenses incurred by the Contractor prior to the Contractor's receipt of Notice to Proceed shall be entirely at the Contractor's risk.

I.05 Option to Extend

The City's option to extend is for four (4) increments of one (1) year each for a total of four (4) years beyond the expiration of the Initial Term, not to exceed five years, pursuant to Pricing Schedule. Unless City notifies Contractor in writing, not less than 15 days prior to the expiration date that they do not intend to renew the Agreement, the Agreement will be automatically renewed for another year. The rates set forth in Pricing page, or other pricing section of this Agreement shall apply to any option exercised pursuant to this option clause unless provision for appropriate price adjustment has been made elsewhere in this Agreement or by Agreement amendment. All payments are subject to "Availability of Funds."

I.06 Conflict of Interest

The Contractor is subject to all federal, state and local conflict of interest laws, regulations and policies applicable to public contracts and procurement practices, including but not limited to California Government Code sections 1090, et. seq. and 81000, et. seq., the City of San Diego Ethics Ordinance, codified in the San Diego Municipal Code at Section 27.3501 to 27.3595. The City may determine that a conflict of interest code requires the Contractor to complete one or more statements of economic interest disclosing relevant financial interests. Upon City's request, Contractor shall submit the necessary documents to the City.

The Contractor shall establish and make known to its employees and agents appropriate safeguards to prohibit employees from using their positions for a purpose that is, or that gives the appearance of being, motivated by the desire for

private gain for themselves or others, particularly those with whom they have family, business or other relationships.

In connection with any task, Contractor shall not recommend or specify any product, supplier, or contractor with whom the Contractor has a direct or indirect financial or organizational interest or relationship that would violate conflict of interest laws, regulations, or policies.

If the Contractor violates any conflict of interest laws or any of these provisions in this Section, the violation shall be grounds for immediate termination of this Agreement. Further, the violation subjects the Contractor to liability to the City for all damages sustained as a result of the violation.

I.07 Holidays: The City of San Diego observes the following Holidays:

- New Year's Day
- Martin Luther King, Jr. Day
- Presidents' Day
- Cesar Chavez Day
- Memorial Day
- Independence Day
- Labor Day
- Veterans' Day
- Thanksgiving Day
- Christmas Day

I.08 Availability of Funds

Multi-year Contracts are subject to annual appropriation of funds by the City Council. Purchase Orders are funded when issued, so are not subject to any subsequent appropriation of funds. All goods and services will be ordered by means of a Purchase Order or through a Procurement Card transaction.

In the event sufficient funds are not appropriated for the next fiscal year, the Contract may be terminated at the end of the current fiscal year. The City shall not be obligated to make further payments. In the event of termination or reduction of services or quantity of goods, Contractor shall be compensated in accordance with auditable costs for services or products provided prior to notification of termination.

1.09 Insurance

Contractor shall not begin any work under Agreement until it has: (a) obtained, and upon the City's request provided to the City, insurance certificates reflecting evidence of all insurance required in below; however, the City reserves the right to request, and the Contractor shall submit, copies of any policy upon reasonable request by the City; (b) obtained City approval of each insurance company or companies; and (c) confirmed that all policies contain the specific provisions required below. Contractor's liabilities, including but not limited to Contractor's indemnity obligations, under this Agreement, shall not be deemed limited in any way to the insurance coverage required herein. Maintenance of specified insurance coverage is a material element of this Agreement and Contractor's failure to maintain or renew coverage or to provide evidence of renewal during the term of this Agreement may be treated as a material breach of contract by the City. The Contractor shall not modify any policy or endorsement thereto which increases the City's exposure to loss for the duration of this Agreement.

9.1 Types of Insurance. At all times during the term of this Agreement, the Contractor shall maintain insurance coverage as follows:

Commercial General Liability (CGL). Insurance written on an ISO Occurrence form CG 00 01 07 98 or an equivalent form providing coverage at least as broad which shall cover liability arising from any and all personal injury or property damage in the amount of \$1 million per occurrence and subject to an annual aggregate of \$2 million. There shall be no endorsement or modification of the CGL limiting the scope of coverage for either insured vs. insured claims or contractual liability. All defense costs shall be outside the limits of the policy.

Commercial Automobile Liability. For all of the Contractor's automobiles including owned, hired and non-owned automobiles, the Contractor shall keep in full force and effect, automobile insurance written on an ISO form CA 00 01 12 90 or a later version of this form or an equivalent form providing coverage at least as broad for bodily injury and property damage for a combined single limit of \$1 million per occurrence. Insurance certificate shall reflect coverage for any automobile (any auto).

Workers' Compensation. For all of the Contractor's employees who are subject to this Agreement and to the extent required by the applicable state or federal law, the Contractor shall keep in full force and effect, a Workers' Compensation policy. That policy shall provide a minimum of \$1 million of employers' liability coverage, and the Contractor shall provide an endorsement that the insurer waives the right of subrogation against the City and its respective elected officials, officers, employees, agents and representatives.

9.2 Deductibles. All deductibles on any policy shall be the responsibility of the Contractor and shall be disclosed to the City at the time the evidence of insurance is provided.

9.3 Acceptability of Insurers. Except for the State Compensation Insurance Fund, all insurance required by this Contract or in the Special General Conditions shall only be carried by insurance companies with a rating of at least "A-, VI" by A.M. Best Company, that are authorized by the California Insurance Commissioner to do business in the State of California, and that have been approved by the City.

The City will accept insurance provided by non-admitted, "surplus lines" carriers only if the carrier is authorized to do business in the State of California and is included on the List of Approved Surplus Lines Insurers (LASLI list). All policies of insurance carried by non-admitted carriers are subject to all of the requirements for policies of insurance provided by admitted carriers described herein.

9.4 Required Endorsements. The following endorsements to the policies of insurance are required to be provided to the City before any work is initiated under this Agreement.

Commercial General Liability Insurance Endorsements

ADDITIONAL INSURED. To the fullest extent allowed by law including but not limited to California Insurance Code Section 11580.04, the policy or policies must be endorsed to include as an Insured the City of San Diego and its respective elected officials, officers, employees, agents and representatives with respect to liability arising out of (a) ongoing operations performed by you or on your behalf, (b) your products, (c) your work, including but not limited to your completed operations performed by you or on your behalf, or (d) premises owned, leased, controlled or used by you.

PRIMARY AND NON-CONTRIBUTORY COVERAGE. The policy or policies must be endorsed to provide that the insurance afforded by the Commercial General Liability policy or policies is primary to any insurance or self-insurance of the City of San Diego and its elected officials, officers, employees, agents and representatives as respects operations of the Named Insured. Any insurance maintained by the City of San Diego and its elected officials, officers, employees, agents and representatives shall be in excess of Contractor's insurance and shall not contribute to it.

SEVERABILITY OF INTEREST. The policy or policies must be endorsed to provide that the Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability and shall provide cross-liability coverage.

Automobile Liability Insurance Endorsements

ADDITIONAL INSURED. To the fullest extent allowed by law including but not limited to California Insurance Code Section 11580.04, the policy or policies must be endorsed to include as an Insured the City of San Diego and its respective elected officials, officers, employees, agents and representatives with respect to liability arising out of automobile owned, leased, hired or borrowed by or on behalf of the Contractor.

SEVERABILITY OF INTEREST. The policy or policies must be endorsed to provide that Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability and shall provide cross-liability coverage.

Worker's Compensation Insurance Endorsements

WAIVER OF SUBROGATION. The Worker's Compensation policy or policies must be endorsed to provide that the insurer will waive all rights of subrogation against the City and its respective elected officials, officers, employees, agents and representatives for losses paid under the terms of this policy or these policies which arise from work performed by the Named Insured for the City.

9.5 Reservation of Rights. The City reserves the right, from time to time, to review the Contractor's insurance coverage, limits, deductible, and self-insured retentions to determine if they are acceptable to the City. The City will reimburse the Contractor for the cost of the additional premium for any coverage requested by the City in excess of that required by this Agreement without overhead, profit, or any other markup.

9.6 Additional Insurance. The Contractor may obtain additional insurance not required by this Agreement.

9.7 Excess Insurance. All policies providing excess coverage to the City shall follow the form of the primary policy or policies including but not limited to all endorsements.

I.10 Criminal Background Screening

The San Diego Police Department may conduct background investigations, of which the scope is determined by the San Diego Police Department, for any individual that may require access to Police facilities. Additionally, the San Diego Police Department may require background investigations, on all contractor employees, when information becomes available that indicates a potential breach in safety or security.

I.11 Governing Law

The Contract and all Contract Documents shall be deemed to be made under, and shall be construed in accordance with and governed by the laws of the State of California without regard to the conflicts or choice of law provisions thereof.

I.12 Legal Requirements

Federal, state, county and local laws, ordinance, rules and regulations that in any manner affect the goods or services covered herein apply. Lack of knowledge by the Contractor will in no way be a cause for relief from responsibility. Any acts or omissions of Contractor in violation of federal, state, or municipal law, City Charter, City Policies or regulations [regarding anti-competitive practices, unfair trade practices, collusion, gratuities, kickbacks, contingent fees, contemporaneous employment, or similar violations creating an unfair influence on the public solicitation and award process pertaining to this Contract] shall void this Contract. In addition to all other remedies or damages allowed by law, Contractor is liable to City for all damages arising out of the violation of any applicable law, including costs for substitute performance, and is subject to Suspension and Debarment.

I.13 Changes

- a. The Purchasing Agent may, at any time, by written order and without notice to the sureties, make changes within the general scope of the contract in the services to be performed. If such changes cause an increase or decrease in the Contractor's cost of, or time required for, performance of any services under this contract, whether or not changed by any order, an equitable adjustment shall be made and the contract shall be modified in writing accordingly. Any claim of the Contractor for adjustment under this clause must be asserted in writing within thirty (30) days from the date of receipt by the Contractor of the notification of change unless the Purchasing Agent grants a further period of time before the date of final payment under the contract.
- b. No services for which an additional cost or fee will be charged by the Contractor shall be furnished without the prior written authorization of the Purchasing Agent.
- c. The Contract Documents fully express all understandings of the parties concerning the matters therein. No verbal understanding of the parties, their officers, agents, or employees shall be valid unless made in the form of a written change agreed to in writing.

I.14 Drug-Free Workplace

The Contractor agrees to comply with the City's Drug-Free Workplace requirements set forth in Council Policy 100-17, adopted by San Diego Resolution R-277952 and incorporated into this Agreement by this reference.

I.15 Notices

Notices under this Contract shall be in writing, shall reference the Contract Number, and shall be considered effective upon personal delivery to the individuals listed below or five (5) calendar days after deposit in any U.S. mailbox, first class and addressed to the other party as follows:

- The City of San Diego:
Purchasing Agent
Purchasing & Contracting Department
1200 Third Avenue, Suite 200
San Diego CA 92101-4195

I.16 Indemnification and Hold Harmless Agreement

With respect to any liability, including but not limited to claims asserted for costs, losses, or payments for injury to any person or property caused or claimed to be caused by the acts or omissions of the Contractor, or the Contractor's employees, agents, and officers, arising out of performance involving this Contract, the Contractor agrees to defend, indemnify, protect, and hold harmless the City, its agents, officers, and employees from and against all liability. Also covered is liability arising from, connected with, caused by, or claimed to be caused by the active or passive negligent acts or omissions of the City, its agents, officers, or employees which may be in combination with the active or passive negligent acts or omissions of the Contractor, its employees, agents or officers, or any third party. The Contractor's duty to defend, indemnify, protect and hold harmless shall not include any claims or liabilities arising from the sole negligence or sole willful misconduct of the City, its agents, officers or employees.

I.17 City of San Diego Restrictions

In the event any City of San Diego restrictions may be imposed which would necessitate alteration of material, quality, workmanship or performance of the goods or services offered, it shall be the responsibility of the Contractor to immediately notify the City in writing specifying the regulation which requires alteration. The City of San Diego reserves the right to accept any such alteration, including any reasonable price adjustments occasioned thereby, or to cancel the contract at no expense to the City of San Diego.

I.18 Assignment or Transfer

The Contractor shall not assign or transfer any interest in the contract, in whole or part, without the prior written approval of the Purchasing Agent. Claims for sums of money due, or to become due from the City of San Diego pursuant to the contract may be assigned to a bank, trust company or other financial institution. The City of San Diego is hereby expressly relieved and absolved of any and all liability in the event a purported assignment or subcontracting of the contract is attempted in the absence of the Contractor obtaining the Purchasing Agent's prior written approval.

Any assignment in violation of this paragraph shall constitute a default and is grounds for immediate termination of this Contract, at the sole discretion of the City. In no event shall any putative assignment create a contractual relationship between the City and any putative assignee.

I.19 Availability of Records

The Contractor shall retain and maintain all records and documents relating to City Contracts for five (5) years after receipt of final payment by the City, and shall make them available for inspection and audit by authorized representatives of the City, including the Purchasing Agent or designee.

The Contractor shall make available all requested data and records upon reasonable advance notice at locations within the City or County of San Diego, at any time during normal business hours, and as often as the City deems necessary. If records are not made available within the City or County of San Diego, the Contractor shall pay the City's travel costs to the location where the records are maintained. Failure to make requested records available for audit by the date requested may result in termination of the Contract.

Contractor must include this provision in all subcontracts.

I.20 Standards of Conduct

The Contractor shall be responsible for maintaining satisfactory standards of employees' competence, conduct, courtesy, appearance, honesty, and integrity. It shall be responsible for taking such disciplinary action with respect to any of its employees as may be necessary. The following actions may require discipline:

- a. Neglect of duty;
- b. Disorderly conduct, use of abusive or offensive language, quarreling, intimidation by words or actions or fighting;
- c. Theft, vandalism, immoral conduct or any other criminal action;

- d. Selling, consuming, possessing, or being under the influence of intoxicants, including alcohol, or illegal substances while on assignment at the City of San Diego; and
- e. Criminal convictions.

Contractor shall be responsible for working in harmony with all others involved with this Contract. Employees and agents of Contractor shall, while on the premises of the City, comply with all City rules and regulations.

I.21 Removal of Employees

The City of San Diego may request the Contractor immediately remove from assignment to the City of San Diego any employee found unfit to perform duties at the discretion of the City of San Diego and Contractor shall comply with all such requests.

I.22 Supervision

The Contractor shall provide adequate and competent supervision at all times during the performance of the contract. The Contractor or his designated representative shall be readily available to meet with the City of San Diego personnel. The Contractor shall provide the telephone numbers where its representative(s) can be reached.

I.23 Performance Evaluation Meeting

The Contractor shall be readily available to meet with representatives of the City of San Diego weekly during the first month of the contract and as often as necessary thereafter for the purpose of evaluating Contractor's performance on the Contract. A mutual effort will be made to resolve any and all performance problems identified at these meetings.

I.24 Federal, State and Local Reporting Compliance

The Contractor shall provide such financial and program information as required by the City of San Diego to comply with all Federal, State and local law reporting requirements.

I.25 Nondiscrimination

25.1 Nondiscrimination in Employment. The contractor shall comply with the City's Equal Opportunity Contracting Program. For applicable rules see: San Diego Municipal Code Chapter 2, Article 2, Division 27 (Section 22.2701 et. seq.), and <http://www.sandiego.gov/eoc/index.shtml>. The Contractor shall not discriminate against any employee or applicant for employment on any basis prohibited by law. The Contractor shall provide equal opportunity in all employment practices. The Contractor shall ensure that its Subcontractors comply with the City's Equal Opportunity Contracting Program Contractor Requirements.

Nothing in this Section shall be interpreted to hold the Contractor liable for any discriminatory practice of its Subcontractors.

25.2 Nondiscrimination in Contracting. The Contractor shall not discriminate on the basis of race, gender, religion, national origin, ethnicity, sexual orientation, age, or disability in the solicitation, selection, hiring or treatment of Subcontractors, Contractors or suppliers. The Contractor shall provide equal opportunity for Subcontractors to participate in subcontracting opportunities. The Contractor understands and agrees that violation of this clause shall be considered a material breach of the contract and may result in contract termination, debarment, and other sanctions. This language shall be in contracts between the Contractor and any Subcontractors, Contractors and suppliers.

25.3 Contract Disclosure Requirements. Upon the City's request, the Contractor agrees to provide to the City, within sixty (60) calendar days, a truthful and complete list of the names of all Subcontractors, Contractors, and suppliers that the Contractor has used in the past five (5) years on any of its contracts that were undertaken within San Diego County, including the total dollar amount paid by the Contractor for each subcontract or supply contract. The Contractor further agrees to fully cooperate in any investigation conducted by the City pursuant to the City's Nondiscrimination in Contracting Ordinance [San Diego Municipal Code sections 22.3501-22.3517]. The Contractor understands and agrees that violation of this clause shall be considered a material breach of the contract and may result in remedies being ordered against the Contractor up to and including contract termination, debarment, and other sanctions.

I.26 Project Personnel

Except as formally approved by the City of San Diego, the key personnel identified in the Contractor's Proposal shall be the individuals who will actually complete the work, at the proposed levels of effort. Changes in staffing must be proposed in writing to the City of San Diego and approved.

I.27 Photo Identification Badge

The Contractor(s) shall provide any individual assigned to the City of San Diego, a company photo identification badge, which must be worn at all times while on the City of San Diego property. The City of San Diego reserves the right to require the Contractor to pay fingerprinting fees for personnel assigned to work in sensitive areas. Upon completion of the service and prior to final payment of invoice, all employees shall turn in their photo identification badges to the Contractor.

I.28 Lobbyist Activities

Persons acting as lobbyists must state, at the beginning of their presentation, letter, telephone call, e-mail or facsimile transmission to any Purchasing Agent,

Council Member of the City of San Diego, Mayor, members of Senior Management; the name of, the group, association, organization or business interest she/he is representing.

1. For purposes of The City of San Diego Policy, as currently enacted or as amended from time to time, a lobbyist is defined as a person who for immediate or subsequent compensation, (e.g., monetary profit/personal gain) represents a public or private group, association, organization or business interest and engages in efforts to influence the City of San Diego on matters within their official jurisdiction.
2. For purposes of this Policy, a lobbyist is not considered a public official acting in her/his official capacity.
3. Lobbyists shall annually disclose in each instance and for each client prior to any lobbying activities, their identity and activities.
4. The lobbyist must disclose any direct business association with any current elected or appointed official or employee or any immediate family member of a City of San Diego employee.

I.29 Gratuities

1. The Contract may be terminated by written notice if the Purchasing Agent determines that the Contractor, its agent, or another representative:
 - a. Offered or gave a gratuity (e.g. an entertainment or gift) to an officer, or employee of the City of San Diego; and
 - b. Intended, by the gratuity, to obtain a contract or favorable treatment under a contract.
2. If this contract is terminated under the first paragraph above, The City of San Diego is entitled to pursue breach of contract remedies and all other remedies available at law.

I.30 Termination

1. Termination for Default

The City may, by written notice of default to the Contractor, terminate the whole, or any part of, this Contract, provided that Contractor fails to cure such default within ten (10) days after receipt of such notice and assuming such default is capable of being cured. The following are considered defaults:

- a. Failure to make delivery of the goods or to perform the services of the required quality or within the time specified; or

- b. Failure to perform any of the obligations of this Contract, or to make sufficient progress in performance which may jeopardize full performance.

In the event the City terminates this Contract, in whole or in part, the City may procure, upon such terms and in such manner as the Purchasing Agent may deem appropriate, equivalent goods or services and the Contractor shall be liable to the City for any excess costs. The Contractor shall also continue performance to the extent not terminated.

2. Termination for Convenience

The Purchasing Agent, by written thirty (30) day notice, may terminate this Contract, in whole or in part, when it is in the best interest of the City. Contractor shall be compensated in accordance with auditable costs for services or products provided prior to notification of termination.

The Purchasing Agent may, by written notice to the Contractor, terminate this contract in whole or in part at any time as stated above. Upon receipt of such notice, the Contractor shall: (1) immediately discontinue all services affected (unless the notice directs otherwise), and (2) deliver to the Purchasing Agent all data, drawings, specifications, reports, estimates, summaries, and such other information and materials as may have been accumulated by the Contractor in performing this contract, whether completed or in process.

- a. If the termination is for the convenience of the City of San Diego and if this is a fixed price contract, an equitable adjustment in the contract price shall be made, but no amount shall be allowed for anticipated profit on unperformed services.
- b. If, after notice of termination for failure to fulfill contract obligations (default), it is determined that the Contractor had not so failed, the termination shall be deemed to have been effected for the convenience of the City of San Diego. In such event, adjustment in the contract price shall be made as provided in paragraph (a) of this clause.
- c. The rights and remedies of the City of San Diego provided in this clause are in addition to any other rights and remedies provided by law or under this contract. Time is of the essence for all delivery, performance, submittal, and completion dates in this contract.

I.31 Insolvency

In the event the Contractor enters into proceedings relating to bankruptcy, whether voluntary or involuntary, the Contractor agrees to furnish, by certified mail or electronic commerce method authorized by the contract, written notification of the bankruptcy to the Purchasing Agent responsible for

administering the contract. This notification shall be furnished within five (5) days of the initiation of the proceedings relating to bankruptcy filing. This notification shall include the date on which the bankruptcy petition was filed, the identity of the court in which the bankruptcy petition was filed, and a listing of the City of San Diego contract numbers and contracting offices for all the City of San Diego contracts against which final payment has not been made. This obligation remains in effect until final payment under this contract.

I.32 Dispute Resolution

If a dispute arises out of or relates to this Contract and if said dispute cannot be settled through normal contract negotiations, the Contractor and the City must first endeavor to settle the dispute in an amicable manner, using mandatory non-binding mediation under the rules of the American Arbitration Association or any other neutral organization agreed upon before having recourse in a court of law.

1. **Selection of Mediator.** A single mediator that is acceptable to both parties shall be used to mediate the claim. The mediator will be knowledgeable in the subject matter of this Contract, if possible, and chosen from lists furnished by the American Arbitration Association or any other agreed upon mediator.
2. **Expenses.** The expenses of witnesses for either side shall be paid by the party producing such witnesses. All other expenses of the mediation, including required traveling and other expenses of the mediator, and the cost of any proofs or expert advice produced at the direct request of the mediator, shall be borne equally by the parties, unless they agree otherwise.
3. **Conduct of Mediation Sessions.** Mediation hearings will be conducted in an informal manner and discovery will not be allowed. The discussions, statements, writings and admissions will be confidential to the proceedings (pursuant to California Evidence Code Sections 1115 through 1128) and will not be used for any other purpose unless otherwise agreed by the parties in writing. The parties may agree to exchange any information they deem necessary. Both parties shall have a representative attend the mediation who is authorized to settle the dispute, though the City's recommendation of settlement may be subject to the approval of the Mayor and City Council. Either party may have attorneys, witnesses or experts present.
4. **Mediation Results.** Any resultant agreements from mediation shall be documented in writing. The results of the mediation shall not be final or binding unless otherwise agreed to in writing by the parties. Mediators shall not be subject to any subpoena or liability and their actions shall not be subject to discovery.

I.33 Patents and Royalties

Unless otherwise specified, the Contractor shall pay all royalties, license and patent fees. In submitting a Proposal, the Contractor warrants that the materials to be supplied do not infringe upon any patent, trademark or copyright and further agrees to defend any and all suits, actions and claims for infringement that are brought against the City, whether general, exemplary or punitive, as a result of any actual or claimed infringement asserted against the City, the Contractor or those furnishing material to the Contractor pursuant to this Contract. The Contractor, without exception, shall defend, indemnify and hold harmless The City of San Diego, its elected officials, officers, and employees from liability of any nature or kind, including cost and expenses for or on account of any copyrighted, patented, or unpatented invention, process, or article manufactured or used in the performance of the contract, including its use by The City of San Diego. If the Contractor uses any design, device, or materials covered by letters, patent, or copyright, it is mutually understood and agreed without exception that the contract prices shall include all royalties or cost arising from the use of such design, device or materials in any way involved in the work.

I.34 Warranty of Services

1. "Acceptance," as used in this clause, means the act of an authorized representative of the City of San Diego by which the City of San Diego assumes for itself, or as an agent of another, ownership of existing and identified supplies, or approves specific services, as partial or complete performance of the contract. "Correction," as used in this clause, means the elimination of defect.
2. Notwithstanding inspection and acceptance by the City of San Diego or any provision concerning the conclusiveness thereof, the Contractor warrants that all services performed under this contract will, at the time of acceptance, be free from defects in workmanship and conform to the requirements of this contract. The Purchasing Agent shall give written notice of any defect or nonconformance to the Contractor within twenty-four (24) hours. This notice shall state either (1) that the Contractor shall correct or re-perform any defective or nonconforming services, or (2) that the City of San Diego does not require correction or re-performance.
3. If the Contractor is required to correct or re-perform, it shall be at no cost to the City of San Diego, and any services corrected or re-performed by the Contractor shall be subject to this clause to the same extent as work initially performed. If the Contractor fails or refuses to correct or re-perform, the Purchasing Agent may, by contract or otherwise, correct or replace with similar services and charge to the Contractor the cost occasioned to the City of San Diego thereby, or make an equitable adjustment in the contract price.

I.35 Licenses and Permits

The Contractor shall, without additional expense to the City of San Diego, be responsible for obtaining any necessary licenses, permits, certifications, accreditations, fees and approvals for complying with any federal, state, county, municipal, and other laws, codes, and regulations applicable to the performance of the work or to the products or services to be provided under this contract including, but not limited to, any laws or regulations requiring the use of licensed Contractors to perform parts of the work.

I.36 Taxes

The City will furnish Exemption Certificates for Federal Excise Tax. The City is liable for State, City, and County Sales Taxes. Do not include this tax in the Amount proposed; it will be added to the net amount invoiced. All or any portion of the City Sales Tax returned to the City will be considered in the evaluation of Proposals.

I.R.S. regulations require the City to have the correct name, address, and Taxpayer Identification Number (TIN) or Social Security Number (SSN) on file for businesses or persons who provide services or products to the City. This information is necessary to complete Form 1099 at the end of each tax year.

In order to comply with I.R.S. regulations, the City requires each Contractor to provide a Form W-9 prior to Award of Contract. Failure to provide a completed Form W-9 within ten (10) business days of the City's request may result in a Proposal being declared non-responsive and rejected.

I.37 Protection of the City of San Diego Property

The Contractor shall use reasonable care to avoid damaging existing buildings, equipment, and vegetation on or about premises owned by, or under the control of, the City of San Diego. If the Contractor's failure to use reasonable care causes damage to any of this property, the Contractor shall replace or repair the damage at no expense to the City of San Diego as the Purchasing Agent directs. If the Contractor fails or refuses to make such repair or replacement, the Contractor shall be liable for the cost, which may be deducted from the contract price.

I.38 Publicity Releases

All publicity releases or releases of reports, papers, articles, maps, or other documents in any way concerning this contract or the work, hereunder, which the Contractor or any of its subcontractors desires to make for purposes of publication in whole or in part, shall be subject to approval by the Purchasing Agent prior to release.

I.39 Suspension of Work

The Purchasing Agent may order the Contractor in writing to suspend all or any part or the work for such period of time as he or she may determine to be appropriate for the convenience of the City of San Diego. In the case of delay caused by the City, the Contractor may be entitled to an adjustment. However, no part of any claim based on the provisions of this clause shall be allowed if not supported by adequate evidence showing that the cost would not have been incurred but for a delay within the provisions of this clause.

I.40 Standards of Performance

The Contractor shall perform all services required by this contract in accordance with high professional standards prevailing in the Contractor's field of work.

Unless otherwise required in the Scope of Services/Work, all goods furnished shall be new and the best of their kind.

Any reference to a specific brand name is illustrative only and describes a component best meeting the specific operational, design, performance, maintenance, quality or reliability standards and requirements of the City, thereby incorporating these requirements by reference within the Specification. An equivalent ("or equal") may be offered by the Contractor in response to a brand name reference (Proposed Equivalent). The City may consider the Proposed Equivalent after it is subjected to testing and evaluation which must be completed prior to Award of the Contract. If the Contractor offers an item of a manufacturer or Contractor other than that specified, Contractor must identify maker, brand, quality, manufacturer number, product number, catalog number, or other trade designation.

The City has sole discretion in determining whether a Proposed Equivalent will satisfy its requirements. It is the Contractor's responsibility to provide, at its expense, any product information, test data or other information or documents the City requests in order to properly evaluate or demonstrate the acceptability of the Proposed Equivalent, including independent testing or evaluation at qualified test facilities or destructive testing.

If the item in the Specifications has a trade name, brand, catalog, manufacturer, and/or product number, Contractor shall state the applicable trade name, brand, catalog, manufacturer, and/or product number in the Proposal.

Services performed and goods provided, must be acceptable to the City, in strict conformity with all instructions, conditions, and terms of the Contract Documents and performed in accordance with the standards customarily adhered to by an experienced and competent professional using the degree of care and skill ordinarily exercised by reputable professionals practicing in the same field of service in the State of California. Where approval by the City, the City Mayor, or

other representatives of the City is required, it is understood to be general approval only and does not relieve the Contractor of responsibility for complying with all applicable laws, codes, and good business practices.

I.41 Notice of Labor Disputes

- a. If the Contractor has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this contract, the Contractor immediately shall give notice, including all relevant information, to the Purchasing Agent.
- b. The Contractor agrees to insert the substance of this clause, including this paragraph, in any subcontract under which a labor dispute may delay the timely performance of this contract; except that each subcontract shall provide that in the event its timely performance is delayed or threatened by delay by any actual or potential labor dispute, the subcontractor shall immediately notify the next higher tier subcontractor or the Contractor, as the case may be, of all relevant information concerning the dispute.

I.42 Pending Legal Dispute

If the Contractor is currently involved in litigation with the City or any of the Agencies identified in this RFP, the Contractor must identify the title of the litigation, the Court(s) where the litigation is pending, and the case number(s), along with a brief description(s) of the nature of the dispute(s).

I.43 Time of Essence

Time is of the essence for each provision of the Contract Documents, unless specified otherwise.

I.44 Americans with Disabilities Act Certification

The Contractor hereby certifies that it agrees to comply with the City's Americans With Disabilities Act Compliance/City Contracts requirements set forth in Council Policy 100-04, adopted by San Diego Resolution R-282153 and incorporated into this Agreement by this reference.

I.45 Debarment Proceedings

Contractor misconduct may be punishable by suspension or debarment in accordance with San Diego Municipal Code Sections 22.0801, *et seq.*

I.46 Other Public Agencies

Public agencies other than the City of San Diego, as defined by Cal. Gov. Code § 6500 may choose to use this Contract, subject to the Contractor's acceptance. The City is not liable or responsible for any obligations related to a subsequent

agreement between the Contractor and another public agency. If agreements are entered into by other agencies and the Contractor, Contractor shall furnish the City with an annual report showing the name of the agencies, contact person and phone number for each agency, and details of goods or services provided, including quantities. This report shall be furnished to the City upon request.

I.47 Product Endorsements

Contractor is prohibited from indicating, either directly or by implication, that the City has endorsed its goods or services without prior written authorization by the City.

I.48 Procurement Card Transactions

DELETED.

I.49 Severability

The unenforceability, invalidity, or illegality of any provision of the Contract Documents shall not render any other provision unenforceable, invalid, or illegal.

I.50 No Waiver

No failure of either the City or the Contractor to insist upon the strict performance by the other of any covenant, term or condition of this Agreement, nor any failure to exercise any right or remedy consequent upon a breach of any covenant, term, or condition of this Agreement, shall constitute a waiver of any such breach of such covenant, term or condition. No waiver of any breach shall affect or alter this Agreement, and each and every covenant, condition, and term hereof shall continue in full force and effect without regard to any existing or subsequent breach.

I.51 Covenants and Conditions

All provisions in the Contract expressed as either covenants or conditions on the part of the City or Contractor, shall be deemed to be both covenants and conditions.

I.52 Headings

All article headings are for convenience only and shall not affect the interpretation of these Contract Documents.

I.53 Independent Contractors

The Contractor and any subcontractors employed by the Contractor shall be independent contractors and not agents of the City. Any provisions in the Contract that may appear to give the City any right to direct the Contractor

concerning the details of performance, or to exercise any control over such performance, shall mean only that the Contractor shall follow the direction of the City concerning the end results of the performance.

I.54 Successors in Interest

This Contract and all rights and obligations created by this Contract shall be in force and effect whether or not any parties to the Contract have been succeeded by another entity, and all rights and obligations created by this Contract shall be vested and binding on any party's successor in interest.

I.55 Software Licensing

Contractor represents and warrants that the software, as delivered to the City, does not contain any program code, virus, worm, trap door, back door, timer, or clock that would erase data or programming or otherwise cause the software to become inoperable, inaccessible, or incapable of being used in accordance with its user manuals, either automatically, upon the occurrence of Licensor-selected conditions, or manually on the command of the Contractor.

I.56 Intellectual Property

56.1 Work For Hire. All original designs, plans, specifications, reports, documentation, and other informational materials, whether written or readable by machine, originated or prepared exclusively for the City pursuant to this Agreement (Deliverable Materials) is "work for hire" under the United States Copyright law and shall become the sole property of the City. The Contractor, including its employees, and independent Subcontractor(s), shall not assert any common law or statutory patent, copyright, trademark, or any other intellectual proprietary right to the City to the deliverable Materials.

56.2. Rights in Data. All rights (including, but not limited to publication(s), registration of copyright(s), and trademark(s)) in the Deliverable Materials, developed by the Contractor, including its employees, agents, talent and independent Subcontractors pursuant to this Agreement are the sole property of the City. The Contractor, including its employees, agents, talent, and independent Subcontractor(s), may not use any such Product mentioned in this article for purposes unrelated to Contractor's work on behalf of the City without prior written consent of the City.

56.3 Intellectual Property Rights Assignment. Contractor, its employees, agents, talent, and independent Subcontractor(s) agree to promptly execute and deliver, upon request by City or any of its successors or assigns at any time and without further compensation of any kind, any power of attorney, assignment, application for copyright, patent, trademark or other intellectual property right protection, or other papers or instruments which may be necessary or desirable to fully secure, perfect or otherwise protect to or for the City, its successors and

assigns, all right, title and interest in and to the content of the Deliverable Materials; and cooperate and assist in the prosecution of any action or opposition proceeding involving said rights and any adjudication of the same.

56.4 Moral Rights. Contractor, its employees, agents, talent, and independent Subcontractor(s) hereby irrevocably and forever waives, and agrees never to assert, any Moral Rights in or to the Deliverable Materials which Contractor, its employees, agents, talent, and independent Subcontractor(s), may now have or which may accrue to Contractor, its employees, agents, talent, and independent Subcontractor(s)' benefit under U.S. or foreign copyright laws and any and all other residual rights and benefits which arise under any other applicable law now in force or hereafter enacted. The term "Moral Rights" shall mean any and all rights of paternity or integrity of the content and the right to object to any modification, translation or use of said content, and any similar rights existing under judicial or statutory law of any country in the world or under any treaty, regardless of whether or not such right is denominated or referred to as a moral right.

56.5 Subcontracting. In the event that Contractor utilizes a Subcontractor(s) for any portion of the Work that is in whole or in part of the specified Deliverable(s) to the City, the agreement between Contractor and the Subcontractor [Subcontractor Agreement] shall include a statement that identifies that the Deliverable/Work product as a "work-for hire" as defined in the Act and that all intellectual property rights in the Deliverable/Work product, whether arising in copyright, trademark, service mark or other belongs to and shall vest solely with the City. Further, the Subcontractor Agreement shall require that the Subcontractor, if necessary, shall grant, transfer, sell and assign, free of charge, exclusively to the City, all titles, rights and interests in and to said Work/Deliverable, including all copyrights and other intellectual property rights. City shall have the right to review any Subcontractor agreement for compliance with this provision.

56.6 Publication. Contractor may not publish or reproduce any Deliverable Materials, for purposes unrelated to Contractor's work on behalf of the City without prior written consent of the City.

56.7 Intellectual Property Warranty and Indemnification. Contractor represents and warrants that any materials or deliverables, including all Deliverable Materials, provided under this contract are either original, not encumbered and do not infringe upon the copyright, trademark, patent or other intellectual property rights of any third party, or are in the public domain. If Deliverable Materials provided hereunder become the subject of a claim, suit or allegation of copyright, trademark or patent infringement, City shall have the right, in its sole discretion, to require Contractor to produce, at Contractor's own expense, new non-infringing materials, deliverables or Works as a means of remedying any claim of infringement in addition to any other remedy available to

the City under law or equity. Contractor further agrees to indemnify and hold harmless the City, its officers, employees and agents from and against any and all claims, actions, costs, judgments or damages of any type alleging or threatening that any materials, deliverables, supplies, equipment, services or Works provided under this contract infringe the copyright, trademark, patent or other intellectual property or proprietary rights of any third party (Third Party Claims of Infringement). If a Third Party Claim of Infringement is threatened or made before Contractor receives payment under this contract, City shall be entitled, upon written notice to Contractor, to withhold some or all of such payment.

I.57 Confidentiality of Services

All services performed by Contractor, and any subcontractors if applicable including but not limited to all drafts, data, information, correspondence, proposals, reports or any nature, estimates compiled or composed by the Contractor, are for the sole use of the City, its agents and employees. Neither the documents nor their contents shall be released to any third party without the prior written consent of the City. This provision does not apply to information that (a) was publicly known, or otherwise known to the Contractor, at the time that it was disclosed to the Contractor by the City, (b) subsequently becomes publicly known through no act or omission of the Contractor, or (c) otherwise becomes known to the Contractor other than through disclosure by the City.

I.58 Business Tax License

Any company doing business with the City of San Diego is required to comply with Section 31.0301 of the San Diego Municipal Code regarding Business Tax. For more information please visit the City of San Diego website at www.sandiego.gov/treasurer/ or call (619) 615-1500. The City requires that each Contractor provide a copy of their Business Tax License, or a copy of their application receipt. Failure to provide the required documents within ten (10) business days of the City's request may result in a Bid being declared non-responsive and rejected.

I.59 Performance and Payment Bond

If a Guarantee of Good Faith is required, any of the following may be submitted in the amount specified made payable to the City: a certified check; a bank or postal money order; or a bid bond executed by a corporation authorized to issue surety bonds in the State of California. Failure to submit an acceptable Guarantee of Good Faith with the Proposal will automatically render it void.

The Apparent Successful Contractor may be required to furnish the City with a surety bond conditioned upon the faithful performance of the Contract. This may take the form of a bond executed by a surety company authorized to do business in the State of California and approved by the City, an endorsed Certificate of

Deposit, or a money order or a certified check drawn on a solvent bank. The bond shall be in a sum equal to one hundred percent (100%) of the Amount of the Contract, unless stated differently in the Specific Provisions. The City may file a claim against such bond or deposit in the event the Contractor fails or refuses to fulfill all terms and conditions of the Contract.

I.60 Compliance with Controlling Law

The Contractor shall comply with all laws, ordinances, regulations, and policies of the federal, state, and local governments applicable to this Agreement. In addition, the Contractor shall comply immediately with all directives issued by the City or its authorized representatives under authority of any laws, statutes, ordinances, rules, or regulations.

I.61 Equal Benefits

Effective January 1, 2011, any contract awarded from this solicitation is subject to the City of San Diego's Equal Benefits Ordinance [EBO], Chapter 2, Article 2, Division 43 of the San Diego Municipal Code [SDMC].

In accordance with the EBO, contractors must certify they will provide and maintain equal benefits as defined in SDMC §22.4302 for the duration of the contract [SDMC §22.4304(f)]. Failure to maintain equal benefits is a material breach of the contract [SDMC §22.4304(e)]. Contractors must notify employees of their equal benefits policy at the time of hire and during open enrollment periods and must post a copy of the following statement in an area frequented by employees:

During the performance of a contract with the City of San Diego, this employer will provide equal benefits to its employees with spouses and its employees with domestic partners.

Contractors also must give the City access to documents and records sufficient for the City to verify the contractors are providing equal benefits and otherwise complying with EBO requirements.

Full text of the EBO and the Rules Implementing the Equal Benefits Ordinance are posted on the City's website at www.sandiego.gov/purchasing/ or can be requested from the Equal Benefits Program at (619) 533-3948.

I.62 Contractor Standards

This Contract is subject to the Contractor Standards clause of the Municipal Code, Chapter 2, Article 2, Division 30 adopted by Ordinance No. O-19383. All Contractors are required to complete the Contractor Standards Pledge of Compliance included in this RFP. The Contractor Standards are available online

at www.sandiego.gov/purchasing/vendor/index.shtml or by request from the Purchasing & Contracting Department by calling (619) 236-6000.

I.64 Incurred Expenses

The City will not be responsible for any expenses incurred by Proposers in participating in the RFP process, including but not limited to preparing and submitting a Proposal or best and final offers, or in making an oral presentation or demonstrations.

SECTION J

LIST OF ATTACHMENTS, EXHIBITS, OR APPENDICES

Attachment - Equal Opportunity Contracting Program (EOCP) Proposer
Requirements



City of San Diego.
EQUAL OPPORTUNITY CONTRACTING (EOC)
1010 Second Avenue • Suite 500 • San Diego, CA 92101
Phone: (619) 533-4464 • Fax: (619) 533-4474

WORK FORCE REPORT
ADMINISTRATIVE

The objective of the Equal Employment Opportunity Outreach Program, San Diego Municipal Code Sections 22.3501 through 22.3517, is to ensure that contractors doing business with the City, or receiving funds from the City, do not engage in unlawful discriminatory employment practices prohibited by State and Federal law.

CONTRACTOR IDENTIFICATION

Type of Contractor: [] Construction [] Vendor/Supplier [] Financial Institution [] Lessee/Lessor
[X] Consultant [] Grant Recipient [] Insurance Company [] Other
Name of Company: Hinderliter, de Llamas and Associates
AKA/DBA: HdL Companies
Address (Corporate Headquarters, where applicable): 1340 Valley Vista Drive, Suite 200
City Diamond Bar County Los Angeles State CA Zip 91765
Telephone Number: (909) 861-4335 FAX Number: (909) 861-7726
Name of Company CEO: Andrew Nickerson
Address(es), phone and fax number(s) of company facilities located in San Diego County (if different from above):
Address: Same as above
City County State Zip
Telephone Number: () FAX Number: ()
Type of Business: Revenue Consultants Type of License: Business
The Company has appointed: Jeffrey Schmehr
as its Equal Employment Opportunity Officer (EEOO). The EEOO has been given authority to establish, disseminate, and enforce equal employment and affirmative action policies of this company. The EEOO may be contacted at:
Address: Same as above
Telephone Number: () FAX Number: ()

- [] One San Diego County (or Most Local County) Work Force - Mandatory
[X] Branch Work Force *
[] Managing Office Work Force

Check the box above that applies to this WFR.

*Submit a separate Work Force Report for all participating branches. Combine WFRs if more than one branch per county.

I, the undersigned representative of Hinderliter, de Llamas & Associates (Firm Name)

Los Angeles, California hereby certify that information provided (County) (State)

herein is true and correct. This document was executed on this day of 20

Andrew Nickerson (Authorized Signature)

Andrew Nickerson (Print Authorized Signature)

WORK FORCE REPORT – NAME OF FIRM: Hinderliter, de Llamas & Associates DATE: 10/17/13

OFFICE(S) or BRANCH(ES): Diamond Bar, CA COUNTY: Los Angeles

INSTRUCTIONS: For each occupational category, indicate number of males and females in every ethnic group. Total columns in row provided. Sum of all totals should be equal to your total work force. Include all those employed by your company on either a full or part-time basis. The following groups are to be included in ethnic categories listed in columns below:

- (1) Black, African-American
- (2) Hispanic, Latino, Mexican-American, Puerto Rican
- (3) Asian, Pacific Islander
- (4) American Indian, Eskimo
- (5) Filipino
- (6) White, Caucasian
- (7) Other ethnicity; not falling into other groups

OCCUPATIONAL CATEGORY	(1) Black		(2) Hispanic		(3) Asian		(4) American Indian		(5) Filipino		(6) White		(7) Other Ethnicities	
	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)
	Management & Financial											4	1	
Professional											6	4		
A&E, Science, Computer														
Technical											3			1
Sales														
Administrative Support								1				3		
Services														
Crafts														
Operative Workers					1					1	3	6	1	1
Transportation														
Laborers*														

*Construction laborers and other field employees are not to be included on this page

Totals Each Column					1			1		1	16	14	1	2
--------------------	--	--	--	--	---	--	--	---	--	---	----	----	---	---

Grand Total All Employees 36

Indicate by Gender and Ethnicity the Number of Above Employees Who Are Disabled 0

Disabled														
----------	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Non-Profit Organizations Only:

Board of Directors														
Volunteers														
Artists														

WORK FORCE REPORT – Page 3

NAME OF FIRM: Hinderliter, de Llamas & Associates

DATE: 10/17/13

OFFICE(S) or BRANCH(ES): Diamond Bar, CA

COUNTY: Los Angeles

I. INSTRUCTIONS: FOR EACH OCCUPATIONAL CATEGORY, INDICATE NUMBER OF MALES AND FEMALES IN EVERY ETHNIC GROUP. TOTAL COLUMNS IN ROW PROVIDED. SUM OF ALL TOTALS SHOULD BE EQUAL TO YOUR TOTAL WORK FORCE. INCLUDE ALL THOSE EMPLOYED BY YOUR COMPANY ON EITHER A FULL OR PART-TIME BASIS. THE FOLLOWING GROUPS ARE TO BE INCLUDED IN ETHNIC CATEGORIES LISTED IN COLUMNS BELOW:

- | | |
|--|--|
| (1) Black, African-American | (5) Filipino |
| (2) Hispanic, Latino, Mexican-American, Puerto Rican | (6) White, Caucasian |
| (3) Asian, Pacific Islander | (7) Other ethnicity; not falling into other groups |
| (4) American Indian, Eskimo | |

"NOT APPLICABLE"

TRADE OCCUPATIONAL CATEGORY	(1) Black		(2) Hispanic		(3) Asian		(4) American Indian		(5) Filipino		(6) White		(7) Other Ethnicity	
	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)
	Brick, Block or Stone Masons													
Carpenters														
Carpet, Floor & Tile Installers Finishers														
Cement Masons, Concrete Finishers														
Construction Laborers														
Drywall Installers, Ceiling Tile Inst														
Electricians														
Elevator Installers														
First-Line Supervisors/Managers														
Glaziers														
Helpers; Construction Trade														
Millwrights														
Misc. Const. Equipment Operators														
Painters, Const. & Maintenance														
Pipelayers, Plumbers, Pipe & Steam Fitters														
Plasterers & Stucco Masons														
Roofers														
Security Guards & Surveillance Officers														
Sheet Metal Workers														
Structural Metal Fabricators & Fitters														
Welding, Soldering & Brazing Workers														
Workers, Extractive Crafts, Miners														
Totals Each Column														
Grand Total All Employees	[REDACTED]													
Indicate By Gender and Ethnicity the Number of Above Employees Who Are Disabled:														
Disabled														



CITY OF SAN DIEGO WORK FORCE REPORT – ADMINISTRATIVE

HISTORY

The Work Force Report (WFR) is the document that allows the City of San Diego to analyze the work forces of all firms wishing to do business with the City. We are able to compare the firm’s work force data to County Labor Force Availability (CLFA) data derived from the United States Census. CLFA data is a compilation of lists of occupations and includes the percentage of each ethnicity we track (Black, Hispanic, Asian, American Indian, Filipino) for each occupation. Currently, our CLFA data is taken from the 2000 Census. In order to compare one firm to another, it is important that the data we receive from the Contractor firm is accurate and organized in the manner that allows for this fair comparison.

WORK FORCE & BRANCH WORK FORCE REPORTS

When submitting a WFR, especially if the WFR is for a specific project or activity, we would like to have information about the firm’s work force that is actually participating in the project or activity. That is, if the project is in San Diego and the work force is from San Diego, we want a San Diego County Work Force Report.¹ By the same token, if the project is in San Diego, but the work force is from another county, such as Orange or Riverside County, we want a Work Force Report from that county.² For example, if participation in a San Diego project is by work forces from San Diego County, Los Angeles County and Sacramento County, we will ask for separate Work Force Reports representing the work forces of

your firm from each of the three counties.^{1,2} On the other hand, if the project will be accomplished completely outside of San Diego, we ask for a Work Force Report from the county or counties where the work will be accomplished.²

MANAGING OFFICE WORK FORCE

Equal Opportunity Contracting may occasionally ask for a Managing Office Work Force (MOWF) Report. This may occur in an instance where the firm involved is a large national or international firm but the San Diego or other local work force is very small. In this case, we may ask for both a local and a MOWF Report.^{1,3} In another case, when work is done only by the Managing Office, only the MOWF Report may be necessary.³

TYPES OF WORK FORCE REPORTS:

Please note, throughout the preceding text of this page, the superscript numbers one ¹, two ² & three ³. These numbers coincide with the types of work force report required in the example. See below:

- ¹ One San Diego County (or Most Local County) Work Force – Mandatory in most cases
- ² Branch Work Force *
- ³ Managing Office Work Force

**Submit a separate Work Force Report for all participating branches. Combine WFRs if more than one branch per county*

Exhibit: Work Force Report Job categories

Refer to this table when completing your firm’s Work Force Report form(s).

Management & Financial

Advertising, Marketing, Promotions, Public Relations, and Sales Managers
Business Operations Specialists
Financial Specialists
Operations Specialties Managers
Other Management Occupations
Top Executives

Professional

Art and Design Workers
Counselors, Social Workers, and Other Community and Social Service Specialists
Entertainers and Performers, Sports and Related Workers
Health Diagnosing and Treating Practitioners
Lawyers, Judges, and Related Workers
Librarians, Curators, and Archivists
Life Scientists

Media and Communication Workers
Other Teachers and Instructors
Postsecondary Teachers
Primary, Secondary, and Special Education School Teachers
Religious Workers
Social Scientists and Related Workers

Architecture & Engineering, Science, Computer

Architects, Surveyors, and Cartographers
Computer Specialists
Engineers
Mathematical Science Occupations
Physical Scientists

Technical

Drafters, Engineering, and Mapping Technicians
Health Technologists and Technicians
Life, Physical, and Social Science Technicians
Media and Communication Equipment Workers

Sales

Other Sales and Related Workers
Retail Sales Workers
Sales Representatives, Services
Sales Representatives, Wholesale and Manufacturing
Supervisors, Sales Workers

Administrative Support

Financial Clerks
Information and Record Clerks
Legal Support Workers
Material Recording, Scheduling, Dispatching, and Distributing Workers
Other Education, Training, and Library Occupations
Other Office and Administrative Support Workers
Secretaries and Administrative Assistants
Supervisors, Office and Administrative Support Workers

Services

Building Cleaning and Pest Control Workers
Cooks and Food Preparation Workers
Entertainment Attendants and Related Workers
Fire Fighting and Prevention Workers
First-Line Supervisors/Managers, Protective Service Workers
Food and Beverage Serving Workers
Funeral Service Workers
Law Enforcement Workers
Nursing, Psychiatric, and Home Health Aides
Occupational and Physical Therapist Assistants and Aides
Other Food Preparation and Serving Related Workers
Other Healthcare Support Occupations
Other Personal Care and Service Workers

Other Protective Service Workers
Personal Appearance Workers
Supervisors, Food Preparation and Serving Workers
Supervisors, Personal Care and Service Workers
Transportation, Tourism, and Lodging Attendants

Crafts

Construction Trades Workers
Electrical and Electronic Equipment Mechanics, Installers, and Repairers
Extraction Workers
Material Moving Workers
Other Construction and Related Workers
Other Installation, Maintenance, and Repair Occupations
Plant and System Operators
Supervisors of Installation, Maintenance, and Repair Workers
Supervisors, Construction and Extraction Workers
Vehicle and Mobile Equipment Mechanics, Installers, and Repairers
Woodworkers

Operative Workers

Assemblers and Fabricators
Communications Equipment Operators
Food Processing Workers
Metal Workers and Plastic Workers
Motor Vehicle Operators
Other Production Occupations
Printing Workers
Supervisors, Production Workers
Textile, Apparel, and Furnishings Workers

Transportation

Air Transportation Workers
Other Transportation Workers
Rail Transportation Workers
Supervisors, Transportation and Material Moving Workers
Water Transportation Workers

Laborers

Agricultural Workers
Animal Care and Service Workers
Fishing and Hunting Workers
Forest, Conservation, and Logging Workers
Grounds Maintenance Workers
Helpers, Construction Trades
Supervisors, Building and Grounds Cleaning and Maintenance Workers
Supervisors, Farming, Fishing, and Forestry Workers

Attachment BB

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This list shall include the name and complete address of all Subcontractors who qualify as SLBEs or ELBEs. Contractors may also list participation by MBE, WBE, DBE, DBVE and OBE firms. However, no additional points will be awarded for participation by these firms, except that DVBEs that qualify as local businesses shall counted as SLBEs.

Contractor shall also submit Subcontractor commitment letters on Subcontractor’s letterhead, no more than one page each, from Subcontractors listed below to acknowledge their commitment to the team, scope of work, and percent of participation in the project.

Subcontractors shall be used in the percentages listed. No changes to this Participation List will be allowed without prior written City approval.

NAME AND ADDRESS SUBCONTRACTORS	SCOPE OF WORK	PERCENT OF CONTRACT	DOLLAR AMOUNT OF CONTRACT	SLBE/ELBE (*MBE/ WBE/DBE/ DVBE/OBE)	** WHERE CERTIFIED
	"NOT APPLICABLE"				

* Listed for informational purposes only.

** Contractor shall indicate if Subcontractor is certified by one of the agencies listed in Section VII of the Equal Opportunity Contracting Program (EOCP) Attachment.

List of Abbreviations:

- | | |
|--|------|
| Certified Minority Business Enterprise | MBE |
| Certified Woman Business Enterprise | WBE |
| Certified Disadvantaged Business Enterprise | DBE |
| Certified Disabled Veteran Business Enterprise | DVBE |
| Other Business Enterprise | OBE |
| Small Local Business Enterprise | SLBE |
| Emerging Local Business Enterprise | ELBE |

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Contractors are required by contract to report SubContractor activity in this format. Reports shall be submitted via the Project Manager to the *Equal Opportunity Contracting Program (EOCP)* no later than thirty (30) days after the close of each quarter.

PROJECT: _____ PRIME CONTRACTOR: _____ DATE: _____
 CONTRACT AMOUNT: _____ INVOICE PERIOD: _____

Include Additional Services Not-to-Exceed Amount

SubContractor	Indicate SLBE, ELBE, MBE, WBE, DBE, DVBE or OBE	Current Period		Paid to Date		Original Commitment	
		Dollar Amount	% of Contract	Dollar Amount	% of Contract	Dollar Amount	% of Contract
N/A							
	"NOT APPLICABLE"						
Prime Contractor Total:							
Contract Total:							

Completed by: _____



City of San Diego.
EQUAL OPPORTUNITY CONTRACTING (EOC)
1010 Second Avenue • Suite 500 • San Diego, CA 92101
Phone: (619) 533-4464 • Fax: (619) 533-4474

WORK FORCE REPORT
ADMINISTRATIVE

The objective of the Equal Employment Opportunity Outreach Program, San Diego Municipal Code Sections 22.3501 through 22.3517, is to ensure that contractors doing business with the City, or receiving funds from the City, do not engage in unlawful discriminatory employment practices prohibited by State and Federal law.

CONTRACTOR IDENTIFICATION

Type of Contractor: [] Construction [] Vendor/Supplier [] Financial Institution [] Lessee/Lessor
[X] Consultant [] Grant Recipient [] Insurance Company [] Other
Name of Company: HdL Coren & Cone
Address (Corporate Headquarters, where applicable): 1340 Valley Vista Drive #200
City Diamond Bar County Los Angeles State CA Zip 91765
Telephone Number: (909) 861-4335 FAX Number: (909) 861-7726
Name of Company CEO:
Address(es), phone and fax number(s) of company facilities located in San Diego County (if different from above):
Address: N/A
City County State Zip
Telephone Number: () FAX Number: ()
Type of Business: Revenue Consultants Type of License: Business
The Company has appointed: Jeffrey Schmehr
as its Equal Employment Opportunity Officer (EEOO). The EEOO has been given authority to establish, disseminate, and enforce equal employment and affirmative action policies of this company. The EEOO may be contacted at:
Address: Same as above
Telephone Number: () FAX Number: ()

- [] One San Diego County (or Most Local County) Work Force - Mandatory
[X] Branch Work Force *
[] Managing Office Work Force

Check the box above that applies to this WFR.

*Submit a separate Work Force Report for all participating branches. Combine WFRs if more than one branch per county.

I, the undersigned representative of HdL Coren & Cone

(Firm Name)

Los Angeles, CA hereby certify that information provided

(County)

(State)

herein is true and correct. This document was executed on this 14th day of 20 October 20 13

Paula Cone

(Authorized Signature)

(Print Authorized Signature)

WORK FORCE REPORT – NAME OF FIRM: HdL Coren & Cone DATE: 10/03/2013

OFFICE(S) or BRANCH(ES): Diamond Bar COUNTY: Los Angeles

INSTRUCTIONS: For each occupational category, indicate number of males and females in every ethnic group. Total columns in row provided. Sum of all totals should be equal to your total work force. Include all those employed by your company on either a full or part-time basis. The following groups are to be included in ethnic categories listed in columns below:

- (1) Black, African-American
- (2) Hispanic, Latino, Mexican-American, Puerto Rican
- (3) Asian, Pacific Islander
- (4) American Indian, Eskimo
- (5) Filipino
- (6) White, Caucasian
- (7) Other ethnicity; not falling into other groups

OCCUPATIONAL CATEGORY	(1) Black		(2) Hispanic		(3) Asian		(4) American Indian		(5) Filipino		(6) White		(7) Other Ethnicities	
	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)
Management & Financial						2					4	2		
Professional														
A&E, Science, Computer											3			
Technical											1			
Sales														
Administrative Support				1							1			
Services														
Crafts														
Operative Workers														
Transportation														
Laborers*														

*Construction laborers and other field employees are not to be included on this page

Totals Each Column	0	0	0	1	0	2	0	0	0	0	9	2		
--------------------	---	---	---	---	---	---	---	---	---	---	---	---	--	--

Grand Total All Employees 14

Indicate by Gender and Ethnicity the Number of Above Employees Who Are Disabled

Disabled														
----------	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Non-Profit Organizations Only:

Board of Directors														
Volunteers														
Artists														

WORK FORCE REPORT – Page 3

NAME OF FIRM: _____ DATE: _____

OFFICE(S) or BRANCH(ES): _____ COUNTY: _____

I. INSTRUCTIONS: FOR EACH OCCUPATIONAL CATEGORY, INDICATE NUMBER OF MALES AND FEMALES IN EVERY ETHNIC GROUP. TOTAL COLUMNS IN ROW PROVIDED. SUM OF ALL TOTALS SHOULD BE EQUAL TO YOUR TOTAL WORK FORCE. INCLUDE ALL THOSE EMPLOYED BY YOUR COMPANY ON EITHER A FULL OR PART-TIME BASIS. THE FOLLOWING GROUPS ARE TO BE INCLUDED IN ETHNIC CATEGORIES LISTED IN COLUMNS BELOW:

- (1) Black, African-American
- (2) Hispanic, Latino, Mexican-American, Puerto Rican
- (3) Asian, Pacific Islander
- (4) American Indian, Eskimo
- (5) Filipino
- (6) White, Caucasian
- (7) Other ethnicity; not falling into other groups

TRADE OCCUPATIONAL CATEGORY	(1) Black		(2) Hispanic		(3) Asian		(4) American Indian		(5) Filipino		(6) White		(7) Other Ethnicity	
	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)
Brick, Block or Stone Masons														
Carpenters														
Carpet, Floor & Tile Installers Finishers														
Cement Masons, Concrete Finishers														
Construction Laborers	"NOT APPLICABLE"													
Drywall Installers, Ceiling Tile Inst														
Electricians														
Elevator Installers														
First-Line Supervisors/Managers														
Glaziers														
Helpers; Construction Trade														
Millwrights														
Misc. Const. Equipment Operators														
Painters, Const. & Maintenance														
Pipelayers, Plumbers, Pipe & Steam Fitters														
Plasterers & Stucco Masons														
Roofers														
Security Guards & Surveillance Officers														
Sheet Metal Workers														
Structural Metal Fabricators & Fitters														
Welding, Soldering & Brazing Workers														
Workers, Extractive Crafts, Miners														
Totals Each Column														
Grand Total All Employees	[]													
Indicate By Gender and Ethnicity the Number of Above Employees Who Are Disabled:														
Disabled														



CITY OF SAN DIEGO WORK FORCE REPORT – ADMINISTRATIVE

HISTORY

The Work Force Report (WFR) is the document that allows the City of San Diego to analyze the work forces of all firms wishing to do business with the City. We are able to compare the firm’s work force data to County Labor Force Availability (CLFA) data derived from the United States Census. CLFA data is a compilation of lists of occupations and includes the percentage of each ethnicity we track (Black, Hispanic, Asian, American Indian, Filipino) for each occupation. Currently, our CLFA data is taken from the 2000 Census. In order to compare one firm to another, it is important that the data we receive from the Contractor firm is accurate and organized in the manner that allows for this fair comparison.

WORK FORCE & BRANCH WORK FORCE REPORTS

When submitting a WFR, especially if the WFR is for a specific project or activity, we would like to have information about the firm’s work force that is actually participating in the project or activity. That is, if the project is in San Diego and the work force is from San Diego, we want a San Diego County Work Force Report.¹ By the same token, if the project is in San Diego, but the work force is from another county, such as Orange or Riverside County, we want a Work Force Report from that county.² For example, if participation in a San Diego project is by work forces from San Diego County, Los Angeles County and Sacramento County, we will ask for separate Work Force Reports representing the work forces of

your firm from each of the three counties.^{1,2} On the other hand, if the project will be accomplished completely outside of San Diego, we ask for a Work Force Report from the county or counties where the work will be accomplished.²

MANAGING OFFICE WORK FORCE

Equal Opportunity Contracting may occasionally ask for a Managing Office Work Force (MOWF) Report. This may occur in an instance where the firm involved is a large national or international firm but the San Diego or other local work force is very small. In this case, we may ask for both a local and a MOWF Report.^{1,3} In another case, when work is done only by the Managing Office, only the MOWF Report may be necessary.³

TYPES OF WORK FORCE REPORTS:

Please note, throughout the preceding text of this page, the superscript numbers one ¹, two ² & three ³. These numbers coincide with the types of work force report required in the example. See below:

- ¹ One San Diego County (or Most Local County) Work Force – Mandatory in most cases
- ² Branch Work Force *
- ³ Managing Office Work Force

**Submit a separate Work Force Report for all participating branches. Combine WFRs if more than one branch per county*

Exhibit: Work Force Report Job categories

Refer to this table when completing your firm’s Work Force Report form(s).

Management & Financial

Advertising, Marketing, Promotions, Public Relations, and Sales Managers
Business Operations Specialists
Financial Specialists
Operations Specialties Managers
Other Management Occupations
Top Executives

Professional

Art and Design Workers
Counselors, Social Workers, and Other Community and Social Service Specialists
Entertainers and Performers, Sports and Related Workers
Health Diagnosing and Treating Practitioners
Lawyers, Judges, and Related Workers
Librarians, Curators, and Archivists
Life Scientists

Media and Communication Workers
Other Teachers and Instructors
Postsecondary Teachers
Primary, Secondary, and Special Education School Teachers
Religious Workers
Social Scientists and Related Workers

Architecture & Engineering, Science, Computer

Architects, Surveyors, and Cartographers
Computer Specialists
Engineers
Mathematical Science Occupations
Physical Scientists

Technical

Drafters, Engineering, and Mapping Technicians
Health Technologists and Technicians
Life, Physical, and Social Science Technicians
Media and Communication Equipment Workers

Sales

Other Sales and Related Workers
Retail Sales Workers
Sales Representatives, Services
Sales Representatives, Wholesale and Manufacturing
Supervisors, Sales Workers

Administrative Support

Financial Clerks
Information and Record Clerks
Legal Support Workers
Material Recording, Scheduling, Dispatching, and Distributing Workers
Other Education, Training, and Library Occupations
Other Office and Administrative Support Workers
Secretaries and Administrative Assistants
Supervisors, Office and Administrative Support Workers

Services

Building Cleaning and Pest Control Workers
Cooks and Food Preparation Workers
Entertainment Attendants and Related Workers
Fire Fighting and Prevention Workers
First-Line Supervisors/Managers, Protective Service Workers
Food and Beverage Serving Workers
Funeral Service Workers
Law Enforcement Workers
Nursing, Psychiatric, and Home Health Aides
Occupational and Physical Therapist Assistants and Aides
Other Food Preparation and Serving Related Workers
Other Healthcare Support Occupations
Other Personal Care and Service Workers

Other Protective Service Workers
Personal Appearance Workers
Supervisors, Food Preparation and Serving Workers
Supervisors, Personal Care and Service Workers
Transportation, Tourism, and Lodging Attendants

Crafts

Construction Trades Workers
Electrical and Electronic Equipment Mechanics, Installers, and Repairers
Extraction Workers
Material Moving Workers
Other Construction and Related Workers
Other Installation, Maintenance, and Repair Occupations
Plant and System Operators
Supervisors of Installation, Maintenance, and Repair Workers
Supervisors, Construction and Extraction Workers
Vehicle and Mobile Equipment Mechanics, Installers, and Repairers
Woodworkers

Operative Workers

Assemblers and Fabricators
Communications Equipment Operators
Food Processing Workers
Metal Workers and Plastic Workers
Motor Vehicle Operators
Other Production Occupations
Printing Workers
Supervisors, Production Workers
Textile, Apparel, and Furnishings Workers

Transportation

Air Transportation Workers
Other Transportation Workers
Rail Transportation Workers
Supervisors, Transportation and Material Moving Workers
Water Transportation Workers

Laborers

Agricultural Workers
Animal Care and Service Workers
Fishing and Hunting Workers
Forest, Conservation, and Logging Workers
Grounds Maintenance Workers
Helpers, Construction Trades
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Include Additional Services Not-to-Exceed Amount

SubContractor	Indicate SLBE, ELBE, MBE, WBE, DBE, DVBE or OBE	Current Period		Paid to Date		Original Commitment	
		Dollar Amount	% of Contract	Dollar Amount	% of Contract	Dollar Amount	% of Contract
	"NOT APPLICABLE"						
Prime Contractor Total:							
Contract Total:							

Completed by: _____



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A. EXECUTIVE SUMMARY

Thank you for the opportunity to present this proposal for Sales, Use Tax, Property Tax Audit and Recovery and Information Services to the City of San Diego. HdL Companies consist of Hinderliter, de Llamas & Associates and HdL Coren & Cone.

HdL Companies has the personnel, expertise, technology and databases to meet and exceed the City's stated needs. HdL has been recovering revenues and providing comprehensive and accurate sales and property tax reports, budget estimates to local governments since 1983 and currently serves over 385 cities, counties and districts in California. The advantages that HdL offers San Diego include:

- HdL's service team is comprised of individuals with extensive experience in sales and property tax administration, business development, financial management and economic development. Most of the key personnel that would be serving San Diego have worked in or with public agencies and all key personnel thoroughly understand their needs and problems of public agencies. This ensures prompt and knowledgeable response to inquiries and provides for relevant and timely information on issues impacting the City's revenues.
- HdL maintains sales and use tax data on all active businesses in the State of California that are registered with the State Board of Equalization, sales tax allocation information for 508 specific California jurisdictions, property tax data for 43 counties including all cities within those counties, telephone directory data for the entire State of California and hundreds of business contacts developed through years of audits. The proprietary software, size of the database plus a sophisticated computer system allows HdL to provide the most comprehensive audits and trends analyses available in California.
- HdL's Sales Tax software and databases can be integrated with HdL's property tax and business license data and is network compatible. HdL's coordinated approach to data management allows the City to further maximize related revenue collections and economic analysis.
- All audit staff are selected and trained for their abilities to maintain positive relations with the business community. The Company's dealings with local businesses are strictly positive and educational in nature, with complete emphasis on protection of confidentiality, cooperation and assistance rather than enforcement. This produces the desired gain in City revenues while maintaining positive relations with San Diego's businesses.
- HdL's audit submittals are solidly documented and the Company performs continuous follow-up to ensure that the State Board of Equalization is pursuing corrections. As a result, HdL's clients do not pay excessive retroactive fees that occur because of poor documentation and monitoring.
- HdL provides management reports and trending data that provide insight into real estate value changes between tax years and the implications on budget forecasting for the City general fund, Successor Agency tax increment and potential residual revenue after enforceable obligations are met relative to the former redevelopment agency.
- The history of property tax data available from the HdL as archived from county assessor data places the company in a unique position to develop specialized City defined data sets necessary for economic planning and forecasting.

B. EXCEPTIONS

We do not have any exceptions to this proposal.

C. SPECIFICATIONS

Sales, Use Tax and Information Services - Hinderliter, de Llamas & Associates

The California Board of Equalization is responsible each quarter for collecting and monitoring sales tax revenues from 1,725,000 active accounts, some having 200 to 300 sub outlets each. Due to the sheer number of accounts, the complexity of the state's "point-of-sale" regulations, and the number of out-of-state corporations that file quarterly sales tax returns, taxpayers often make factual errors that impact where the local portion of the tax is allocated. Confusion over "use tax" regulations and the allocation of "points of sale" for e-commerce further compound the problem. The volume of fieldwork and depth of analysis needed to identify and correct these errors make it impractical for the State Board of Equalization to identify all misallocations on its own.

An additional problem is the minimal data provided by the State Board of Equalization to support management decisions. The information is not organized to identify sales tax voids and opportunities, monitor economic performance, allow evaluation of alternate economic strategies or facilitate accurate budget projections.

Some of the more common types of errors that HdL identifies and corrects include:

- Sales misreported as "use tax" transactions that are distributed to state and county pools rather than to "point of sale" for the City;
- "Points of sale" misreported to administrative offices or other locations outside the City rather than to the location within the City where principal negotiations or orders are initiated;
- E-Commerce orders allocated to billing or switching equipment sites rather than the location of human intervention;
- Misallocations occurring because sales from multiple retail outlets, order desks, or offices are credited to a single location outside the incorporated area rather than to sub outlets located within the City boundaries;
- New registrations, accounting adjustments and additional state sales tax assessments that is miscoded to other jurisdictions or to allocation pools;
- Individual "use tax" transactions exceeding \$500,000 that are reported to the pools rather than "point-of-use;"
- Erroneous distribution of the sales of construction material and fixtures to allocation pools because the sales are misidentified as installation rather than "over-the-counter" sale;
- Failure to designate in-state warehouses as "point of sale" for orders placed or negotiated outside of California;
- Misallocations that occur due to zip code, boundary or other jurisdictional inconsistencies or because of failure of new addresses to be picked up in the State Board of Equalization registration rolls; and
- Misallocations by companies that self impose "use tax" for materials taken out of inventory and misreport the usage as taking place at locations other than the City.

1. CORE REQUIREMENTS, DELIVERABLES AND TIMELINE

a. Identification of Improperly Registered Permits

HdL inventories the City to identify businesses from which the City is not receiving its share of sales tax revenue. In performing that inventory, HdL uses a variety of methods to ensure maximum recovery of misallocations. These include:

1. Field Surveys:

Field inventories of the City's commercial and industrial areas are conducted every 10-12 months to identify businesses located within the City of San Diego that appear to be under-reporting revenues or are not on the BOE allocation rolls. Specially trained and locally based field auditors, using the latest in mapping, GPS, and digital recording technology, document not only the existence of sales tax producing businesses but also any relevant factors such as size, presence of a large stock of goods, will-call windows and any specific references to sales activity.

2. Computer Analysis:

Utilizing a proprietary program HdL performs quarterly reviews of *every* active account on the BOE's state-wide allocation rolls reporting \$50 or more in local tax to ensure proper tax area code (TAC) assignment. Government and private sector mapping, GIS and property tax databases are used extensively in this process. This program is an important supplement to the routine field reviews since physical canvassing will not reveal businesses with missing or incomplete signage, or those that are home-based.

Experienced HdL specialists also apply proprietary queries and analysis to its virtually complete statewide allocation database to identify all accounts for which there has been a substantial change in allocation pattern. The deviation reviews are performed every three months, and are far more sophisticated and thorough than a review of the BOE's published Quarterly Distribution Report. In addition to direct allocations the reviews are also applied to the county pools to uncover potential use tax errors and opportunities. Well founded leads are quickly culled from this process, often without the need for time-consuming manual reviews of taxpayer files. This allows for faster processing times which in turn lowers recovery fees by reducing the amount of prior quarter revenue requiring redistribution.

3. Permit Reviews:

BOE Regulation 1699 controls when and where a permit should be issued to a given business location. Wholesalers, contractors, processors, manufacturers, and other non-retail businesses that do not normally sell merchandise often conduct occasional sales, self-accrue use tax or are levied deficiency assessments by the State. HdL uses a proprietary process for identifying opportunities for direct allocation to the City of the local tax generated by these occasional sales or adjustments.

4. Quarterly Analysis:

Each quarter, HdL analyzes both City point-of-sale payments and county pool data in detail to identify potential reporting errors indicated by missing payments; substantially lower reporting trends for specific businesses and errors in coding of new business registrations to other jurisdictions or to countywide allocation pools. This is supported by periodic field survey updates.

As part of this process, HdL also analyzes any significant taxpayer assessments or reporting adjustments imposed by the state to ensure that such adjustments are correctly allocated to the City.

b. Detection and Correction of Deficiency Assessment Misallocations

1. Development of Correction Data

Preliminary lead lists developed through any of the aforementioned audit programs are further culled using a variety of programs and databases to reduce the need for taxpayer contact. Companies remaining in the audit database are then contacted by our audit unit whose members are specifically selected and trained to interview tax preparers and marketing, warehouse and management staff. Taxpayer interviews are always conducted in a professional, non-intrusive manner that emphasizes cooperation and protection of confidentiality.

2. Documentation

Telephone contacts are often accompanied by a written follow-up questionnaire concerning business activities, a specific one-time transaction or a written confirmation of our findings. This documentation is always filed with the petition to minimize BOE processing time.

3. City Reviews

To avoid potential conflicts with a City's in-house audit efforts, HdL prepares a list of misallocated or under-reporting businesses for City officials to review and authorize prior to any invoicing. This line item, account-level approval process is an important step in eliminating any misunderstandings or disagreements regarding what may be considered a valid audit "find."

4. Preparation and Submittal of Corrections

Petitions are prepared (BOE Form 549-S or 549-L) that notify and describe to the BOE the existence and nature of the misallocation. All relevant and available supporting documentation is included. Copies of all transmittal forms and correspondence with the BOE and taxpayers are provided to City staff.

5. Continuous Follow-up

HdL employs a full-time case manager whose responsibility is to monitor and follow-up on case inventory. An aging report is updated and reviewed on a monthly basis and the appropriate follow-up is initiated on cases that are taking an inordinate amount of time to correct. This follow-up emphasizes partnership and cooperation with BOE Allocation Group staff. HdL's continuous efforts to check on the status of submittals are made to ensure that corrections are being pursued. Timely follow-up on cases reduces the time it takes for the City to recover its revenue.

6. Appeals

HdL cases are thoroughly researched, vetted and documented *prior to* submittal. This ensures the fastest possible processing times, and reduces the number of cases that are initially disclaimed and must be further researched and defended through a very lengthy BOE appeals process. Nearly all HdL cases are resolved favorably at either the first or second levels of the BOE petition process described in Regulation 1807. HdL has cultivated close working relationships with the BOE Appeals Division and with each of the elected Board Members. When an appeal is required, HdL has the necessary expertise and access to competently and aggressively represent client interests. Having a large number of cases on appeal may be presented by some vendors as evidence of a more sophisticated and aggressive audit program. It should be viewed, however, as an indication that inadequate supporting documentation tends to require more case appeals and lead to otherwise unnecessary procedural delays. These delays lead to higher audit fees.

c. Audit of Out-of-State Purchases

HdL will conduct audits of purchases of tangible personal property from out-of-state retailers for transactions exceeding \$500,000. These audits will identify sales tax misreported as use tax transactions that are being distributed to state and county pools rather than point-of-sale to the City. The audits will also identify sales of construction materials and fixtures that are erroneously distributed to county distribution pools rather than point-of-use.

Since its initiation in 1955, approximately 10%-14% of the Bradley-Burns Uniform local sales and use tax that cannot be easily tied to a permanent point of sale has been allocated via countywide "use tax" pools. Distribution of these pooled revenues is based on a prorata share of countywide taxable sales. The City of San Diego generated 48.2% of the total taxable sales in all of San Diego County in FY 2012-13 and therefore received 48.2% of the pool revenues. The use tax pool generates approximately \$25 million per year to the City of San Diego.

The major contributors to the pool have been primarily private party vehicle sales, equipment leases, contractors who consume material used in the improvement of real property when a sales tax has not been paid, itinerant vendors and out-of-state purchases from vendors who do not have a California sales tax permit.

Beginning in 1995, the State Board of Equalization and the State Legislature made numerous modifications that allow more of the revenues previously allocated via the pool to be allocated back to either "place of use" or "point of sale." These include:

- Allowing contractors with construction contracts exceeding \$5 million or more, to allocate the "use tax" to the jurisdiction where the construction site is located;
- Allocating use tax on new car leases back to the jurisdiction where the car is originally purchased;
- Directing use tax from auction events of \$500,000 or more to the locality where the auction is held;
- Allocating use tax from transactions over \$500,000 to the place of use; and

- Allowing taxpayers to self report the tax via a "Direct Payment Permit" if they have \$500,000 or more in aggregate use tax transactions during the previous twelve month period. The City purchasing department may also take out a direct payment permit and is exempt from the \$500,000 threshold.

d. Identification of Possible New Revenues for the City

When properly refined and organized, sales tax data analysis is an important tool for strengthening and expanding local economies. The data shows companies that are growing and may need expansion space and should be contacted as part of an agency's business retention program. When segregated geographically, the data produces patterns of industries that potentially share common customers, suppliers, technology and labor and therefore offer opportunities for attracting new businesses. The data further exposes retail areas that may be over saturated in some retail segments while also identifying voids and opportunities for additional retail development

Although numerous companies and agencies use the BOE's published data as a basis for analysis, the results are usually inaccurate and misleading due to address and business categorization errors in the data. To correct those deficiencies, HdL scrubs the data on an ongoing basis, correcting business addresses and re-categorizing merchants to differentiate brick and mortar retailers from "business to business" suppliers and on-line retailers.

HdL further creates and groups businesses into additional categories not provided by the BOE to better track new and emerging economic trends. Samples include the breaking out of biotech/medical suppliers, on-line fulfillment centers, alternate energy and utility providers, wineries and marijuana clinics. This focused approach to data management allows agencies to more accurately compare the impact of trends in their jurisdiction with state and regional trends. On a regional basis, it also allows for the identification of true economic voids and opportunities that are not just parts of neighboring tax bases.

Accurate addressing allows for improved performance monitoring and comparison of specific economic areas such as shopping centers, downtown districts and auto malls with similar projects throughout Southern California.

In addition to a comprehensive database, HdL's Principals use the intelligence gleaned from quarterly sales tax meetings with 281 other California cities to identify new trends and developments that might help other clients. The sales tax program includes an annual surplus/gap analyses to identify retail voids and opportunities and annual distribution of retailers seeking expansion in the region and California. A bi-monthly Headlines e-news service is included to keep clients informed of trends and developments that may impact individual and regional economic strategies and goals.

HdL has developed materials on maximizing sales and use tax revenues and provides training for staff on utilizing the material as part of an ongoing business retention program. There is no additional charge for this service. If internal staff resources are not available, HdL will, for its audit percentage fee on revenues generated:

- Work with developers to maximize “use tax” from construction projects,
- Contact potential candidates for a Direct Payment Permit or Purchasing Corporations,
- Contact taxpayers regarding the use tax reporting options and encourage and assist companies in exercising this allocation option, and
- Review new business startups as they come into the City to determine potential eligibility for self assessed use tax.

HdL also maintains close and positive relationships with members of the State Board of Equalization and staff to cordially and quickly resolve policy issues unique to individual clients. The firm advocates regulation and legislative changes when they are of benefit to all clients. Examples are HdL’s work in the change of allocation of “use tax” for major construction projects, securing an Executive Order from the Governor to allow publishing of top taxpayers in public documents and the introduction of the problem of “point of sale” for warehouses to the Board of Equalization.

e. Geo-Coding

HdL’s database facilitates the development of comprehensive reports that can illustrate specified areas of the City, such as community plan areas, Business Improvement Districts, and project areas. These areas can be created by City staff or HdL personnel, as desired by the City. Reports and data exports can then be generated by Geo-area in numerous configurations, such as by quarter, fiscal year, major industry group and business type, address, and/or allocation amount. The reports provide information that is essential to many strategic decisions, including future annexation or planning efforts. HdL’s Geo-area feature supports use of address ranges, which ensures the inclusion of all appropriate BOE registrations and also allows City staff to create and modify Geo-areas without a separate GIS system. HdL also supports interfacing with the City’s GIS by including accurately geocoded latitude and longitude for each business. This data can include all data fields including historical allocation information, and can be quickly exported by City staff on demand using HdL’s Sales Tax Web Application. Additionally, City created shape files can be used to define a Geo-area, which would identify related businesses by latitude and longitude.

f. Business Types

The State Board of Equalization’s business classification code system is comprised of 73 business types. HdL’s database also includes 10 additional business types. These 83 business types are divided into 7 major industry groups, as follows:

- Autos & Transportation
- Building & Construction
- Business & Industry
- Food & Drugs
- Fuel & Service Stations
- General Consumer Goods
- Restaurants & Hotels

HdL's database has the capability of providing reports that illustrate receipts from businesses within a specified major industry group or the individual business types. For example, the software can generate a report that illustrates the quarterly, annual, or fiscal year results for the Business & Industry group and each individual business type within that major industry group.

Although specific business type codes do not exist for business classes such as biotechnology or biomedical, the vast capability of HdL's database facilitates development of geographic reports that will illustrate the results being generated by these types of businesses. HdL can also further refine the "business to business" grouping into the subclasses desired by the City of San Diego by overlaying the classifications used in the City's business license system.

g. Sales Tax Management Program

HdL also provides an ongoing program of quarterly sales tax analysis, staff support and custom reports to assist with business retention and economic strategies, monitoring of revenue sharing agreements, analysis of new projects and/or annexation proposals and projection and monitoring of revenue trends for budget purposes. These services include:

- Detailed quarterly analysis and in-person meetings to review City's Sales and Use Tax receipts by geographic area, business and business type including state and county allocation pools. All reports are in context with regional and state-wide trends to better identify emerging changes that impact budget projections and economic voids and opportunities.
- Custom non-confidential newsletter that can be publically used by City and its economic and development organizations to monitor sales tax trends and provide more coordinated information on the importance and effectiveness of the city's economic efforts.
- Custom quarterly reports to monitor the City's various sales tax and direct payment incentive sharing agreements.
- Detailed preparation and quarterly monitoring of sales and use tax projections for the City's budget staff, including 5 year revenue projections.
- On call staff support to prepare sales and use tax projections for proposed economic and annexation proposals, respond to technical questions relating to sales and use tax processes and procedures, to conduct training and workshops on sales tax related budget and economic issues, and to help identify economic voids and opportunities and business retention programs for specific economic areas.

Our key personnel team of Luci Romero Serlet, Denise Ovrrom and Brice Russell are available to answer any questions the City may have concerning sales tax. You will always get a live person when you call our office during regular business hours and we respond to your requests immediately. Client presentations are scheduled so that we have someone from your key personnel team in the office and available to answer questions. With a staff of 55+ professionals in our corporate office, our team will answer all requests in a timely manner. There is no additional charge for this service.

2. USE OF STANDARDS

There are no adopted audit standards for the types of research and discovery methods employed by HdL. However, the State has codified in Regulation 1807 the minimum requirements for all claims submitted and HdL is diligent in meeting them. The State's requirements include providing the taxpayer's name, seller's permit number, complete business address, a description of the specific business activity, the name, title and telephone number of the contact person and the tax reporting periods involved. HdL also includes detailed supporting documentation as evidence of boundary or other errors.

3. LICENSING

a. Licensing

Hosted Application – The City will receive a login to the HdL Sales Tax Web Application for those who are authorized on the City's resolution and approved by the Board of Equalization. The City will be granted a "site license" for the application which allows for an unlimited number of authorized users.

b. Software and Data Standards/Compatibility

The built in reporting functionality of the HdL Sales Tax Web Application is able to export reports in a number of formats including .xls, .csv, and .pdf.

The web application includes all sellers permit registrations within the City's boundaries including street address, owner name and address and reported sales tax. It allows the City's designated staff to search businesses by street address, account number, business name, business type and by key word in the business name. It also allows staff to arrange the data by geographic area and print a variety of reports by business type, business volume and geographic area. The system can be integrated with the City's property and business license data using optional HdL Software products. The system utilizes a password program to protect the confidentiality of the information.

c. Hosting

The HdL Sales Tax Web Application is a SAAS application which is securely hosted on HdL servers. The disaster recovery plan includes daily, weekly, and monthly backups, maintained both onsite and in secure offsite locations. HdL will be responsible for all system maintenance and support.

d. Support

HdL provides support for general questions/information, and technical support 8:00 a.m. through 5:00 p.m. Pacific Time, Monday through Friday. Support can be reached through HdL's toll free number at 888-861-0220 or by email at support@hdlcompanies.com. HdL employs a remote support tool that allows us to see the client's desktop, greatly increasing knowledge of the situation and efficiency in addressing any questions/issues. Also, the HdL website at www.hdlcompanies.com provides useful resources and reference materials.

e. System Performance

The HdL Sales Tax Web Application will be generally available 24 hours per day, 7 days per week, with full availability from 7:00 a.m. through 6:00 p.m. Pacific Time, Monday through Friday. All regularly schedule system maintenance will occur during the off hours of 7pm to 7am. The City will be notified in advance prior to any planned extended maintenance.

4. DATA OWNERSHIP

The City's sales and use tax data from the State Board of Equalization data will be available to the City on the HdL Sales Tax Web Application. The City will retain ownership and rights to the data. However, it should be noted that Section 7056 of the Revenue and Taxation Code specifies that sales, use and transaction tax data are confidential any may not be accessed by firms or individuals that have not been previously designated by resolution of the City Council as authorized to have access to that confidential information. In addition, Section 7056 prohibits any person or firm performing consulting services for a retailer from accessing confidential sales, use and transactions tax data. All employees of HdL Companies abide by our corporate confidentiality agreement and would sign an additional confidentiality agreement for the City of San Diego.

5. INTELLECTUAL PROPERTY

a. Ownership of Application Reporting System

HdL retains ownership of the all applicable patents, trademarks, copyrights, trade secrets and other proprietary rights that pertain to the services specified in Proposal No. 10038642-14-W.

b. Works for Hire

HdL understands and agrees that any and all materials and deliverables that are subject to copyright protection are developed as stand alone custom applications, enhancements, or plug-ins to the underlying software solution specifically related to HdL's performance of the services specified herein or subsequent contract work constitutes a "work-for-hire".

c. Intellectual Property Warranty and Indemnification

HdL represents and warrants that any materials or deliverables, including all works, provided pursuant to Proposal No 10038642-14-W or subsequent contract are either original, not encumbered and do not infringe upon the copyright, trademark, patent or other intellectual property rights of any third party, or are in the public domain.

HdL agrees to indemnify and hold harmless the City, its officers, employees and agents from and against any and all claims, actions, costs, judgments, or damages of any type alleging or threatening that any materials, deliverables, supplies, equipment, services, or works provided pursuant to Proposal No. 10038642-14-W infringe the copyright, trademark, patent or other intellectual property or proprietary rights of any third party.

6. INSTALLATION, TESTING AND ACCEPTANCE

HdL will work with City staff to plan times, dates and facility access as needed to perform the services specified in Proposal No. 10038642-14-W. HdL will also work with City staff to schedule meetings as required during the term of the contract. The City will be provided access to the HdL Sales Tax Web Application for those that are listed on the City's resolution and approved by the Board of Equalization. The identified employees will be provided login information for access to the database. All other work regarding installing the application or quarterly data updates will be performed by HdL staff.

7. SAFETY AND ACCIDENT PREVENTION

HdL ensures compliance with all applicable federal, state, county or municipal safety and accident prevention requirements. HdL also has an adopted Safety and Health Policy that provides for a safe and healthful workplace for its employees. The Policy includes a Code of Safe Practices.

8. DOCUMENTATION AND REPORTS

HdL's quarterly updated web-based sales tax system is designed to facilitate "in-house" analysis and printing of reports. The system allows City staff to search, print and export their sales tax data for a variety of financial, management and planning functions. The software provides the ability to search all sales tax producers in the City by business name, address, BOE account number and current and historical sales tax allocations. The City's archived quarterly sales tax reports can also be accessed through the web based sales tax application. Training on use of the software and ongoing upgrades is provided at no additional charge.

Quarterly sales tax reports are provided on both a cash and adjusted basis. HdL will provide reports on major sales tax producers in the City and total sales tax receipts as requested. The data will be presented in reports for major sales tax producers, by both rank and category, analysis of sales tax activity by category and business, district or specific areas that the City has specified, analysis of reporting aberrations, per capita and by number of outlet comparisons with statewide sales.

Additional quarterly reports will include reports by major retail outlets, business category, geo area growth and decline comparisons, historical revenue tables and top 100 taxpayer listings.

HdL's analytical and support services go beyond providing bound stacks of raw data printouts. The firm's quarterly analysis is done in context with regional market, countywide and statewide trends to better monitor and compare the City's economic performance by business category and geographical area to identify voids and opportunities. A non-confidential newsletter is included to support management's efforts to inform and engage the public.

Analysis of sales and use tax data and quarterly presentations to City staff are led by seasoned professionals, whose experience and knowledge adds value by identifying emerging retail trends, business retention needs, leveraging of economic clusters and

reviewing successes in client jurisdictions with similar characteristics. HdL staff also prepares sales and use tax projections for proposed development projects, responds to technical questions relating to sales and use tax processes, procedures and regulations, and monitors revenue sharing agreements.

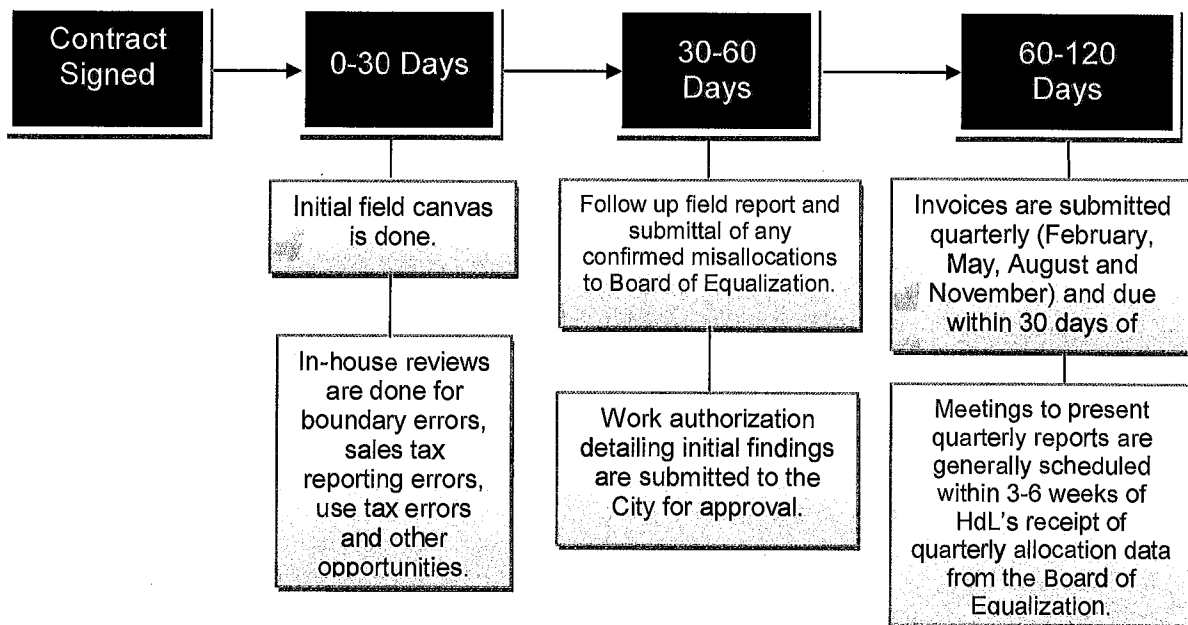
A sample reports package is available for your review in Appendix A.

9. PROPOSER IMPLEMENTATION PLAN

Services under the proposed contract would commence immediately upon receipt of the executed contract. HdL's services, unless specified otherwise, will be on a quarterly schedule and completed within ninety (90) days of receipt of quarterly data from the State Board of Equalization. Audit activities will be promptly conducted on each new quarter's data to identify those accounts requiring further research. Potential allocation errors and supporting documentation will be filed with the State Board of Equalization in time to meet the state's statutory time limits to ensure that the City does not lose any revenue to which it is entitled.

Training on use of the HdL software used to access the sales and use tax database will be scheduled at a time convenient to the City staff that are authorized access to the confidential information.

A typical timeline for implementation would be:



10. QUALIFICATIONS AND EXPERIENCE

a. Organizational Structure

Founded in 1983, HdL Companies is a consortium of three companies established to maximize local government revenues by providing a variety of audits, analytical services and software products. Hinderliter, de Llamas and Associates provide audit and consulting services for sales, use and transaction taxes. HdL Coren & Cone provides services related to property taxes, tax increment revenues and successor agencies. The third affiliated company, HdL Software, provides a variety of enterprise software processing tools for business licensing, code enforcement, animal control, building permits and tracking/billing of false alarms. HdL's systematic and coordinated approach to revenue management and economic data analysis is currently being utilized by over 385 agencies in six states.

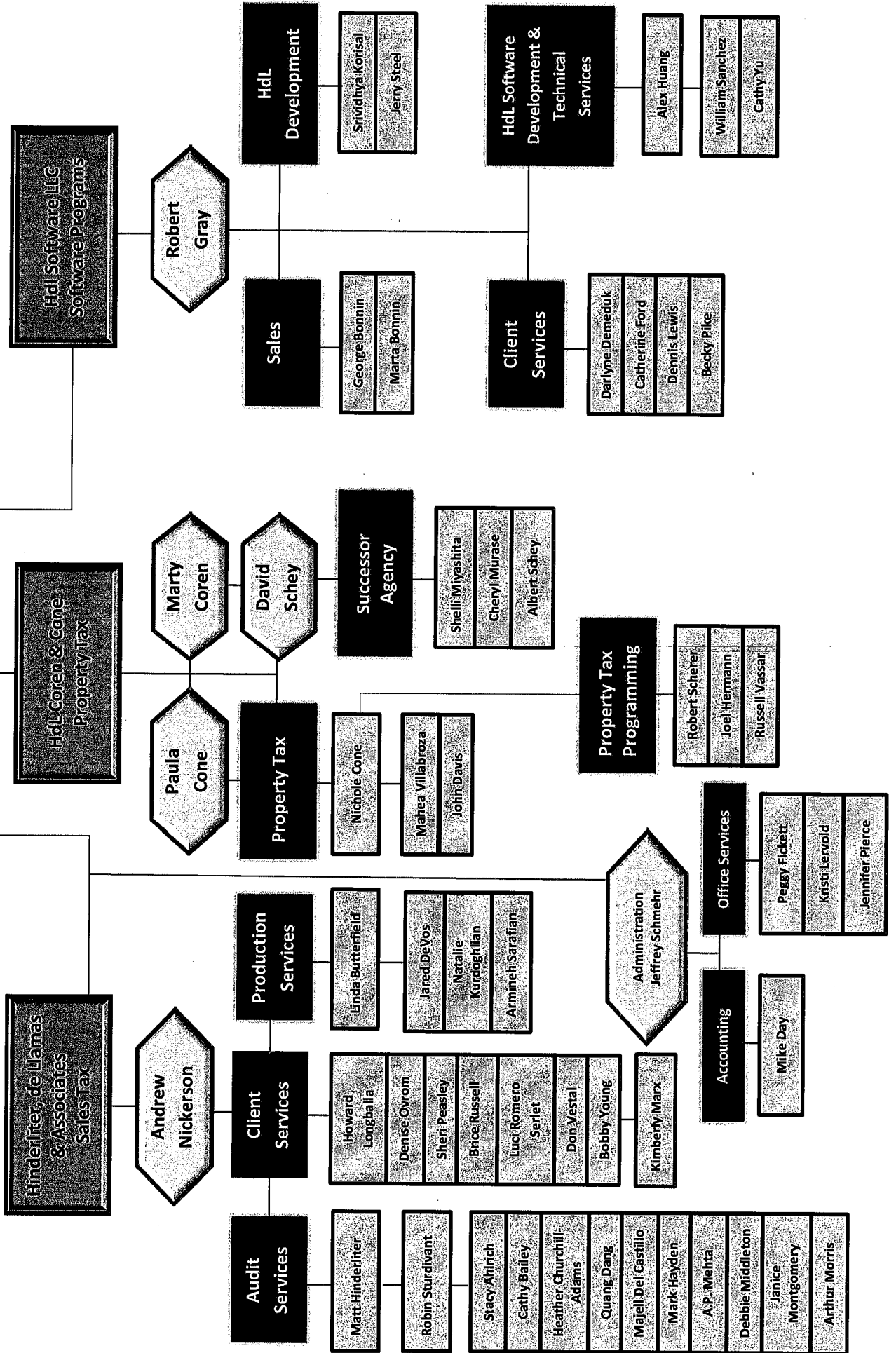
Most of HdL's key staff has extensive local government experience having previously held positions in municipal management, finance, planning, economic development or revenue collection. The team that would serve San Diego possesses decades of experience in managing budgets, developing and implementing economic strategies and tracking sales and property tax revenues.

HdL maintains the largest privately held sales, property and business tax database in California. It constantly improves and enhances the Board of Equalization's (BOE) raw registration data by correcting addresses and business names, differentiating brick and mortar retailers from business to business and online taxpayers and adding new business classifications to better identify emerging trends and economic opportunities. This highly enhanced database includes over 20 years of the City of San Diego's sales tax history and serves as the base for identifying emerging economic trends and developing budget projections that take those trends into account.

HdL is a Corporate Partner of the League of California Cities and California State Association of Counties, and works extensively with the County Auditor's Association of California, California Society of Municipal Finance Officers (CSMFO) and California Municipal Revenue and Tax Association (CMRTA) on development of programs to strengthen local government revenues.

HdL retains a staff of 55+ trained and experienced specialists for performing audits, analysis and software support in our headquarters at 1340 Valley Vista Dr., Suite 200, Diamond Bar, CA 91765.

The OLL Companies



b. Key Staff

HdL's service team is comprised of individuals with extensive experience in sales and use tax administration, business development, financial management and economic development.

Hinderliter, de Llamas & Associates

Andy Nickerson – President

21 years of Relevant Experience with HdL

Mr. Nickerson is responsible for the day-to-day management of the sales tax programs and services and would serve as the liaison for the Sales and Use Tax Management Team, the Audit Division and the Production Services team for the City of San Diego.

Sales and Use Tax Management Team

Three sales and use tax principals and a management analyst will provide the City of San Diego with sales tax, budget and revenue management services, support and information. The team will advise the City on economic development opportunities, including analyzing the City's sales tax data for presentations and preparing sales and use tax revenue estimates of various terms up to five years. They will also prepare detailed analyses of sales, use and transactions tax, allocation and revenue projection. A principal will also meet with the City each quarter to deliver the City's quarterly reports and address any issues or concerns. Providing these services to the City are:

Luci Romero Serlet – Principal

28 Years of Relevant Experience with 6 Years of Experience at HdL

Denise Ovrom – Principal

30 Years of Relevant Experience with 11 Years of Experience at HdL

Brice Russell – Principal

36 Years of Relevant Experience with 16 Years of Experience at HdL

Kimberly Marx – Management Analyst

1 Year of Relevant Experience at HdL

Audit Services Team

Our Audit Services Director and Local Government Advocate have over 40 years combined experience with auditing local tax, place of sale and BOE administrative issues. The firm has continually adapted to legislative changes, BOE regulation changes, and technology advances and will utilize these tools for the City of San Diego. HdL has an audit team in place that is very well trained and familiar with the state regulations and guidelines concerning tax reporting for the City.

Matt Hinderliter – Director of Audit Services

23 Years of Relevant Experience at HdL

Robin Sturdivant – Local Government Advocate

18 Years of Relevant Experience at HdL

Production Services Team

Our Production Team insures that the data from the State Board of Equalization is processed in an accurate and timely manner and is available to the City on our sales tax web application. The team is responsible for running the reports that are delivered at the quarterly meetings with the City staff, as well as processing any special report requests.

Robert Gray – President, HdL Software LLC
17 Years of Relevant Experience at HdL

Linda Butterfield – Director of Production Services
24 Years of Relevant Experience at HdL

Administrative Services Team for HdL Companies

The administrative services team will be the contact point for the City of San Diego on issues pertaining to invoicing, accounting and other administrative tasks.

Jeffrey Schmehr – Chief Financial and Administrative Officer
18 Years of Relevant Experience with 8 years at HdL

Mike Day – Controller
8 Years of Relevant Experience at HdL

Jennifer Pierce – Administrative Assistant
2 Years of Relevant Experience at HdL

c. Resumes/Experience

As requested, one page information sheets of our key personnel follow this page.

Andrew Nickerson

Experience

Hinderliter, de Llamas & Associates - President:

2011 - Present

- Lead the strategic planning, sales and management operation of this market leader in sales tax, audit and information services. Led the development of a web-based sales tax application that offers HdL clients immediate access to the latest Board of Equalization sales, use and transactions tax data and quarterly reports. Forged business affiliation with Beacon Economics, Equity Recovery Solutions and Cost Control Associates to expand service offerings to local government agencies. Initiated HeadLines, a bi-weekly e-news service that provides up-to-date information on trends affecting California's economy. HeadLines is currently being circulated to over 1,400 subscribers.

HdL Coren & Cone - Vice President of Sales and Operations:

2002 - 2010

- Lead the product development and sales activities for this provider of government tax consulting services and related software products. Manage major accounts that generate over \$2.5 million in annual revenues. Prepare marketing proposals and deliver sales presentations to prospective clients. Meet annually with clients to review and discuss management reports and assist with budget projections. Enhanced revenues by identifying and developing complimentary products and services that were marketed to existing clients. Forged a strategic partnership with ESRI, a California based technology firm, enabling HdL to rapidly expand the utility of existing software applications. Streamlined a manual process for auditing real estate transfer tax revenues, significantly reducing staffing requirements and increasing revenue recovery. Spearheaded the in-house conversion of a 15 year old business critical database and software application increasing the companies' capabilities and enabling the firm to expand services to additional clients without adding extra staff.

HdL Coren & Cone - Production Manager:

1997 - 2000

- Managed the team responsible for producing semiannual property tax reports and executive summaries for over 100 California cities. Guided IT staff in expanding the capabilities of the firms' proprietary software applications. Designed systems for importing and maintaining property tax records from 35 California counties into a customized database format. Provided on-site software training and technical support to client agencies. Facilitated special projects and requests from strategic business partners.

HdL Coren & Cone - Associate:

1992 - 1997

- Conducted database research of tax records and contacted business owners to verify sales tax information. Performed sales tax and property tax revenue audits for client agencies. Coordinated audit recovery with local, county and state agencies. Analyzed tax receipts for development projects and tax sharing agreements.

Education

- **Bachelor of Science, Business Administration (Concentration in Finance, Real Estate, and Law)**
California State Polytechnic University, Pomona

Luci Romero Serlet

Experience

Hinderliter, de Llamas & Associates – Principal:

2008 – Present

- Provides sales tax, budget and revenue management services, support and information to over 200 California cities and counties. Specializing in advising city and county clients on economic development opportunities, analyzing client sales tax data for presentations at client meetings and preparing sales and use tax revenue estimates of various terms up to five years. Prepares detailed analyses of sales, use and transactions tax, allocation and revenue projections for clients statewide. Provides transactions tax projections for both existing and potential districts. Prepares and delivers quarterly reports.

City of Los Alamitos – City Manager:

May 2006 – September 2007

- Implementation of City Council policies and goals including, economic development, outreach to business community, military base strategic plan; regional and state issues.

City of Goleta – Assistant City Manager:

December 2002 – April 2006

- Finance, Budget, Treasury, Human Resources, Employee Benefits, Employee Relations, Risk Management, Lease Agreements, Mixed-Use Commercial/Residential Development, Shoreline Preservation.

City of Solana Beach – Assistant City Manager:

February 1999 – November 2002

- Special Projects (Joint Use Library, Mixed Use Commercial/Residential Development); Cable Television Franchise and Solid Waste Franchise Administration; Capital Improvement Program; Human Resources, Employee Benefits, Employee Relations; Risk Management, Workers Compensation; Information Systems.

City of Newport Beach – Administrative Manager:

February 1995 – February 1999

- Departmental operating budget; City-wide Capital Improvement Program budget; Performance evaluation system development; Development and implementation of budgetary internal controls; Strategic plan development; Public Works contract administration; Underground utility assessment district administration; Coordination of FEMA claims.

City of Temecula – Financial Services/Human Resources Manager:

September 1991 – February 1995

- Administration of Human Resources; City-wide operating and Capital Improvement Program budgets; Risk Management administration; Centralized purchasing administration; Community Development Block Grant

City of Carlsbad – Senior Management Analyst:

February 1990 – September 1991

- Preparation, analysis and administration of capital and operating budgets; Administration of cable television franchise; Solid waste program administration; Federal and state grant application preparation.

City of Encinitas – Management Analyst:

July 1987– February 1990

- Operating and capital budgets; Preparation of city newsletters; Information System administration; Solid waste and parking enforcement administration.

City of Coronado –Administrative Assistant:

July 1985 – July 1987

- Legislative research and analysis; Preparation of policies and procedures; Employee Suggestion Program coordination; Preparation of reports, research and analysis pertaining to organizational issues.

San Diego State University –Administrative Assistant:

June 1982 – July 1985

- Administrative support for Education Administration Masters Degree Program.

Education

- **Master of Public Administration – San Diego State University**
- **Bachelor of Science, Health Science – San Diego State University**

Denise Ovrom

Experience

Hinderliter, de Llamas & Associates - Principal:

2002 - Present

- Provides sales tax, budget and revenue management services, support and information to over 200 California cities and counties. Specializing in advising city and county clients on economic development opportunities, analyzing client sales tax data for presentations at client meetings and preparing sales and use tax revenue estimates of various terms up to five years. Prepares detailed analyses of sales, use and transactions tax, allocation and revenue projections for clients statewide. Provides transactions tax projections for both existing and potential districts. Prepares and delivers quarterly reports.

City of Beverly Hills - Assistant City Manager:

1995 - 2001

- As Chief of Staff/Operations Officer responsible for coordination of day-to-day operations and interdepartmental programs/projects providing exceptional customer service to a sophisticated community. Direct oversight of several line divisions including Information Technology, Emergency Services, Marketing and Communications. Responsible for policy development, operational coordination, project management, City Council and community relations, special projects and trouble shooting.

San Gabriel Valley Commerce and Cities Consortium - Manager, Business Development:

1994 - 1995

- Responsible for business retention and attraction activities and management of a permit streamlining and communication system to facilitate business development.

City of Temple City - City Manager:

1990 - 1994

- Managed and directed city operations and implemented City Council polices. Served as Executive Director of the Redevelopment Agency. Developed a comprehensive commercial revitalization and economic development program including a ten-point action for downtown revitalization and adoption of a Specific Plan. Initiated and implemented refinancing of Agency debt.

City of Brea - Assistant City Manager:

1984 - 1990

- Responsible for all internal operations including supervision of Financial Services, Personnel Relations, Information Services, Public Safety Communications and Community (Art, Culture and Recreation) Services. Responsible for the preparation of the annual budget, and served as staff representative to the City Council Finance Committee. Developed and implemented an Information Services Concept to centrally manage all information systems.

City of Claremont - Assistant:

1980 - 1984

- As Assistant to the City Manager, Finance Director and Administrative Assistant responsible for ongoing line responsibilities and special projects including accounting, finance, purchasing, data processing, risk management, business license, annual budget and auditing and budget analysis. Represented the city as Chief Financial Officer on the Municipal Data Systems Board (data processing consortium), League of California Cities finance and legislative meetings, and city representative to the Joint Powers Insurance Authority (multi-city consortium). Coordinated a citywide data processing needs assessment evaluation resulting in the implementation of microcomputers and word processing.

California Institute of Technology - Conference Coordinator:

1978 - 1980

- Handled details for conference and special functions which involved interface with faculty, alumni, administration and staff.

City of Simi Valley - Administrative:

1972 - 1975

- In various administrative capacities coordinated the annual budget, the City's 1974 general municipal election, special projects and the intern program.

Education

- **Master of Public Administration - University of Southern California**
- **Bachelor of Science, Public Administration - University of Southern California**

Brice Russell

Experience

Hinderliter, de Llamas & Associates - Principal:

1997 - Present

- Specializing in advising city and county clients on economic development opportunities, analyzing client sales tax data for presentations at client meetings and preparing sales and use tax revenue estimates of various terms up to five years. Prepares detailed quarterly analyses of sales, use and transactions tax revenues for clients statewide. Provides transactions tax projections for both existing and proposed districts. Prepares and delivers quarterly reports. Mr. Russell is also responsible for research for and preparation of the firm's annual California Retail Analytics publication, writes articles for HeadLines, a bi-weekly e-newsletter focusing on events or trends affecting California retail sales and designed a sales tax leakage analysis and report for presentation to clients annually.

GRC Redevelopment Consultants - Owner and CEO:

1986 - 1996

- With a staff of five, assisted city and county clients in the formation or amendment of over 125 redevelopment projects following strict timing and procedural guidelines set forth in the California Health and Safety Code. Each contract covered a service period of nine months to a year. Attention to detail was critical as one missed document due date could have an opportunity cost of tens of millions of dollars in future tax increment revenues. At one point GRC Redevelopment Consultants was processing thirty projects concurrently. Throughout Mr. Russell's tenure, deliverables to the client were never late and all required deadlines were met in accordance with Health and Safety Code requirements synchronized with the meeting dates of each client's governing board and planning commission.

Rod Gunn & Associates - Partner:

1981 - 1986

- Providing redevelopment planning, financing and implementation services to client redevelopment agencies in California.

Municipal Services, Inc. - Analyst:

1979 - 1981

- Providing redevelopment planning and financing services to city clients in California.

City of Redondo Beach - Community Development Block Grant Manager:

March 1977 - 1979

- Prepared fiscal year CDBG application and Housing Assistance Plan. Supervised the City's Below Market Interest rate housing Rehabilitation program, implemented a Deferred Payment Loan Program and arranged for the offering of Section 312 Rehabilitation Loans in the City.

Knoxville Community Development Corporation - Residential Rehabilitation Specialist:

June 1974 - August 1975

- Worked with the Section 312 Rehabilitation Loan Program and Section 115 Rehabilitation Grant Programs. Responsible for inspections, cost estimates, work orders and contractor negotiations..

Education

- ABD Ph.D, Cultural Anthropology - University of Massachusetts, Amherst**
Research Emphasis: Impact of federal aid programs in Southern Appalachian communities
- Master of Arts, Cultural Anthropology - California State University, Los Angeles**
- Bachelor of Arts, Cultural Anthropology - University of California, Davis**

Kimberly Marx

Experience

Hinderliter, de Llamas & Associates – Management Analyst:

September 2012 – Present

- Analyze sales, use, and transactions tax data for counties and cities across the state of California. Generate budget projections. Analyze pending legislation. Draft and edit white papers and issue updates. Respond to client inquiries on a broad range of topics and projects.

Youth Mentoring Connection, Nonprofit – Analyst (pro bono):

August 2011 – September 2012

- Designed and led project to revamp system for data collection and analysis, including training staff on new procedures. Make recommendations on program evaluation and statistical analysis. Compiled and analyzed statistical data comparing YMC's outcomes with local and national outcomes. Produced new and updated reports, presentations, and marketing materials. Assisted with creating materials for grant proposals.

Los Angeles County – Intern/Volunteer:

October 2009 – May 2011

- Administered surveys regarding disproportionate minority contact (DMC) in the juvenile justice system, as part of the 3-year L.A. County DMC Technical Assistance Project. Led and completed complex coding and statistical analysis of data from 165 surveys, wrote final report with recommendations, and presented findings at community meetings. Interfaced and fostered relationships with a diverse group of community stakeholders and L.A. County employees.

Hispanas Organized for Political Equality [HOPE], Los Angeles (project):

2010

- Collaborated as part of a team to conduct a comprehensive evaluation of HOPE's Youth Leadership Through Literacy Program. Incorporated qualitative data collection (interviews) and analysis, and comprehensive research on similar nonprofit organizations. Included findings, conclusions, recommendations, and suggestions for implementation in final report.

Gender and Inanimate Objects: An Analysis of Deodorant Arrangement on Store Shelves (thesis):

2005 – 2007

- Examined the cognitive representations of gender as applied to inanimate objects, demonstrating how gender is constructed and conceptualized. Independently conducted extensive data collection and market research in the field. Completed statistical analysis (OLS regression). Researched a comprehensive literature review bringing together marketing, gender, and rational choice studies. Wrote a final thesis reporting unique findings and conclusions. Gave a dynamic presentation to colleagues and faculty.

Education

- **Master of Public Administration – University of Southern California**
- **Master of Arts, Sociology – University of California, Irvine**
- **Bachelor of Arts, Sociology – California State University, Dominguez Hills**

Service

- ***Disproportionate Minority Contact Workgroup*** – March 2011
Los Angeles County Department of Children and Family Services, Chatsworth, CA
- ***Los Angeles River Clean-up Events*** – May 2011 and September 2011
Friends of the Los Angeles River (FoLAR): “River School Day” and “Coastal Clean-up,” Los Angeles, CA

Matt Hinderliter

Experience

Hinderliter, de Llamas & Associates - Director of Audit Services:

1990 - Present

- Developed current HdL field audit methodology, has performed literally hundreds of field canvasses throughout California, including the City of San Francisco and over 80% (based on square miles) of Alameda and Contra Costa Counties. Authored and routinely updates extensive training manual for the audit staff, including information regarding complex point of sale issues and proposed changes in legislation and regulations. Created multi-level audit process which combines field review with extensive in-house data mining and analysis. Developed proprietary systems and processes for performing district tax audits using the most comprehensive California sales tax database available within the private sector. Meets regularly with Board Management, including the Supervisor of the Board's Allocation Group, to discuss and refine procedures for presenting, tracking, and resolving over 4,500 local tax inquiries currently being processed each year. Has directly managed and supervised local tax audit activity that has generated in excess of \$1.3 billion for HdL clients over the past 23 years.

Education

- Bachelor of Arts, Sociology - *California State University, Fullerton*

Robin Sturdivant

Experience

Hinderliter de Llamas & Associates – Local Government Advocate:

December 2009 – Present

- Responsible for higher level appeal cases including research and preparing briefs. Represents HdL clients at Legal Department Appeals Conferences. Point of contact between HdL and the elected members of the Board of Equalization, BOE Legal Department and the State Controller's office. Represents HdL clients at local tax appeal hearings before the Board Members. Primary point of contact between HdL and clients for audit, place of sale inquiries and invoice requires. Represents HdL clients for proposed Board of Equalization regulatory changes. Works with HdL lobbyist to monitor proposed legislative changes.

Hinderliter de Llamas & Associates – Auditor Supervisor:

May 2001 – December 2009

- Supervised field and in house audit staff. Scheduled and monitored assignments. Hired and trained audit staff. Provided on-going technical support to lower-level staff. Reviewed, approved and submitted petitions to the Board of Equalization. Responsible for research and audit of complex use tax cases, local tax aberrations and large countywide pool allocations. Performed review of petitions disclaimed by Board of Equalization and prepared appeals. Primary point of contact between HdL and Board of Equalization. Primary contact between HdL and clients for audit and invoice inquires.

Hinderliter de Llamas & Associates – Level II Auditor:

September 1998 – May 2001

- Research and prepare petitions for complex use tax cases. Engage in written and phone contact with tax preparers on high profile, high dollar cases. Primary contact with Board of Equalization staff. Responsible for reviewing taxpayer files with Board of Equalization staff in Sacramento. Research and prepare cases for appeal.

Hinderliter de Llamas & Associates – Level I Auditor:

January 1995 – September 1998

- Engaged in telephone, written and personal contact with the business community to confirm Board Equalization records. Researched registration errors, local tax misallocation errors and boundary errors. Prepared petitions to submit to Board of Equalization for Claimed Misallocations of Local Tax.

Robert Gray

Experience

HdL Software - President:

2007 - Present

- Lead all aspects of the HdL Software team including planning, sales, projects, and software development. The software team is responsible for ongoing development, implementation, and support of six systems which serve over 150 local government agencies in California.

Hinderliter de Llamas & Associates - Director of IT:

2000 - Present

- Direct all aspects of technical operations team including networking, systems, telecommunications, software development, and research and development.

Education

- **Master of Business Administration - Azusa Pacific University**
- **Bachelor of Science, Computer Science - Azusa Pacific University**

Linda Butterfield

Experience

Hinderliter, de Llamas & Associates - Data Department Manager:

1995 - Present

- Handle data conversion, verification, processing and resulting sales tax reports. Client software training and technical support. Supervise data department staff. Participate in the development and testing of new software systems and reports.

HdL Companies (Sales tax) - Audit Manager:

1990 - 1995

- Performed detailed sales tax audits, established audit procedures, hired and trained auditors, coordinated with client agencies and the California State Board of Equalization. Assisted with the original design and implementation of the sales tax audit system.

HdL Companies (Sales tax) - Office Manager:

1989 - 1992

- Supervised clerical staff, handled purchasing, client contracts, maintenance contract oversight.

National Business Institute - Office Manager:

1982 - 1989

- Managed information systems, supervised clerical staff, performed billing, purchasing, accounts receivable and payroll as well as coordinated programs with students, counselors, faculty, administrators, public officials and representatives of various government agencies.

Education

- Bachelor of Science, Business Administration - *California State University Los Angeles/Woodbury University*

Jeffrey Schmehr

Experience

Hinderliter, de Llamas & Associates - Chief Financial and Administrative Officer:

2005 - Present

- Manage office operations which include the company's finances, financial reporting, accounting and budget preparation, contract and facilities management, human relations, risk management. Trustee of HdL 401(k) Plan, and the Plan Administrator of HdL ESOP Plan. Supervises controller along with all financial and administrative staff.

PCM, Inc. - Management Analyst Supervisor:

2002 - 2005

- Managed Maintenance Division Analyst Team in areas that include coordination and performance of management audits and operations analyses, policy issues, inspection of community facilities, and preparation of subject reports; directly supervised four employees. Created weekly, monthly and quarterly forecasting labor distribution and productivity reports for Program Manager and Division Director. Interacted with HOA Board of Directors as the primary communication liaison regarding maintenance, resale and permit matters. Advised and assisted in enforcement of resident adherence to Community policies and procedures. Initiated work orders to outside contractors for repairs to community housing assets. Approve and reconcile monthly billing associated with assigned work. Evaluated specific issues and summarized findings and conclusions. Developed specific recommendations to committees, boards or others as directed.

Coca Cola Enterprises, Inc. - Branch Business Manager:

1999 - 2001

- Managed branch office operations and daily administrative issues in areas that include human relations, accounts payable and receivable, and billing; directly supervised eight employees. Created weekly, monthly and quarterly forecasting, labor distribution and productivity reports for Area Vice President and Branch Manager.

ALO Promotional Partners - Operations Manager:

1997 - 1999

- Managed branch office operations in areas that included human relations, accounts payable and receivable, and billing; directly supervised thirteen employees.

IDC Communications, Inc. - Operations Manager:

1994 - 1997

- Managed all day-to-day operations including billing, collections/receivables, payables and human relations.

Education

- Bachelor of Science, Business Administration - *University of Southern California*

Michael Day

Experience

Hinderliter, de Llamas & Associates - Controller:

2002 - Present

- Responsible for the accounting function and employee benefits administration. Client invoicing, cash receipts, collections, accounts payable, general ledger maintenance, financial statement preparation, bank statement reconciliations, employee payroll processing, health insurance administration (medical, dental, vision, disability, supplemental, Flexible Spending Account), and employee retirement plan administration (Profit Sharing Plan, 401(k), Employee Stock Ownership Plan).

South Bay Credit Union - Controller:

1999 - 2002

- Providing leadership and direction for all accounting, investment and asset/liability management functions for a \$50 million full-service financial institution. Developed optimal solution for a Year 2000 liquidity crisis. Implemented asset/liability management financial modeling utilizing IPS-Sendero CUPlan Software. Responsible for overseeing \$22 million investment portfolio. Planned for and implemented successful conversion to state-of-the-art Premier Systems Inc. (Ultradata) data processing system.

Yamaha Employees Federal Credit Union - Manager:

1995 - 1999

- Directed all facets of operations for a \$3 million full-service financial institution. Planned and led the successful turnaround of this troubled organization. Developed and implemented a solid business plan to provide for profitable operation and provided leadership for the changes necessary to achieve plan while improving customer service and quality levels. Managed finance (accounting, financial statement preparation, budgeting, and cash management), lending VISA card administration, branch operations, ACH electronic processing, and information systems. Ensured regulatory compliance in all areas. Maintained strong auditor/examiner relations.

Riverside County Federal Credit Union - Vice President/Controller:

1987 - 1994

- Provided leadership and director fall accounting and data processing functions for this \$80 million financial institution. Managed staff of nine employees responsible for accounting, income statement preparation, cash flow analysis, capital expenditures/acquisitions and budgets. Monitored financial performance and provided critical analysis and recommendations. Developed policies, implemented procedures and controls to ensure sound financial management and regulatory compliance. Functioned as executive liaison for NCUA (federal regulator) examiners, auditors and the Supervisory Committee.

Xerxes Corporation - Plant Controller:

1984 - 1987

- Managed the accounting, order processing, traffic and purchasing departments of an underground fuel storage tank manufacturer. Directed a staff of four responsible for accounts payable, employee payroll, order processing, standard/job accounting and general ledger reconciliations. Developed operating and capital expenditure budgets, analyzed operating results and prepared financial and statistical reports to provide a basis for management planning. Installed cost and inventory control procedures. Initiated cost effective accounting polices incorporating timely scheduling of functions. Designed a customized timekeeping/labor distribution system reducing clerical work by 50%.

Education

- **Bachelor of Arts, Business Administration (Concentration in Accounting) - California State University, Fullerton**

Jennifer Pierce

Experience

Hinderliter, de Llamas & Associates – Administrative Assistant:

July 2011 – Present

- Assist with marketing activities including writing, proofreading and designing brochures, white papers and press releases. Responsible for article selection, layout and distribution of bi-monthly e-newsletter to existing clients. Set up and monitor social medial marketing campaigns on Facebook, Linked In. Coordinate government proposals for accurate response and submissions. Assist principals with five year budget projections and analytics to meet client requests. Organize marketing activities for tradeshow. Plan and implement new website and program all elements for successful rollout. Process payroll and design and publish employee newsletter.

Walnut Valley Unified School District – Instructional Aide II:

December 2008 – August 2011

- Worked with Kindergarten, First and Second Graders on early reading intervention. Monitored classes and assisted teachers as needed. Work both 1-on-1 with students and in groups to ensure success and improvement in state testing scores for school.

Bruel & Kjaer – Seminar Coordinator:

July 2000 – July 2009

- Planned, organized and executed Continuing Education Program for U.S., Mexico, and Canada. Coordinated all dates, registration, logistics, internal communication, marketing activities, and event executions. Implemented process to facilitate electronic registration and database management. Oversaw web-based training program for successful inclusion in North American Seminar Program. Managed over 200 training classes per year. Planned and executed two major conferences each year, offering 19 courses in 3 days and attracting over 300 registrants. Worked with venues throughout North America to negotiate contracts and set up all events. Responsible for yearly seminar budget.

Bruel & Kjaer – Seminar Project Manager:

March 1998 – July 2000

- Planned and implemented regional training courses for the Western U.S. and Canada which consisted of 80 seminars a year. Executed complete budgeting, scheduling and marketing activities to insure a successful outcome. Wrote and updated seminar procedure guide which was drafted into company policy for all of NAFTA. Coordinated all dates for listing on Website, brochures and mailing pieces through national marketing center.

Bruel & Kjaer North America, Inc. – Marketing Coordinator:

February 1992 – February 1998

- Implemented and executed all Environmental Division marketing activities within North America for worldwide sound and vibration instrumentation company. Coordinated all advertising, direct mail, press releases, and trade shows. Managed time lines, budgeting, and project execution. Launched new products from world headquarters in Denmark to U.S. and Canadian marketplace. Introduced complete lead tracking/database management system to measure results. Generated reports on leads by cost, sales territory, and marketing activity, track all follow-up actions, tracked sales increases. Organized sales training, product updates, proposals, and pricing index. Created product presentations via PowerPoint for sales force to demo to customers. Wrote, designed, and published supporting literature and product information.

Capitol-EMI Music – Assistant to Director of Public Relations:

November 1989 – October 1991

- Assistant Editor for "TRACKS", a bi-monthly worldwide corporate magazine. Wrote, reviewed and copy edited articles. Implemented project management system to increase productivity. Worked with all levels of management to organize media events, industry campaigns, and charity fundraisers. Deigned and updated all company overviews and executive biographies. Assisted in worldwide press release writing and dissemination which produced articles in such publications as The Wall Street Journal, Los Angeles Times, and Billboard.

Education

- Bachelor of Arts, Communication (Concentration in Public Relations) – California State University, Fullerton**

11. REFERENCES

Sales Tax References

City of Glendale – Client Since 1989

Sales and Use Tax, Audit and Revenue Management Services
633 E. Broadway Suite 101, Glendale, CA 91206

Bob Elliott, Director of Finance, 818.548.2085, belliott@ci.glendale.ca.us

Contract Amount: \$9,000 with a fixed percentage of 15% for audit recovery for sales tax revenue recovered.

Contract Result: On November 14, 1989, the City of Glendale engaged HdL to continuously monitor its sales and use tax allocations to insure that the City receives all the revenues it is due. HdL also works with City staff to make maximum use of sales and use tax data to support the City's long term economic development strategies. In addition, HdL provides the data, software, and staff services to support budget projections, evaluate economic strategies, estimate sales tax revenue from new development proposals, maximize collection of resulting revenues and to analyze legislative/regulatory proposals that could impact the City's sales and use tax revenues. HdL also provides full staff support to capture use tax from large construction projects as permitted by Revenue and Taxation Code 7051.3 and counsels City staff in the acquisition and use to Direct Payment Permits as described in Regulation 1699.6. Audit recovery total of \$9,309.134.

City of Oakland – Client Since 1998

Sales and Use Tax Audit and Revenue Management Services
150 Frank Ogawa Plaza, 5th Floor, Oakland, CA 94612

Dave McPherson, Revenue and Tax Administrator, 510.238.6650,
dmcpherson@oaklandnet.com

Contract Amount: \$9,000 with a fixed percentage of 15% for audit recovery for sales tax revenue recovered.

Contract Result: On December 22, 1998, the City of Oakland engaged HdL to continuously monitor its sales and use tax allocations to insure that the City receives all the revenues it is due. HdL also works with City staff to make maximum use of sales and use tax data to support the City's long term economic development strategies. In addition, HdL provides the data, software, and staff services to support budget projections, evaluate economic strategies, estimate sales tax revenue from new development proposals, maximize collection of resulting revenues and to analyze legislative/regulatory proposals that could impact the City's sales and use tax revenues. HdL also provides full staff support to capture use tax from large construction projects as permitted by Revenue and Taxation Code 7051.3 and counsels City staff in the acquisition and use to Direct Payment Permits as described in Regulation 1699.6. Audit recovery total of \$12,376.960.

City of Riverside – Client Since 2001

Sales and Use Tax Audit and Revenue Management Services
3900 Main Street, Riverside, CA 92522

Joanne Snowden, Principal Accountant, 951.826.5312, jsnowden@riversideca.gov

Contract Amount: \$7,800 with a fixed percentage of 15% for audit recovery for sales tax revenue.

Contract Result: On August 1, 2001, the City of Riverside engaged HdL to continuously monitor its sales and use tax allocations to insure that the City receives all the revenues it is

due. HdL also works with City staff to make maximum use of sales and use tax data to support the City's long term economic development strategies. In addition, HdL provides the data, software, and staff services to support budget projections, evaluate economic strategies, estimate sales tax revenue from new development proposals, maximize collection of resulting revenues and to analyze legislative/regulatory proposals that could impact the City's sales and use tax revenues. HdL also provides full staff support to capture use tax from large construction projects as permitted by Revenue and Taxation Code 7051.3 and counsels City staff in the acquisition and use to Direct Payment Permits as described in Regulation 1699.6. Audit recovery total of \$7,776,849.

County of San Diego – Client Since 1999

Sales and Use Tax Audit and Revenue Management Services

1685 Main Street, Room 104, Santa Monica, CA 90401

Ebony Shelton, Director Financial Planning, 619.531.5177, ebony.shelton@sdcounty.ca.gov

Contract Amount: A fixed percentage of 15% for audit recovery for sales tax revenue recovered.

Contract Result: On July 1, 1999, the County of San Diego engaged HdL to continuously monitor its sales and use tax allocations to insure that the County receives all the revenues it is due. HdL also works with County staff to make maximum use of sales and use tax data to support the County's long term economic development strategies. In addition, HdL provides the data, software, and staff services to support budget projections, evaluate economic strategies, estimate sales tax revenue from new development proposals, maximize collection of resulting revenues and to analyze legislative/regulatory proposals that could impact the County's sales and use tax revenues. HdL also provides full staff support to capture use tax from large construction projects as permitted by Revenue and Taxation Code 7051.3 and counsels County staff in the acquisition and use to Direct Payment Permits as described in Regulation 1699.6. Audit recovery total of \$38,989,882.

City of Santa Monica – Client Since 2001

Sales and Use Tax Audit and Revenue Management Services

1685 Main Street, Room 104, Santa Monica, CA 90401

David Carr, Principal Budget Analyst-Investments, 310.458.8775, david.carr@smgov.net

Contract Amount: \$9,000 with a fixed percentage of 15% for audit recovery for sales tax revenue recovered.

Contract Result: On May 23, 2001, the City of Santa Monica engaged HdL to continuously monitor its sales and use tax allocations to insure that the City receives all the revenues it is due. HdL also works with City staff to make maximum use of sales and use tax data to support the City's long term economic development strategies. In addition, HdL provides the data, software, and staff services to support budget projections, evaluate economic strategies, estimate sales tax revenue from new development proposals, maximize collection of resulting revenues and to analyze legislative/regulatory proposals that could impact the City's sales and use tax revenues. HdL also provides full staff support to capture use tax from large construction projects as permitted by Revenue and Taxation Code 7051.3 and counsels City staff in the acquisition and use to Direct Payment Permits as described in Regulation 1699.6. Audit recovery total of \$5,864,848.

12. OPTIONAL SERVICES

Additional services beyond the scope of this proposal are priced separately depending on the complexity of tasks involved. Such fees can either be fixed or time and materials. Our current hourly rates are listed below:

Principal	\$225 per hour
Programmer	\$195 per hour
Senior Associate	\$150 per hour
Analyst	\$ 75 per hour

Property Tax Information Services, Audit and Recovery - HdL Coren & Cone

1. GENERAL STRATEGY

Property taxes in California have evolved into an extremely complex system that requires experience and expertise to fully monitor. There are two broad categories of property (real and personal); three tax rolls (secured, unsecured and state assessed), and numerous peculiarities such as possessory interests, mines & mineral rights and the distribution of tax revenue from private aircraft. The revenues generated by the property tax system need to be distributed to a myriad of taxing entities including cities, counties, schools, special districts and successor agencies both directly and as pooled allocations. The subtleties of the apportionment of revenues in Teeter or non-Teeter cities are often challenging and confusing. HdL Coren & Cone (HdLCC) property tax information systems allow us to provide information and analysis from a City's property tax data set to City staff quickly and accurately.

HdLCC's historical data (21 years in San Diego County) provide critical data for trending, analysis and economic planning. We have developed reports that assist cities in better understanding the significance of the Proposition 8 reductions over the past 5 years and the overall impact of those declines and potential recovery patterns as the real estate environment improves. Our revenue modeling for the General Fund and Successor Agencies give cities tools to better forecast revenue based on data collected from transfers of ownership, successful appeals and Proposition 8 reductions and how those elements fit together in the overall picture of revenue forecasting.

With the adoption of SB 1096 in 2004, revenues formerly identified as Vehicle License Fees (VLF) and Sales Taxes are in part being paid from the County Educational Revenue Augmentation Fund (ERAF). The year-to-year growth of VLF in Lieu from ERAF is now tied to gross property value growth between tax years. The monitoring of this new revenue source for budget projections is a feature of our property tax services.

HdLCC utilizes maps provided by the City with street names and that delineate City/Successor Agency boundaries for use in auditing the secured property database. In addition any City annexations which have been approved within the previous 2 fiscal years need to be reviewed to ensure that the County has correctly coded the parcels with City tax rate areas.

HdLCC annually purchases secured, unsecured and Board of Equalization (BOE) tax roll data from San Diego County and BOE respectively. This data is then updated quarterly with real estate sales data to reflect the most current owner of record, sale prices, deed information and, if necessary, is used to complete the City parcel record with current situs and mailing addresses. Sale transaction history and current and historical appeal data are additional datasets purchased to augment the Assessor's released data and made available on our web-based property tax software. These additional datasets also provide reports for better understanding changes to the property tax roll between release dates. All data necessary to update the original lien date data from the Assessor and the procurement of the lien date rolls is purchased by HdLCC and provided to the City as a part of this service.

2. OBJECTIVES AND METHODOLOGY

The methodology that HdLCC follows in identifying, correcting and recovering property tax errors includes the following:

- Task I Establishment of county data set and reconcile the annual auditor-controller assessed valuation report to the assessor's lien date rolls and identify discrepancies
- Task II Identify and correct errors through the performance of secured parcel audit and unsecured review.
- Task III Prepare reports, review and analyze the data in preparation to meet with City staff to discuss year to year changes and trending.
- Task IV Ongoing analysis, appeal updates, transfer of ownership updates, remittance advice review, budget projections.

HdLCC has ample staff to devote to the tasks required in this request for qualifications. Our knowledgeable staff will be assigned as necessary to ensure that the deadlines for deliverables are met and that requests placed by City staff are handled expeditiously.

3. TIMELINE FOR IMPLEMENTATION

- County assessment rolls are purchased annually in July.
- The property data program will be available for access via the internet within 30 days of the execution of the agreement. Parcel data will be updated monthly to include the most current ownership information due to parcel transfers.
- The secured audits for the City will be completed and submitted to the County Assessor for corrective action within 90 days of receipt of county rolls. The audit and timing is contingent upon City providing the requested map(s). The City will receive file copies of submittals simultaneous with submissions to the County Assessor.
- Data collection from the County Assessor's and Auditor Controller's offices for reports is performed in August and September each year and preliminary reports will be delivered to the City prior to the end of November annually. Preliminary reports will include estimates of general fund and tax increment revenue for the fiscal year that is estimated as being available for the January 2 and June 1 RPTTF allocations to the Successor Agency by the Auditor Controller.
- The final tax ratio percentages are available from the Auditor Controller's office annually in February/March. Final reports will be prepared and delivered prior to the end of April annually.
- Preparation of a General Fund Revenue Spreadsheet to assist the City in its budgeting process will be provided annually in February. Reviews of Successor Agency revenue allocations and residual revenue distributions will be conducted as requested by the City/Successor Agency.

4. PROPERTY TAX REPORTING SERVICES

HdLCC furnishes a variety of reports detailing property and revenue trends for the entire City and for custom defined geographic areas. These reports can be used for budgeting purposes, planning, economic development and public information. Among the reports available are top 25, 50, 100-property owner/taxpayer listings, multiple ownership properties, non-owner occupied parcels, identification of property ownership transfers and completed construction projects for tracking of reassessments. We also provide the City with quarterly reports of pending assessment appeals and quarterly sales transaction and trending analyses.

The secured and unsecured roll data is available annually from the County Assessor in July/August. The lien date rolls are reconciled to the certified value reports received by the City from the Auditor Controller in August and after verifying that the data reconciles, HdLCC processes the property data. Discrepancies between the Assessor's and Auditor Controller's data are researched and reported to the City.

The San Diego County Auditor Controller's website has a comprehensive battery of reports that detail the remittances received by the City with each apportionment. Upon request, HdLCC will reconcile property tax receipts to the levy (calculated taxes to be received) and point out areas of deviation of receipts between tax years. This analysis will assist the City with budgeting by identifying specific tax revenues may not recur or where receipts in one year may be inflated or under-reported due to one-time aberrations.

The identification of escaping revenue through the use of property tax data has been a targeted focus for HdLCC during the past 10 years. With the reduction of tax revenues through legislated ERAF, cities, counties, agencies and special districts have been focusing on ways to increase the limited resources that are already stretched thin. The unsecured roll contains property owners which, when matched with a business license data set can be used to identify escaping revenues. For instance, property leased to businesses in your jurisdiction is taxed to the lessor of the property. We find that frequently, the lessors are not properly registered with a City business license. When notified and properly licensed, these businesses will generate additional revenue for the City.

The use of the secured roll will assist in identifying owners of rented residential, commercial, or industrial properties that do not have a business license with the City should one be required.

HdLCC will provide the following reports based on the 2013-14 lien date rolls and will provide the reports annually, quarterly or monthly as appropriate: Reports are also available from prior years if needed.

Reports in the portfolio of deliverables include but are not limited to:

- City/Agency Roll Summary Graph – 5 year history
- Top 40 Net Taxable Change History – summary
- Top 40 Value Change Listing – detailed history
- Category Summary Year to Year Growth- 2 year comparison
- Transfer of Ownership Summary

- Transfer of Ownership Listing
- Negative Value Change Parcels
- Median/Average Sales Price of Property Sales
- Comparison of Peak Sale Price to Current Sale Price
- Proposition 8 Historical Reductions & Recaptured Value Analysis
- City/Agency Roll Summary
- Tax Dollar Breakdown Graph
- Top Secured/Unsecured Property Owner/Taxpayer Summary Reports (Top 10, 25, 50, 100 available)
- Use Category Summary
- Revenue Calculation for City, Special Districts, Successor Agency
- General Fund Spreadsheet, General Fund and Special Districts
- Residual Revenue Spreadsheet, Successor Agency
- Non-Residential New Construction- Gann Limit -Proposition 111
- Foreclosure Data Reports
- REO Report

SUCCESSOR AGENCY SERVICES include but are not limited to:

- Assistance with Recognized Obligation Payment Schedules (ROPS)
- Assistance in providing property tax information for the taxing agencies receiving property tax revenues from former Project Areas
- Monitor the County distribution of Redevelopment Property Tax Trust Fund (RPTTF) revenues, tax-sharing amounts to the City and taxing entities of the former redevelopment agency and allocation of residual and other revenues
- Coordinate with the Auditor-Controller the relationship between the tax-sharing, debt service and other obligations of former redevelopment agency
- Prepare as needed an assessment of resources available to the Successor Agency to meet the long term obligations of the former redevelopment agency.

5. PROPERTY TAX AUDIT SERVICES

HdLCC has been auditing and monitoring property taxes for cities for 23 years. During that time, the firm recovered more than \$85 million of net property tax revenue for our client agencies. Our ability to provide this service relies on information provided by county assessors, auditor-controllers and tax collectors.

Secured Audits

Upon approval of the contract, HdLCC will perform an analysis of the Secured Roll to identify all parcels on the secured tax roll and verify that parcel assessed valuations and the resulting taxes are correctly allocated to the City or Successor Agency. This analysis is accomplished through the use of specialized computer software, assessor maps, city maps, GIS maps, city records, other pertinent documents, and field investigations. The review will include the lien date secured data for the 2013-14 tax year as well as historical data back to the 2010-11 tax year after excluding previous audit misallocations identified by the City or its current contractor.

HdLCC has the technology, methodology and trained staff to analyze all secured parcels within the City to identify costly errors resulting in the misallocation of property taxes. HdLCC audits the secured and property records two ways: first reviewing the entire county to find parcels miscoded to other jurisdictions; and second, reviewing the parcels within the city, county or agency to ensure that each is coded to the appropriate taxing entity. Our advanced technology, accuracy and track record have placed us in a unique position to be hired by cities to find additional revenues after audits have been performed by prior consultants. In addition, by filing audit results with the County Assessor in a timely manner, we can assure that the repetitive errors from previous years will not re-occur.

Unsecured Audits

HdLCC's software uses the addresses connected with each unsecured tax bill to cross reference this tax bill data to secured parcels. By this cross referencing, we can determine if a business property has been properly assigned to a secured parcel. We will perform an annual unsecured review for misallocations and also check for previous year errors the first year of the contract.

6. WEB-BASED PROPERTY TAX SOFTWARE APPLICATION

The HdLCC web-based software application provides clients with a user-friendly tool to access the City's property tax data. HdLCC provides monthly updates to reflect changes in ownership and deed recordings. Assessment appeals data is updated quarterly. As modifications and enhancements are made to the program, clients receive the enhanced version of the software updated seamlessly at no additional cost. The City will be granted a "site license" for the application, which allows for an unlimited number of users. As part of the property tax service, HdLCC grants use of the property tax web application to all city employees and any additional persons designated by City staff. The software can be used to access secured, unsecured, cross reference, possessory interest, mineral rights and SBE non-operating unitary tax rolls. Access to this information can be useful not only to the Finance Department but Building and Safety, Fire, Police, Planning, Code Enforcement and other departments as well.

The application is compatible with the current and prior versions of Internet Explorer, Microsoft Office Suite and Adobe Acrobat Reader. The application is hosted on a secure server maintained by HdLCC. Data is backed up nightly and replicated to an offsite storage location to be used in case of an emergency. Property transfer information is updated monthly and the prior sales transactions are stored for all parcels for reference.

Filtering is available for tax exempt, Pre-Prop 13 owned properties, non-owner occupied properties (absentee owners), specific focused uses, targeted values, and selection of various other property characteristics. The database can be sorted by parcel number, owner, situs address, county use code designation net assessed value, and tax rate area. Data can be exported from the database to Excel, CSV, Text or Html to allow for further analysis through easy to use export features. Custom exports are also available that contain the data necessary to link or integrate with GIS, city building or code enforcement products.

The HdLCC web-based software also includes a user friendly GIS tool for identifying geo areas. Users can create geo areas by selecting parcels or by drawing shapes on the map. Parcel searches by proximity for the notification of property owners and printing mailing labels are available. Filtered parcels can be viewed visually on a map.

Training is provided annually at no additional cost to the client and HdLCC's staff is available to answer questions, provide phone assistance or trouble shoot issues that arise between scheduled training events free of charge.

Delivering Revenue,
 Insight and Efficiency
 to Local Government

The City Of San Diego
 381,283 parcels

Logout

Parcel 340-081-02-00

Use 21 Commercial 1 to 3 Story Misc. Store Buildings

Owner QUALCOMM INC

Situs 10555 SORRENTO VALLEY RD
SAN DIEGO CA 92101

OBA:

Mail Name: QUALCOMM INC

Mail Address: 5775 MOREHOUSE DR SAN DIEGO CA 92121

This Parcel Is: Absentee Owned Pre Prop 13

TRA: 008-118 The City Of San Diego

Agency: San Diego General Fund

Parcel Type: _____ TG Page: 1208-C7

Zoning: _____ Region: (unknown)

Census Tract: 0083.391 Lot # 9 Tract # 00483

Net Total AV: \$12,850,265 -8.97% Change from prior fiscal year

Revenue: <input checked="" type="radio"/> General Fund	<input type="radio"/> Project Area
Secured: \$22,207.89	0.1728%
Unsecured: \$8,483.39	Tax Bill: \$0.00
Cross-Ref: \$0.00	Last Sale: 6/14/1995
Total Rev: \$30,691.28	Last Sale Amount: \$0

Values	Sales	General	Appeals	Unsecured	SBE Utilities
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Current Year Values		Exemptions
Land	954,830	
Improvements	7,522,053	
Fixtures		
Personal Property	4,373,382	
Totals	12,850,265	
Net Total AV	12,850,265	

Prior Year Values		Exemptions
	936,108	
	7,391,933	
	5,787,760	
Totals	14,115,801	
	14,115,801	

2005	2006	2007	2008	2009	2010	2011	2012	2013
------	------	------	------	------	------	------	------	------

Summary of Features

- | | |
|---|--|
| <ul style="list-style-type: none"> Search by Parcel, Use, Owner or Site Address Calculate City/RDA Revenue For Each Parcel Build User-Defined Custom Data Sub-Sets (Geos) Print Custom User-Defined Reports Display Parcel on Microsoft Visual Earth (Web) Filter Database on Any One of Combination of Fields Print Mailing Labels with Postal Bar Codes Export Data and Link to Other Data Sets | <ul style="list-style-type: none"> View Sales History (Seller, Date, Price & Document) View Building/Land Characteristic Data Link to Assessor Parcel Maps (Web) Link to County Parcel Tax Bill Information (Web) Easy Access to User Help Section View/Search Unsecured Property Tax Records Monitor Assessment Appeals Activity View At Least 5 Years of Historical Information on Each Unsecured Property |
|---|--|

7. REVENUE QUERY DATABASE

The HdL Revenue Query Service will allow the City to query a variety of revenue sources from one database. Results will be provided by revenue source showing quarterly or annual revenues as appropriate. HdL will process, standardize and cross-reference the City's business tax, sales tax and property tax data, then load the results into the HdL Revenue Query Database. This data will be updated quarterly, and can be imported into City GIS or queried directly as desired.

HdL can optionally provide the HdL Revenue Query System, which is a web-based SAAS application and is securely hosted on HdL servers. The City will be granted a "site license" for the application which allows for an unlimited number of authorized users. The City will receive a login to the application for appropriately authorized individuals.

8. QUALIFICATIONS AND EXPERIENCE

a. Organizational Structure

Please see previous section (Page 16) for corporate structure of HdL Companies.

b. Key Staff

HdL Coren & Cone's Property Tax Service team is comprised of individuals with extensive experience in property tax administration, business development, financial management and economic development.

HdL Coren & Cone

Paula Cone – President

47 Years of Relevant Experience with 23 years at HdL Coren & Cone

Ms. Cone is responsible for the day-to-day management of the property tax programs and services and would serve as the liaison for the Property Tax Management Team for the City of San Diego. The Property Tax team includes:

Audit and Production Team

Our Audit and Production Team insures that the data from the San Diego County Assessor is processed in an accurate and timely manner and is available to the City on our property tax web application. The team has been performing audits of assessments and an allocation for over 30 years combined and has the skills and expertise to navigate new and potential changes that may impact allocations. The team is also responsible for running the reports that are delivered at the annual meetings with the City staff, as well as processing any special report requests.

Nichole Cone – Vice President/Principal

21 Years of Relevant Experience with HdL Coren & Cone

Robert Scherer – IT Manager

9 Years of Relevant Experience with HdL Coren & Cone

Successor Agency Services Team

The dissolution of redevelopment agencies has been a complicated and confusing process for City and Successor Agency staff. Our associates are experienced and up to date on the legislation dissolving redevelopment agencies and on the most current rule changes and interpretations. Our associates are extremely qualified to assist City staff with navigating these complex issues.

David Schey – Vice President/Principal

35 Years of Relevant Experience with 19 years at HdL Coren & Cone

Cheryl Murase – Principal

21 Years of Relevant Experience with 16 years at HdL Coren & Cone

Technical Support and Training

Robert Scherer – IT Manager

9 Years of Relevant Experience with HdL Coren & Cone

Joel Hermann – Programmer/Analyst

17 Years of Relevant Experience with 12 years at HdL Coren & Cone

c. **Resumes/Experience**

As requested, one page information sheets of our key personnel follow this page.

Paula Cone

Experience

HdL Coren & Cone - President/Partner:

April 1990 - Present

- Founding partner of HdL Coren & Cone the property tax company aligned with the HdL Companies. Completed the development of the first cost-effective and accurate program for identifying, monitoring, auditing and correcting property tax misallocations. Instrumental in the development and creation of the analytical and management report that have become the standard in the industry of trending and forecasting revenue and property value changes. Oversees the company's property tax management service and client interface. Over the past 23 years the company has grown to serving 190 local agencies in 40 counties in California.

City of Lawndale - Assistant City Manager:

January 1981 - March 1990

- Served as the Assistant City Manager responsible for the departments of Finance, Personnel, Risk Management, Emergency Management, Animal Control and Parking Enforcement, and Cable Television. Served as the staff to various commissions, committees and the city council for projects and support. Responsible for both the program development and staff supervision of departments and projects assigned.

City of Lawndale - Director of Parks and Recreation

July 1970 - January 1989

- Responsible for the staffing and programming of recreation facilities. Major responsibilities included coordination of adult and youth sport leagues, senior citizen programming, pre-school/tiny tot programming, planning of after school and vacation special events, and the development of junior high school special events. The position also included application and securing of grant funds for facility expansion, joint powers coordination with local school sites for after school programs, and involvement in the development and construction of new facilities.

Education

- **Bachelor of Science, Kinesology/Physical Education - California State University Long Beach**

Nichole Cone

Experience

HdL Coren & Cone - Principal/Vice President:

January 2011 - Present

- Delivery of annual property tax reports to client. Oversee the acquisition and processing of county assessor and auditor-controller data into HdL Coren & Cone's database. Manage the preparation and production of property tax reports. Serve as the main point of contact for special projects requested by clients. Oversee staff responsible for all secured and unsecured audit submittals. Respond to general day to day client inquires. Work closely with IT staff to redesign reports and databases.

HdL Coren & Cone - Production Manager:

December 2000 - December 2010

- Requested assessor and auditor controller data. Read and assembled data from multiple sources for use in property tax reports. Imported quarterly sale data. Printed and assembled delivery materials. Created client install disks for HdL Coren & Cone desktop application. Served as the main point of contact for HdL CC's CAFR product and redesigned to implement GASB 44. Client geo creation, special projects and general questions as needed.

HdL Coren & Cone - Data Entry/Production Assistant:

January 1992 - November 2000

- Entered property tax data into HdL CC's property tax system. Printed, collated and assembled reports and delivery materials. Created mailing lists and general support to HdL CC principals.

Education

- **Bachelor of Arts, Art History - Loyola Marymount University**

Robert Scherer

Experience

HdL Coren & Cone - IT Manager:

May 2004 - Present

- Plans, Designs, and Manages the integration and preparation of County data into the HdL CC property tax system. Designer and programmer of HdL CC's property tax analytical reports system. Supervises all programming and IT support staff. Maintains organization's effectiveness and efficiency by defining, delivering, and supporting strategic plans for implementing information technologies. Maintains quality service by establishing and enforcing organization standards. Maintains organization's effectiveness and efficiency by defining, delivering, and supporting strategic plans for implementing information technologies.

Education

- **Bachelor in Business Administration, Computer Information Systems - *Cal Poly Pomona***

David Schey

Experience

HdL Coren & Cone - Principal/Vice President:

October 1994 - Present

- Manages analytical staff in connection with redevelopment and dissolution related issues. Provides fiscal consulting services in connection with tax allocation bonds and refunding bonds. Provides analysis to clients in the area redevelopment tax sharing and tax increment allocation. Provides analytical services for clients in relation to issues arising from allocation of property tax revenues. Has provided expert witness testimony in connection with property taxation and allocation.

Schey and Associates - Owner:

January 1989 - October 1994

- Provided project management and consulting services in connection with municipal golf course development. Directed the planning, design and construction of an 18-hole expansion of the Palm Springs Municipal Golf Course.

The Benchmark Group - Project Manager:

January 1986 - December 1988

- Provided project management services for implementation of redevelopment agency projects. Managed construction of the Irwindale Senior Center, Azusa Senior Center and single family homes within the City of Irwindale development as affordable housing.

City of Indian Wells - Community Development Director:

January 1978 - December 1985

- Worked in various planning capacities leading to appointment as Community Development Director and Deputy Executive Director of the Indian Well Redevelopment Agency. Managed the planning, public works and redevelopment activities of the City. Developed the plan to construct the 36-hole Indian Wells Golf Resort. Managed financing, land acquisition, design and construction of the facility. Negotiated development agreements for construction of two destination resort hotels on the golf course site. Managed construction major flood control and municipal infrastructure projects.

Education

- **Master of Public Administration - *University of Southern California***
- **Bachelor of Arts, Political Science - *California State University, Long Beach***
- **Bachelor of Arts, Psychology - *University of California, Los Angeles***

Service

- ***Planning Commission - City of Diamond Bar***
Served on and chaired the City's first planning commission after incorporation in 1987. Oversaw the development of the City's first zoning ordinance and General Plan.
- ***Parks and Recreation Commission - City of Diamond Bar***

Cheryl Murase

Experience

HdL Coren & Cone - Principal:

May 1997 - Present

- Analysis of property tax data for clients as required. Preparation of Recognized Obligation Payment Schedules and other documentation necessary for Successor Agency operations. Fiscal Consulting in connection with tax allocation bonds and refunding bonds. Preparation of continuing disclosure reports and revenue sufficiency tests in conformance with requirements of bond indentures. Development of tax increment projections and analysis of property tax collections. Assists clients with calculation of payments required as a result of Disposition and Development Agreements and Owner Participation Agreements.

O'Conner & Company Securities - Senior Vice President:

1992 - 1997

- Designed and led project to revamp system for data collection and analysis, including training staff on new procedures. Make recommendations on program evaluation and statistical analysis. Compiled and analyzed statistical data comparing YMC's outcomes with local and national outcomes. Produced new and updated reports, presentations, and marketing materials. Assisted with creating materials for grant proposals.

Rod Gunn Associates - Associate:

1987 - 1992

- Provided consulting services to city and redevelopment agency clients in connection with a wide variety of tax allocation, certificate of participation, Marks-Roos and Mello-Roos financings.

Municipal Accounting:

Prior to 1987

- Worked in a variety of capacities within the finance departments of the cities of Commerce and Montebello.

Education

- Bachelor of Arts, Accounting - *California State University, Long Beach*

Joel Hermann

Experience

HdL Coren & Cone - Programmer/Analyst:

October 2001 - Present

- In collaboration with other programming staff, designs, implements, and maintains several of HdL CC's data entry, processing and mining applications. Utilizes extensive experience in preparation of City and Special District direct assessments. Works closely with client City and Special District staff and provides technical support and training for our client applications. Project coordinator for design and development of the current HdL Companies web site. Shares responsibility for administration of HdL CC's network.

Hinderliter de Llamas & Associates - Production Services:

October 1996 - October 2001

- Reviewed, researched and improved the accuracy of Sales Tax data supplied by the State Board of Equalization. Generated reports for Analyst and Principal staff. Developed data structures and procedures to simplify and automate common data tasks.

Service

▪ ***Primary Database Application Repair and Enhancement***

Immigration Center for Women and Children (ICWC), San Francisco, CA

May - June 2011

9. REFERENCES

Property Tax References

City of Huntington Beach

Property Tax Audit and Information Services
2000 Main Street, Huntington Beach, CA 92648
Client Since 1991

Lori Ann Farrell, Finance Director, 714.536.5511

Contract Amount: \$20,500

Contract Result: Provide client with ongoing property tax services for analysis and budgeting purposes. Audit recovery total of \$262,118.

City of Long Beach

Property Tax Audit and Information Services
333 W. Ocean Blvd., 6th Floor, Long Beach, CA 90802
Client Since 2006

Julissa Jose-Murray, Revenue and Budget, 562.570.6869

Contract Amount: \$18,750

Contract Result: Provide client with ongoing property tax services for analysis and budgeting purposes. Audit recovery total of \$37.7 million.

City of Oakland

Property Tax Audit and Information Services
150 Frank Ogawa Plaza, 5th Floor, Oakland, CA 94612
Client Since 1994

David McPherson, Revenue and Tax Administrator, 510.238.6650

Contract Amount: \$22,000 plus 25% of net recovered revenue

Contract Result: Provide client with ongoing property tax services for analysis and budgeting purposes. Audit recovery total of \$10 million.

City of Santa Monica

1717 4th Street, Suite 250, Santa Monica, CA 90401
Client Since 1997

David Carr, Principal Budget Analyst, 310.458.8775

Contract Amount: \$18,250 plus 25% of net recovered revenue

Contract Result: Provide client with ongoing property tax services for analysis and budgeting purposes. Audit recovery total of \$8,500,000.

City of Santee

Property Tax Audit and Information Services
10601 Magnolia Avenue, Santee, CA 92701
Client Since 2007

Tim McDermott, Finance Director, 619.258.4100

Contract Amount: \$18,500 plus 25% of net recovered audit revenue

Contract Result: Provide client with ongoing property tax services for analysis and budgeting purposes. Audit recovery total of \$3,700,000.

10. OPTIONAL SERVICES

HdL Coren & Cone provides property tax services, including developing the City/Agency database, analytical reports and staff assistance, for an annual retainer fee.

Optional services are priced separately depending on the complexity of the tasks involved. Such fees can either be fixed or time and materials. Our hourly fees are listed below:

Partner	\$225 per hour
Principal	\$195 per hour
Programmer	\$150 per hour
Associate	\$150 per hour
Senior Analyst	\$100 per hour
Analyst	\$ 65 per hour
Administrative	\$ 45 per hour

Hourly rates exclude out-of-pocket expenses which are billed at 1.15 times actual costs.

APPENDIX 1

Sample Sales Tax Reports

- A. Trends by Major Groups
 - 1. Quarterly
 - 2. Annually
- B. Quarterly analyses of sales by designated geographic area, including reports to comply with any sales tax sharing agreements with other agencies or private developers. Used to monitor effectiveness of existing development efforts as well as establishing future priorities.
 - 1. Sample of Detailed Geo Analysis
 - 2. Sample of Trends Comparison
- C. Quarterly printouts of Top 100 and Top 20 sales tax generators listed in descending order. Used by top management to track trends and identify companies who should be contacted as part of a business retention program and who might identify customers and suppliers who might be interested in relocating to the City.
 - 1. Top 100 Sales Tax Generators
 - 2. Top 20 Sales Tax Generators
- D. Quarterly analysis of sales by business type, including comparisons with state and county averages.
 - 1. Allocations by Business Type Including Pools
 - 2. Per Capita/Account Economic Comparisons
- E. Reports and analysis to support budget projections.
 - 1. Quarterly Deviation Analysis
 - 2. Sale Tax Allocation Summary
 - 3. Budget Projection
 - 4. 5 Year Forecast
 - 5. *Consensus Forecast* - Quarterly Economic Update
 - 6. Triple Flip Calculations
- F. Quarterly customized newsletter summarizing sales tax highlights presented in a manner to protect community businesses' confidentiality. Allows sales tax trends to be generally distributed to support economic development.
- G. Special reports as needed for economic development and other purposes.
 - 1. Market Competition Comparisons
 - 2. Countywide Trends
 - 3. Samples of Ongoing Issue Papers: *Legislative Update - December 2012*
Issue Update - December 2012
 - 4. *HeadLines* - Trends Affecting California's Economy (Bi-Monthly Newsletter)
 - 5. *2013 Retail Analytics*





CITY OF SAN DIEGO

MAJOR INDUSTRY GROUPS - 13 QUARTER HISTORY

Sales Tax by Major Industry Group

General Consumer Goods

Count: 21,935

Restaurants And Hotels

Count: 4,641

Business And Industry

Count: 11,274

Autos And Transportation

Count: 2,795

Fuel And Service Stations

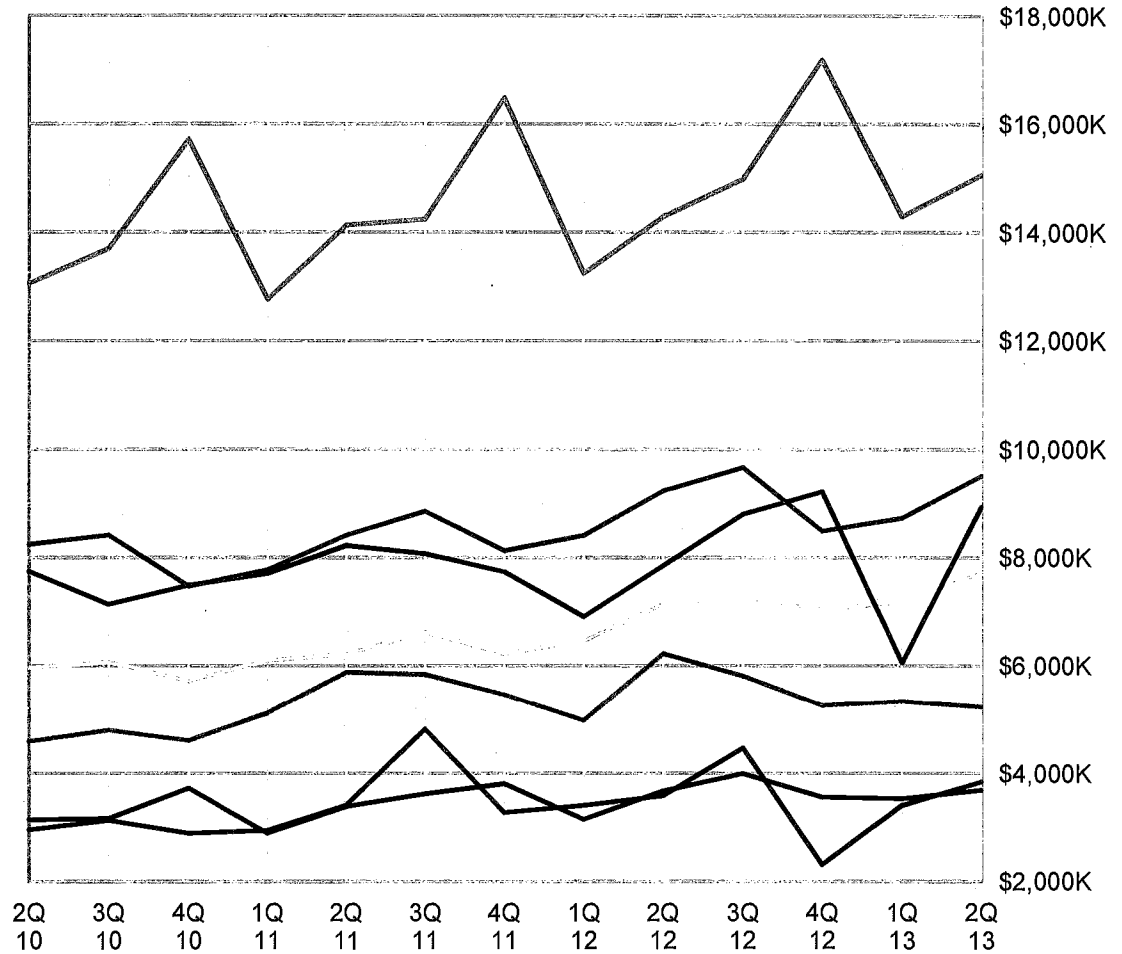
Count: 371

Building And Construction

Count: 1,167

Food And Drugs

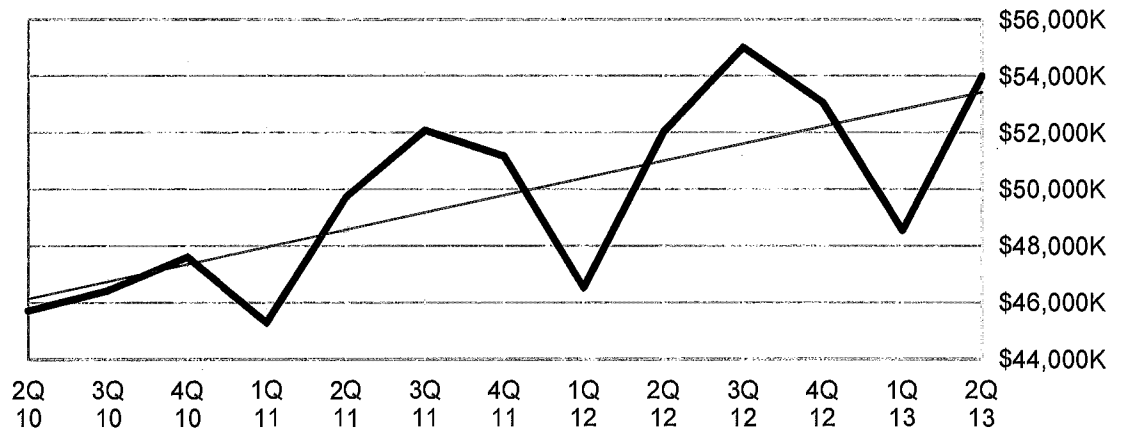
Count: 1,594



Agency Trend

San Diego

13 Quarter Trend: +15.8%



Periods shown reflect the period in which the sales occurred - Point of Sale

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Sales Tax by Major Industry Group

- General Consumer Goods**
Count: 21,935

- Restaurants And Hotels**
Count: 4,641

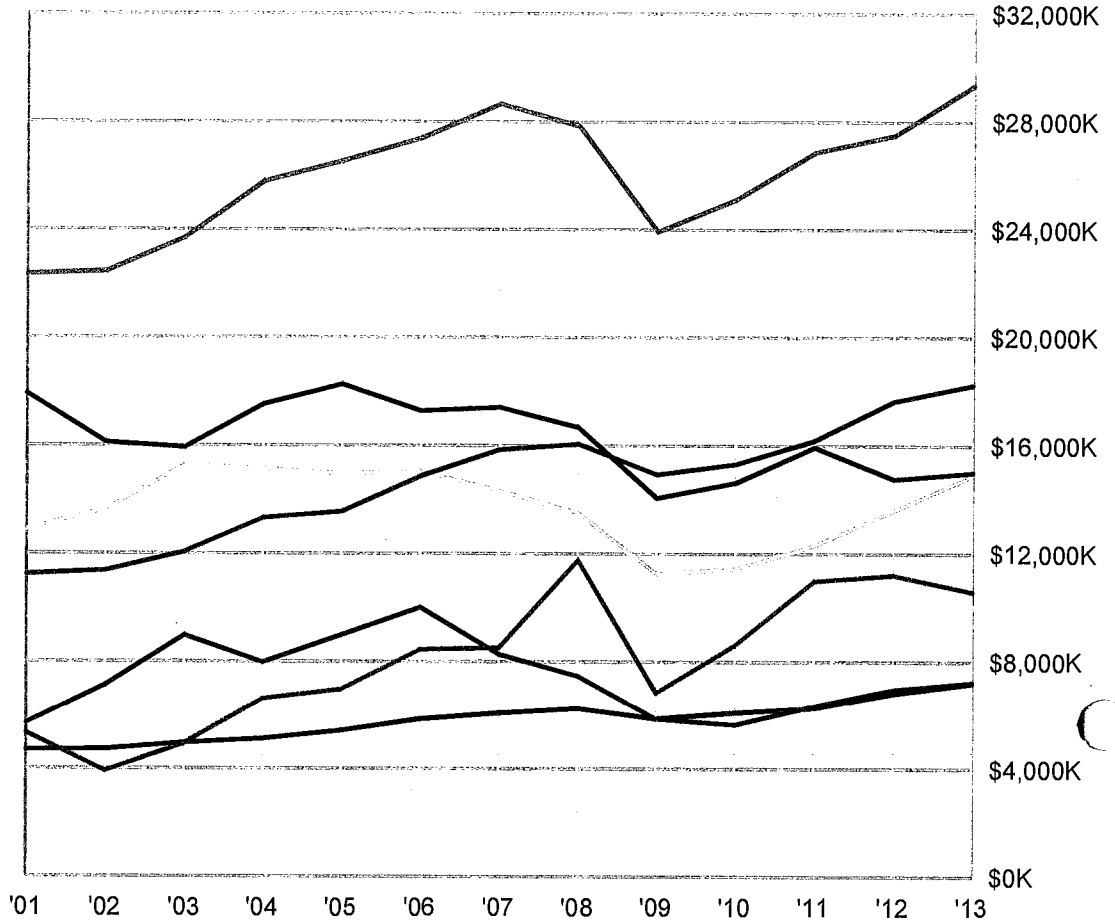
- Business And Industry**
Count: 11,274

- Autos And Transportation**
Count: 2,795

- Fuel And Service Stations**
Count: 371

- Building And Construction**
Count: 1,167

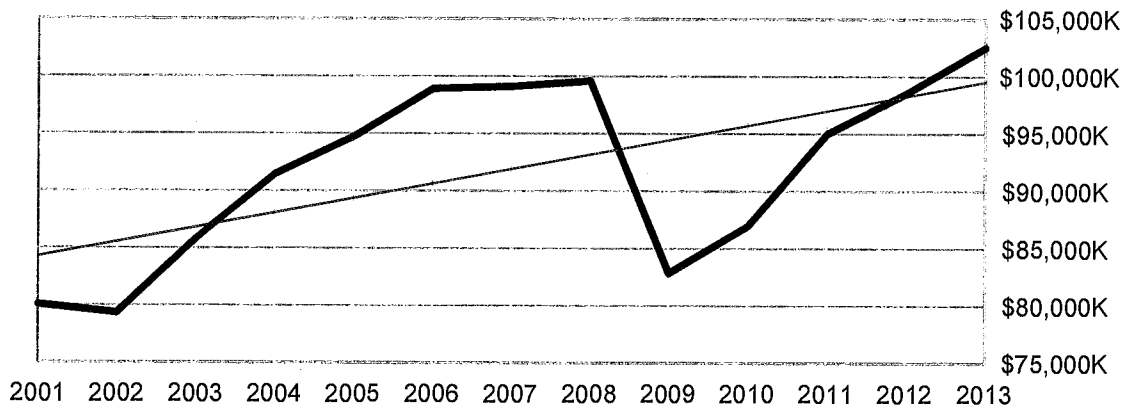
- Food And Drugs**
Count: 1,594



Agency Trend

- San Diego**

- 13 Year Trend: +18.2%



Periods shown reflect the period in which the sales occurred - Point of Sale



CITY OF SAN DIEGO
LAS AMERICAS AT SAN YSIDRO (0001)

ALLOCATIONS BY BUSINESS TYPE - IN BUSINESS TYPE & FIRM NAME ORDER

Quarters shown reflect the period in which the sales occurred - Point of Sale

Firm Name	Business Address	Account Number	FY 2012-13				FY 2013-14	Fiscal
			2Q	3Q	4Q	1Q	2Q	YTD Total
01 - WOMEN'S APPAREL								
Ann Klein	4155 Camino De La Plz	SRY OH 100179960	25%					
Ann Taylor	4155 Camino De La Plz Ste 4	SRZ OH 097633804	14%					
Ann Taylor	4211 Camino De La Plz Ste 1	SRZ OH 097633804	14%					
BCBG	4155 Camino De La Plz Ste 4	SRY AA 018733983	25%					
Bcbg Max Azria	4345 Camino De La Plz Ste 2	SRY AA 018733983	25%					
Bebe	4211 Camino De La Plz	SRZ BH 019646581	17%					
Charlotte Russe	4345 Camino De La Plz # M-	SRY FH 025671240	17%					
Charlotte Russe Rampage	4345 Camino De La Plz Ste 2	SRY FH 025671240	17%					
Chicos	4125 Camino De La Plz	SRZ OH 030699892	17%					
Coach	4155 Camino De La Plz	SRZ OH 097733863	25%					
Foreign Exchange	4265 Camino De La Plz Ste 2	SRY AA 100869929	50%					
Forever XXI	4265 Camino De La Plz	SRY AA 099805974	17%					
Lane Bryant Outlet	4211 Camino De La Plz	SR OH 101100965						
Liz Claiborne	4201 Camino De La Plz Ste C	SRZ OH 030691690	33%					
Maidenform	4201 Camino De La Plz # G-	SRZ OH 017110469						
Motherhood Maternity	4201 Camino De La Plz	SRY OH 019734366	20%					
New York & Company Outlet	4211 Camino De La Plz Ste 1	SRY OH 102177062						
Papaya	4265 Camino De La Plz # 120	SRY AA 097582369	33%					
Princesa Gown And Gridai Shop	4345 Camino De La Plz # M	SR FH 101251226						
Reference Clothing Company Inc	4265 Camino De La Plz #1-2	SRY AA 097201044	x					
Steven Madden	4345 Camino De La Plz	SRZ OH 097129829	50%					
Victoria's Secret	4321 Camino De La Plz Spc	SRY OH 100624659	17%					
Wilson's Leather Outlet	4265 Camino De La Plz Ste 2	SRZ OH 101136026	50%					
Businesses For Type 01 = 23			Subtotals For Type 01					
02 - MEN'S APPAREL								
Haggar Direct	4345 Camino De La Plz # M2	SRY OH 097018143						
Paolo Giardini	4201 Camino De La Plz Ste 1	SRY AA 097811232						
Zumiez	4211 Camino De La Plz Spc	SRY OH 099733223	50%					
Businesses For Type 02 = 3			Subtotals For Type 02					
03 - FAMILY APPAREL								
Adidas	4201 Camino De La Plz Ste 1	SRZ OH 101562583	50%					
Aeropostale	4141 Camino De La Plz	SRZ OH 097999857	33%					
American Eagle	4211 Camino De La Plz	SRY OH 097896854	25%					
Banana Republic	4345 Camino De La Plz	SRZ BH 100372120	14%					
Brooks Brothers	4265 Camino De La Plz	SRZ OH 099793870	50%					
Calvin Klein	4125 Camino De La Plz Ste 4	SRZ OH 100284331	x 33%					
Calvin Klein	4265 Camino De La Plz Ste 1	SRZ OH 102355796	25%					
Childrens Place	4155 Camino De La Plz Ste 4	SRZ OH 097681492	25%					
Cotton On	4211 Camino De La Plz Spc	SRY AA 101300817	33%					
Designer Studio	4345 Camino De La Plz # M-	SR FH 100543462						
Dir Club Inc	4211 Camino De La Plz Unit	SRY OH 097151437						
Ecko Direct	4201 Camino De La Plz Ste 6	SRY OH 100538514	50%					
o Direct	4211 Camino De La Plz Spc	SRY OH 100538514	50%					
cap Outlet	4265 Camino De La Plz	SRZ BH 100488217	14%					
Geoffrey Beene	4321 Camino De La Plz Ste 2	SRZ OH 098038335	50%					

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CITY OF SAN DIEGO

LAS AMERICAS AT SAN YSIDRO (0001)

ALLOCATIONS BY BUSINESS TYPE - IN BUSINESS TYPE & FIRM NAME ORDER

Quarters shown reflect the period in which the sales occurred - Point of Sale

Firm Name	Business Address	Account Number	FY 2012-13				FY 2013-14	Fiscal YTD Total
			2Q	3Q	4Q	1Q	2Q	
03 - FAMILY APPAREL (Continued)								
Guess	4265 Camino De La Plz Ste 2	SRY AA 097540918	20%					
Guess	4061 Camino De La Plz Ste 4	SRY AA 097540918	20%					
Gymboree Outlet	4211 Camino De La Plz	SRY BH 099566578	17%					
Hot Topic	4211 Camino De La Plz #462	SRY AP 017779439	25%					
Hugo Boss	4061 Camino De La Plz Ste 4	SRY OH 097862610	33%					
Hurley	4155 Camino De La Plz Ste 4	SRZ EA 100008099						
Izod	4345 Camino De La Plz Ste 3	SRZ OH 098038335	50%					
Izod	4345 Camino De La Plz Ste 3	SRZ OH 100284331	x 33%					
Izod	4061 Camino De La Plz Ste 4	SRZ OH 100284331	x 33%					
Izod	4345 Camino De La Plz Ste 3	SRZ OH 102355796	25%					
J Crew	4155 Camino De La Plz	SRY OH 099560274	50%					
Janie & Jack Outlet 2834	4265 Camino De La Plz Ste 2	SRY BH 099566578	17%					
Jockey	4061 Camino De La Plz Ste C	SRY OH 099172272	x					
Kenneth Cole Consumer Direct L	4125 Camino De La Plz	SRZ OH 101594532						
Kids Supercenter	4211 Camino De La Plz	SR AA 100959898	x 50%					
Kipling	4155 Camino De La Plz Ste 4	SRZ OH 100393003	50%					
Lids 6157	4211 Camino De La Plz Spc 4	SRY OH 097689722	20%					
Lucky Brand Dungarees	4125 Camino De La Plz Ste 4	SRZ OH 097684744	20%					
Macondo	4211 Camino De La Plz	SR FH 102051414						
Michael Kors Stores Calif Inc	4125 Camino De La Plz Ste 4	SRY OH 100452003	50%					
My Savvy Dog	4211 Camino De La Plz	SR FH 101300722						
Nautica	4345 Camino De La Plz #290	SRZ OH 100393003	50%					
Old Navy Outlet	4201 Camino De La Plz	SRZ BH 100372796	25%					
O'Neill	4201 Camino De La Plz	SRY EA 101031337						
P S From Aeropostale	4211 Camino De La Plz	SRZ OH 101302498	50%					
P S From Aeropostale	4141 Camino De La Plz	SRZ OH 101302498	50%					
Pac Sun	4321 Camino De La Plz Ste 2	SRZ EA 097287678	25%					
Perry Ellis	4125 Camino De La Plz #420	SRZ GH 100561193						
Puma	4211 Camino De La Plz	SRZ FH 097583356	50%					
Ralph Lauren	4125 Camino De La Plz Ste 4	SRY OH 101620879						
Ryderz Compound Inc	4245 Camino De La Plz #280	SRY FH 102107151						
San Diego Outlet	4211 Camino De La Plz	SRY AS 100595401						
Sports Town Usa Las Americas (4211 Camino De La Plz #119	SR EH 102298078						
Tillys	4051 Camino De La Plz Ste C	SRY EA 024809209	25%					
Tommy Bahama	4061 Camino De La Plz Ste 4	SRZ OH 100624836	33%					
Tommy Hilfiger	4061 Camino De La Plz Ste 4	SRZ OH 102355796	25%					
True Religion	4211 Camino De La Plz #041	SRY AA 101238747	50%					
Under Armour Ret Of Calif Llc	4201 Camino De La Plz Ste 1	SRY OH 101548067						
Us Polo Association	4211 Camino De La Plz Ste 1	SR OH 101561064						
Businesses For Type 03 = 54			Subtotals For Type 03					
04 - SHOE STORES								
Aerosoles	4155 Camino De La Plz Bldg	SRZ OH 099911271						
Aldo	4155 Camino De La Plz	SRZ OH 097203761	20%					
Best Shoes	4509 Camino De La Plz Ste 3	SR FH 101032440						
Clarks Bostonian	4155 Camino De La Plz	SRZ OH 030636385	33%					
Converse Outlet Store	4445 Camino De La Plz Ste 4	SRZ OH 100039962						
Crocs	4211 Camino De La Plz	SRZ OH 100675496	50%					

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CITY OF SAN DIEGO

LAS AMERICAS AT SAN YSIDRO (0001)

ALLOCATIONS BY BUSINESS TYPE - IN BUSINESS TYPE & FIRM NAME ORDER

Quarters shown reflect the period in which the sales occurred - Point of Sale

Firm Name	Business Address	Account Number		FY 2012-13				FY 2013-14	Fiscal YTD Total
				2Q	3Q	4Q	1Q	2Q	
04 - SHOE STORES (Continued)									
Famous Footwear	4265 Camino De La Plz	SRZ OH 030691272	50%						
Finish Line	4211 Camino De La Plz	SRZ OH 097319073							
Journeys	4051 Camino De La Plz Ste 1	SRZ OH 030603857	20%						
New Balance Factory Store	4211 Camino De La Plz Bldg	SRZ OH 097854432							
Nike Outlet Store	4445 Camino De La Plz	SRZ OH 030683249	50%						
Payless Shoes	4265 Camino De La Plz	SRZ OH 030631930	8%						
Reebok International Ltd	4061 Camino De La Plz Ste 4	SRZ OH 030698722	25%						
Shoe Studio	4201 Camino De La Plz Ste 1	SRY FH 100312156							
Skechers	4155 Camino De La Plz	SRY AS 099216430	14%						
Skechers	4155 Camino De La Plz	SRY AS 099216430	14%						
Stride Rite Childrens Group Lic	4201 Camino De La Plz Ste 1	SRY OH 102423220	50%						
Stride Rite Outlet	4201 Camino De La Plz Ste 1	SRY OH 030620127	x 50%						
Vans	4211 Camino De La Plz Ste 1	SRZ OH 099514756	20%						
Businesses For Type 04 = 19									
			Subtotals For Type 04						
05 - VARIETY STORES									
Lior Inc	4211 Camino De La Plz	SR FH 101615282	x						
Shlomo Ben Moshe	4211 Camino De La Plz	SR FH 102126671							
Businesses For Type 05 = 2									
			Subtotals For Type 05						
ART/GIFT/NOVELTY STORES									
Foto Fantasy Inc	4211 Camino De La Plz	SRY OH 099765000	8%						
Sanrio	4265 Camino De La Plz Ste 1	SRY FH 025893973							
Businesses For Type 11 = 2									
			Subtotals For Type 11						
12 - SPORTING GOODS/BIKE STORES									
Active Ride Shop	4321 Camino De La Plz Ste 2	SRY EH 099914985	x 50%						
Businesses For Type 12 = 1									
			Subtotals For Type 12						
17 - JEWELRY STORES									
2939	4265 Camino De La Plz Ste 1	SRY OH 030703133	17%						
Daniels Jewelers	4265 Camino De La Plz Ste 1	SRY AS 014668322	33%						
Daniels Jewelers	4265 Camino De La Plz Ste 1	SRY AS 025126964	x 33%						
Fossil Stores I	4155 Camino De La Plz Ste 4	SRY OH 099675706							
Swarovski 229	4211 Camino De La Plz Ste 1	SRZ OH 097765803	33%						
Swarovski Retail Ventures Ltd	4211 Camino De La Plz	SRZ OH 097765803	33%						
Time Factory Inc	4155 Camino De La Plz Ste 4	SRY OH 100825440							
Ultra Jewelers	4125 Camino De La Plz Ste 4	SRY OH 100130293	50%						
Zales Outlet	4345 Camino De La Plz	SRY OH 030671368	25%						
Businesses For Type 17 = 9									
			Subtotals For Type 17						
19 - SPECIALTY STORES									
As Seen On T V	4201 Camino De La Plz # G-	SR FH 097945849	x						
Build A Bear Workshop	4321 Camino De La Plz Ste 2	SRY OH 097730439	50%						
Claire's Accessories	4321 Camino De La Plz Spc I	SRZ OH 025800813	14%						
Optics Company Store	4125 Camino De La Plz Ste A	SRZ OH 097911164	33%						
Disney Store	4321 Camino De La Plz	SRY OH 101063655	50%						
GNC	4155 Camino De La Plz	SRY OH 027627816	8%						

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CITY OF SAN DIEGO

LAS AMERICAS AT SAN YSIDRO (0001)

ALLOCATIONS BY BUSINESS TYPE - IN BUSINESS TYPE & FIRM NAME ORDER

Quarters shown reflect the period in which the sales occurred - Point of Sale

Firm Name	Business Address	Account Number	FY 2012-13				FY 2013-14	Fiscal YTD Total
			2Q	3Q	4Q	1Q	2Q	
19 - SPECIALTY STORES (Continued)								
Imdde Perfumes Llc	4265 Camino De La Plz Ste 1	SRX FH 101546551	25%					
Imdde Perfumes Llc	4345 Camino De La Plz Ste 3	SRX FH 101546551	25%					
Leon Max	4125 Camino De La Plz Ste 4	SRZ AP 011689641						
Perfumania Store 346	4125 Camino De La Plz	SRY OH 030693272						
R S D Enterprises	4321 Camino De La Plz Ste 2	SRX FH 097295494	50%					
Sally Beauty Supply	4345 Camino De La Plz	SRY JH 100999672	11%					
Samsonite	4345 Camino De La Plz #282	SRY OH 101511778						
Sunglass Hut	4345 Camino De La Plz Spc I	SRY OH 101041189	10%					
Sunglass Hut	4201 Camino De La Plz Ste 1	SRY OH 101041189	10%					
Sunglass Plus	4211 Camino De La Plz # C-5	SRY EH 100593732	x 50%					
Sunglass Plus	4211 Camino De La Plz	SRY EH 102296588	50%					
Toy Time	4211 Camino De La Plz	SR FH 100706803						
Toys Toys Toys	4211 Camino De La Plz	SR FH 102256837						
Toytown	4345 Camino De La Plz Ste 3	SR FH 102203821	x					
Ueta Inc	4509 Camino De La Plz Ste 3	SRY OH 100522080	25%					
Businesses For Type 19 = 21			Subtotals For Type 19					
21 - FOOD STORES NON-GROCERY								
Vitamin World	4229 Camino De La Plz Ste 1	SRY OH 099576387	50%					
Businesses For Type 21 = 1			Subtotals For Type 21					
24 - RESTAURANTS NO ALCOHOL								
Achiote	4419 Camino De La Plz	SR FH 100801871						
Chicken Ribs And Dogs	4211 Camino De La Plz Ste 1	SRX FH 100392729	x 50%					
Chickenow	4211 Camino De La Plz #158	SR OH 101635356						
Eyebrow Excellence	4211 Camino De La Plz Ste 1	SRY FH 101062977						
Fresh Wok	4191 Camino De La Plz	SR FH 102126340	x					
Great Steak & Potato	4211 Camino De La Plz #G1	SR FH 100575625						
Imagine Llc	4449 Camino De La Plz	SRY FH 100287381	17%					
Int House Of Pancakes	4291 Camino De La Plz	SR FH 097990847						
McDonalds	4449 Camino De La Plz #O	SRY KH 097797624	x 20%					
McDonalds	4449 Camino De La Plz	SRX EH 100101219	x 25%					
Mongus Grill	4211 Camino De La Plz Ste 1	SR FH 100712802	x					
Rice Garden Inc	4211 Camino De La Plz Ste 1	SRY AP 100923952						
San Diego Teriyaki & Roll	4211 Camino De La Plz Ste 1	SR FH 102212451						
Starbucks	4201 Camino De La Plz Ste 1	SRZ OH 030699061	1%					
Subway 24849	4211 Camino De La Plz Ste 1	SRY FH 101718816	50%					
Subway Sandwich	4211 Camino De La Plz #H-1	SR FH 097957256	x					
Villa Fik	4211 Camino De La Plz #158	SR OH 101631088						
Wetzels Pretzels	4211 Camino De La Plz	SRY FH 100889101						
Businesses For Type 24 = 18			Subtotals For Type 24					
31 - ELECTRONICS/APPLIANCE STORES								
Gamestop	4141 Camino De La Plz	SRZ OH 099901839	5%					
Sony Style	4051 Camino De La Plz	SRZ OH 100043683	20%					
Sprint	4509 Camino De La Plz	SRZ OH 097020795	13%					
Sprint	4509 Camino De La Plz	SRY OH 101057806	x 33%					
Businesses For Type 31 = 4			Subtotals For Type 31					

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CITY OF SAN DIEGO
LAS AMERICAS AT SAN YSIDRO (0001)
 ALLOCATIONS BY BUSINESS TYPE - IN BUSINESS TYPE & FIRM NAME ORDER

Quarters shown reflect the period in which the sales occurred - Point of Sale

Firm Name	Business Address	Account Number	FY 2012-13				FY 2013-14	Fiscal YTD Total
			2Q	3Q	4Q	1Q	2Q	
36 - RESTAURANTS LIQUOR								
Mongus Grill	4211 Camino De La Plz Ste 1 SR	FH 102318515						
Businesses For Type 36 = 1			Subtotals For Type 36					
51 - HARDWARE STORES								
Techtronic Industries Fctry Offts	4211 Camino De La Plz	SR OH 101143376						
Businesses For Type 51 = 1			Subtotals For Type 51					
84 - MEDICAL/BIOTECH								
Pacific Eye Wear Llc	4345 Camino De La Plz Ste 3 SR	FH 100748658 x						
Businesses For Type 84 = 1			Subtotals For Type 84					
89 - BUSINESS SERVICES								
H&R Block Enterprises Llc	4509 Camino De La Plz	SRY OH 101632724	2%					
Businesses For Type 89 = 1			Subtotals For Type 89					
95 - TRANSPORTATION NON-AUTO								
Oakley	4211 Camino De La Plz Ste 1 SRY	OH 097985315	33%					
Businesses For Type 95 = 1			Subtotals For Type 95					

REPORT TOTALS

Total Businesses in Agency: 244,124
 Total Businesses Printed: 162
 Total Active Businesses Printed: 150
 Total Business Types Printed: 17

Quarters shown reflect the period in which the sales occurred - Point of Sale

	FY 2012-13				FY 2013-14	Fiscal YTD Total
	2Q	3Q	4Q	1Q	2Q	
Regular Payments	570,842	619,435	764,004	551,517	584,888	584,888
Adjustments	1,304	(77)	(8,928)	1,441	18,153	18,153
Grand Totals	572,145	619,358	755,077	552,958	603,040	603,040

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Geo areas

Sales Tax by Geographic areas

- Carlsbad Company Stores**
 Count: 113

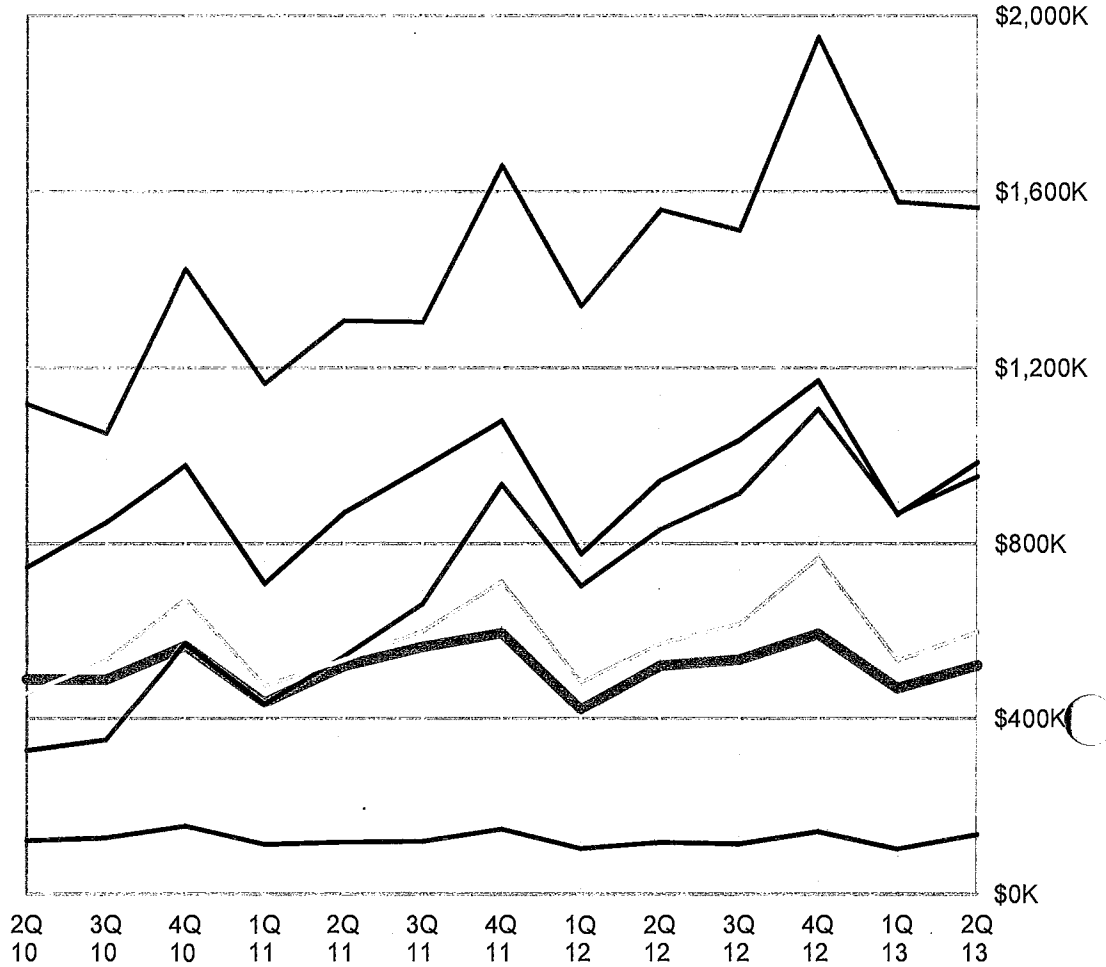
- Citadel Mall**
 Count: 143

- Desert Hills Factory Center**
 Count: 184

- Las Americas at San Ysidro**
 Count: 150

- Lake Elsinore Factory Ctr**
 Count: 70

- Camarillo Promenade/Premium Ot**
 Count: 190



Periods shown reflect the period in which the sales occurred - Point of Sale

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Rank	Business Type	Firm Name	Business Address	2Q 2013	2Q 2012	Prior 4 Qtrs	Percent Change	Percent of Total	Cumulative Percent
1	08	Douco Discount Dept Stores	2207 W Butler Ave	423,315	417,709	1,887,418	1.34%	14.33%	14%
2	60	Digraphic New Motor Vehicle Dealers	4 Locations	159,724	148,622	562,096	7.47%	5.41%	20%
3	60	Ooohlala New Motor Vehicle Dealers	1139 W East St	147,919	150,293	720,190	-1.58%	5.01%	25%
4	60	Macnetworks New Motor Vehicle Dealers	2 Locations	147,241	130,912	541,929	12.47%	4.98%	30%
5	60	Facadecor New Motor Vehicle Dealers	726 E East St	120,847	85,030	347,207	42.12%	4.09%	34%
6	50	Giftprints Lumber/Building Materials	500 S East Ave	118,493	107,552	421,950	10.17%	4.01%	38%
7	08	Verdalee Discount Dept Stores	2120 W East St	116,823	111,943	484,417	4.36%	3.95%	42%
8	60	Silverstone New Motor Vehicle Dealers	3 Locations	98,716	98,123	467,210	0.60%	3.34%	45%
9	65	Kiaras Auto Lease	No Address In City	76,071	70,307	299,105	8.20%	2.57%	48%
10	62	Lidos Service Stations	1201 S Ingersoll Blvd	75,026	82,703	313,402	-9.28%	2.54%	50%
11	60	Bonega New Motor Vehicle Dealers	1247 W East St	66,204	0	136,020	n/a	2.24%	52%
12	60	Photoscapes New Motor Vehicle Dealers	1100 W East St	55,588	31,341	155,119	77.37%	1.88%	54%
13	60	Crepery New Motor Vehicle Dealers	1811 W East St	48,482	44,431	197,555	9.12%	1.64%	56%
14	62	Ravenous Service Stations	300 S Ingersoll Blvd	41,183	38,590	151,829	6.72%	1.39%	57%
15	60	Formerica New Motor Vehicle Dealers	1700 W East St	40,716	42,798	183,042	-4.86%	1.38%	59%
16	07	Asd Department Stores	1201 S Townsend Ave	37,855	35,878	155,312	5.51%	1.28%	60%
17	62	Survive Service Stations	600 N Gibson Ave	35,031	37,526	140,572	-6.65%	1.19%	61%
18	03	Socorros Family Apparel	201 E East St	33,909	30,814	129,318	10.04%	1.15%	62%
19	65	Eventos Auto Lease	No Address In City	28,759	26,154	110,027	9.96%	0.97%	63%
20	19	Kenis Specialty Stores	2500 W Butler Ave	23,598	23,744	118,979	-0.62%	0.80%	64%
21	62	Capelli Service Stations	601 W Yukon Blvd	22,522	23,536	93,381	-4.31%	0.76%	65%
22	19	Maxies Specialty Stores	2568 W Butler Ave	21,827	21,579	86,217	1.15%	0.74%	66%
23	24	Awch Restaurants No Alcohol	2 Locations	21,481	20,079	82,719	6.98%	0.73%	66%
24	62	Metropoly Service Stations	3201 W Yukon Blvd	21,351	22,511	85,778	-5.15%	0.72%	67%
25	27	Kade Drug Stores	3 Locations	20,631	20,115	82,727	2.56%	0.70%	68%
26	62	Naturilk Service Stations	525 N Ingersoll Blvd	18,511	20,880	78,991	-11.34%	0.63%	68%
27	60	Kudos New Motor Vehicle Dealers	1200 W East St	18,357	15,677	63,895	17.10%	0.62%	69%
28	24	Chaunceys Restaurants No Alcohol	1210 N Ingersoll Blvd	17,368	16,177	64,129	7.36%	0.59%	70%
29	04	Neurina Shoe Stores	420 S Gibson Ave	17,283	1,355	6,083	1175.19%	0.58%	70%
30	34	Hotdog Grocery Stores Liquor	2400 W Butler Ave	16,015	0	0	n/a	0.54%	71%
31	62	Lanimar Service Stations	848 S Gibson Ave	15,758	18,335	64,635	-14.06%	0.53%	71%
32	62	Citiva Service Stations	2601 W East St	14,658	12,020	51,793	21.95%	0.50%	72%
33	34	Mulkeyland Grocery Stores Liquor	725 E East St	13,931	10,381	43,041	34.20%	0.47%	72%
34	31	Profab Electronics/Appliance Stores	810 E Yukon Blvd Ste D	13,072	9,351	49,119	39.79%	0.44%	73%
35	34	Smartforce Grocery Stores Liquor	345 E East St	12,830	11,603	40,140	10.58%	0.43%	73%

CITY OF GOTHAM

TOP 100 SALES TAX PRODUCERS - 2Q.2013

Rank	Business Type	Firm Name	Business Address	2Q.2013	2Q.2012	Prior 4 Qtrs	Percent Change	Percent of Total	Cumulative Percent
36	85	Samkha Transportation/Rentals	3 Locations	12,613	11,041	45,131	14.24%	0.43%	74%
37	35	Coopersoft Restaurants Beer And Wine	740 E Yukon Blvd	12,170	9,903	40,532	22.89%	0.41%	74%
38	62	Trails Service Stations	2600 W Yukon Blvd	11,431	15,016	47,526	-23.87%	0.39%	74%
39	12	Euphorbia Sporting Goods/Bike Stores	620 E Yukon Blvd	11,102	10,155	44,981	9.33%	0.38%	75%
40	31	Axon Electronics/Appliance Stores	2121 W East St Ste 100	10,988	11,000	47,363	-0.10%	0.37%	75%
41	65	Joyce Auto Lease	No Address In City	10,827	6,102	31,805	77.43%	0.37%	75%
42	66	Nuwart Boats/Motorcycles	3001 W East St Ste A	10,696	5,226	21,059	104.65%	0.36%	76%
43	12	Primeco Sporting Goods/Bike Stores	2801 W Dunkirk Rd	10,631	0	28,000	n/a	0.36%	76%
44	27	Bondesign Drug Stores	2 Locations	10,197	10,498	41,814	-2.86%	0.35%	77%
45	35	Greenbrew Restaurants Beer And Wine	33 W East St	10,185	9,384	36,181	8.53%	0.34%	77%
46	35	Confecion Restaurants Beer And Wine	68 W East St	9,977	0	7,045	n/a	0.34%	77%
47	36	Qualitytype Restaurants Liquor	700 S Republic St	9,967	10,078	33,611	-1.10%	0.34%	78%
48	05	Antoinette Variety Stores	2810 W Republic Rd	9,962	10,021	40,999	-0.59%	0.34%	78%
49	35	Creativities Restaurants Beer And Wine	742 W Yukon Blvd	9,892	9,039	35,193	9.44%	0.33%	78%
50	35	Dataliner Restaurants Beer And Wine	2131 W Butler Ave	9,497	9,582	36,696	-0.89%	0.32%	79%
51	35	Heatherstone Restaurants Beer And Wine	700 W Yukon Blvd	9,142	8,533	34,152	7.14%	0.31%	79%
52	90	Booz Food Mfg.	949 S Dupont Ave	9,121	7,796	34,510	17.00%	0.31%	79%
53	35	Christos Restaurants Beer And Wine	515 W East St	9,095	8,123	33,270	11.98%	0.31%	79%
54	27	Mandalay Drug Stores	2551 W East St	9,018	9,135	37,430	-1.28%	0.31%	80%
55	18	Waxworks Office Supplies/Furniture	1200 W Yukon Blvd	8,943	9,616	40,698	-7.00%	0.30%	80%
56	71	Frances Auto Repair Shops	328 S East Ave	8,873	7,359	32,270	20.58%	0.30%	80%
57	35	Foundry Restaurants Beer And Wine	245 W Yukon Blvd	8,634	7,103	28,135	21.56%	0.29%	81%
58	12	Chavas Sporting Goods/Bike Stores	2801 W Dunkirk Rd	8,557	0	14,956	n/a	0.29%	81%
59	30	Mtv Home Furnishings	700 S Hempstead Ave	8,413	7,543	32,787	11.54%	0.28%	81%
60	24	Eastwind Restaurants No Alcohol	138 E Yukon Blvd	7,520	7,145	27,323	5.25%	0.25%	82%
61	64	Khakis Used Automotive Dealers	400 W Yukon Blvd	7,510	6,655	28,585	12.84%	0.25%	82%
62	36	Alteryears Restaurants Liquor	2000 W East St	7,483	6,708	28,752	11.55%	0.25%	82%
63	90	Fernoll Food Mfg.	No Address In City	7,460	211	317	3427.72%	0.25%	82%
64	05	Warrior Variety Stores	600 E Yukon Blvd	7,117	7,145	31,972	-0.39%	0.24%	83%
65	35	Greenfield Restaurants Beer And Wine	1224 N Ingersoll Blvd	6,912	6,470	27,404	6.84%	0.23%	83%
66	65	Katana Auto Lease	No Address In City	6,401	5,916	33,304	8.20%	0.22%	83%
67	31	Fashionia Electronics/Appliance Stores	2115 W Butler Ave Ste A	6,393	6,702	27,103	-4.61%	0.22%	83%
68	36	Buckshot Restaurants Liquor	101 W East St Ste C	6,390	1,910	7,482	234.59%	0.22%	83%
69	91	Clearsight Textiles/Furnishings	321 S Clinton Ave	6,318	0	1,191	n/a	0.21%	84%
70	24	Travelsmith Restaurants No Alcohol	2528 W Butler Ave	6,226	5,602	22,074	11.14%	0.21%	84%

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CITY OF COTHAM

TOP 100 SALES TAX PRODUCERS - 2Q 2013

Rank	Business Type	Firm Name	Business Address	2Q 2013	2Q 2012	Prior 4 Qtrs	Percent Change	Percent of Total	Cumulative Percent
71	82	Imt Contractors	3001 W Dunkirk Rd Ste B	6,166	3,319	16,575	85.78%	0.21%	84%
72	35	Lockserv Restaurants Beer And Wine	2121 W East St Ste 210	6,153	6,310	24,224	-2.49%	0.21%	84%
73	35	Sportaction Restaurants Beer And Wine	500 W East St Ste A	6,105	0	20,973	n/a	0.21%	84%
74	36	Fye Restaurants Liquor	100 W East St	6,101	5,685	21,946	7.30%	0.21%	85%
75	35	Dawsons Restaurants Beer And Wine	2234 W Yukon Blvd	5,744	5,760	22,084	-0.27%	0.19%	85%
76	31	Lizzo Electronics/Appliance Stores	1127 S Townsend Ave	5,704	5,077	24,968	12.34%	0.19%	85%
77	18	Machete Office Supplies/Furniture	610 E Yukon Blvd	5,382	6,211	28,262	-13.35%	0.18%	85%
78	35	Childprotect Restaurants Beer And Wine	208 E Yukon Blvd	5,372	4,944	20,390	8.65%	0.18%	85%
79	35	Gypsywick Restaurants Beer And Wine	1032 E Yukon Blvd	5,348	5,639	22,417	-5.17%	0.18%	86%
80	36	Kelco Restaurants Liquor	910 E East St	5,107	5,057	19,772	1.00%	0.17%	86%
81	24	Calmarka Restaurants No Alcohol	245 S Ingersoll Blvd	5,102	4,682	18,935	8.96%	0.17%	86%
82	24	Envirotherm Restaurants No Alcohol	201 W East St	5,018	4,690	18,853	7.00%	0.17%	86%
83	61	Pmi Automotive Supply Stores	800 E Yukon Blvd	4,930	4,701	20,107	4.88%	0.17%	86%
84	24	Giulianos Restaurants No Alcohol	701 S Townsend Ave	4,842	4,783	19,449	1.22%	0.16%	86%
85	98	Willoworks Heavy Industrial	1147 S Dupont Ave	4,810	5,255	21,087	-8.47%	0.16%	87%
86	24	Awake Restaurants No Alcohol	228 W Yukon Blvd Ste 101	4,794	4,233	17,277	13.26%	0.16%	87%
87	24	Trading Restaurants No Alcohol	511 W Yukon Blvd	4,763	0	4,511	n/a	0.16%	87%
88	31	Solo Electronics/Appliance Stores	2 Locations	4,698	4,012	18,051	17.09%	0.16%	87%
89	33	Caruso Grocery Stores Beer/Wine	2121 W East St Ste 300	4,690	2,384	10,647	96.72%	0.16%	87%
90	19	Fryworks Specialty Stores	2115 W Butler Ave	4,559	4,211	18,721	8.28%	0.15%	87%
91	36	Hsquare Restaurants Liquor	47 W East St	4,548	4,448	17,410	2.24%	0.15%	88%
92	24	Godprint Restaurants No Alcohol	2521 W Butler Ave	4,537	4,501	18,246	0.81%	0.15%	88%
93	78	Novelty Morticians And Undertakers	225 N Gibson Ave	4,283	4,378	17,873	-2.16%	0.14%	88%
94	31	Ctm Electronics/Appliance Stores	2 Locations	4,264	5,357	26,455	-20.39%	0.14%	88%
95	24	Sandeeds Restaurants No Alcohol	1 W Yukon Blvd	4,242	3,986	15,304	6.43%	0.14%	88%
96	61	Lakshmi Automotive Supply Stores	1100 W Butler Ave	4,161	4,009	18,397	3.79%	0.14%	88%
97	65	Metalcraft Auto Lease	No Address In City	4,126	4,480	17,864	-7.91%	0.14%	88%
98	33	Brovell Grocery Stores Beer/Wine	1200 S Gibson Ave	3,912	3,807	14,836	2.77%	0.13%	89%
99	24	Zazie Restaurants No Alcohol	5 E East St	3,858	3,838	14,587	0.54%	0.13%	89%
100	11	Aquascapes Art/Gift/Novelty Stores	1703 W Yukon Blvd	3,835	3,107	14,424	23.45%	0.13%	89%
				Amount Paid By Top 100 Accounts	2,623,912	10,041,641		88.80%	
				Percent Paid By Top 100 Accounts	88.80%	83.28%			
				Total Paid By All Accounts	2,955,011	12,057,223			

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CITY OF GOTHAM

TOP 20 BUSINESSES

Firm Name	2Q 2012	% Chg	% of Total	Prior Year Comparison
Business Type	2Q 2013			<div style="display: inline-block; width: 10px; height: 10px; background-color: black; margin-right: 5px;"></div> 2Q 2012 <div style="display: inline-block; width: 10px; height: 10px; background-color: black; margin-right: 5px;"></div> 2Q 2013
Dougco Discount Dept Stores Discount Dept Stores	417,709 423,315	1%	14.3%	
Djgraphic New Motor Vehicle Dealers New Motor Vehicle Dealers	148,622 159,724	7%	5.4%	
Ooohlala New Motor Vehicle Dealers New Motor Vehicle Dealers	150,293 147,919	-2%	5.0%	
Macnetworks New Motor Vehicle Dealers New Motor Vehicle Dealers	130,912 147,241	12%	5.0%	
Facadecor New Motor Vehicle Dealers New Motor Vehicle Dealers	85,030 120,847	42%	4.1%	
Giftprints Lumber/Building Materials Lumber/Building Materials	107,552 118,493	10%	4.0%	
Verdalee Discount Dept Stores Discount Dept Stores	111,943 116,823	4%	4.0%	
Silverstone New Motor Vehicle Dealers New Motor Vehicle Dealers	98,123 98,716	1%	3.3%	
Kiaras Auto Lease Auto Lease (x)	70,307 76,071	8%	2.6%	
Lidos Service Stations Service Stations	82,703 75,026	-9%	2.5%	
Bonega New Motor Vehicle Dealers New Motor Vehicle Dealers	0 66,204	-n/a-	2.2%	
Photoscapes New Motor Vehicle Dealers New Motor Vehicle Dealers	31,341 55,588	77%	1.9%	
Crepery New Motor Vehicle Dealers New Motor Vehicle Dealers	44,431 48,482	9%	1.6%	
Ravenous Service Stations Service Stations	38,590 41,183	7%	1.4%	
Formerica New Motor Vehicle Dealers New Motor Vehicle Dealers	42,798 40,716	-5%	1.4%	
Asd Department Stores Department Stores	35,878 37,855	6%	1.3%	
Survive Service Stations Service Stations	37,526 35,031	-7%	1.2%	
Socorros Family Apparel Family Apparel	30,814 33,909	10%	1.1%	
Eventos Auto Lease Auto Lease (x)	26,154 28,759	10%	1.0%	
Keris Specialty Stores Specialty Stores	23,744 23,598	-1%	0.8%	
Top 20 Businesses	1,714,468 1,895,501	10.6%	64.1%	
Agency Total	2,955,426 2,955,011	0.0%	100.0%	

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CITY OF SAN DIEGO

TOP 25 BUSINESS TYPES LISTED BY ALLOCATION 2Q 2013 COMPARED TO 2Q 2012

Code	Business Type Description (Count)	AGENCY			COUNTY		HdL STATE	
		2Q 2013	2Q 2012	Change	2Q 2013	Change	2Q 2013	Change
60	New Motor Vehicle Dealers (117)	4,371,706	3,855,710	13.4%	12,705,878	12.6%	130,412,479	11.1%
36	Restaurants Liquor (1196)	4,236,958	4,085,365	3.7%	6,612,934	4.8%	63,256,584	9.7%
62	Service Stations (300)	3,652,125	4,186,757	-12.8%	10,532,314	-9.5%	140,474,796	-5.7%
24	Restaurants No Alcohol (2878)	3,304,138	3,219,323	2.6%	6,745,265	1.9%	72,652,644	5.9%
08	Discount Dept Stores (33)	2,755,213	2,691,205	2.4%	8,225,044	2.0%	81,762,097	2.3%
03	Family Apparel (2675)	2,140,881	1,963,115	9.1%	3,742,526	4.9%	36,354,652	4.7%
19	Specialty Stores (6060)	1,682,026	1,595,062	5.5%	3,168,391	4.7%	32,890,812	5.2%
31	Electronics/Appliance Stores (654)	1,680,833	1,582,837	6.2%	3,076,335	6.3%	30,756,629	3.9%
07	Department Stores (256)	1,591,807	1,583,895	0.5%	2,943,849	-0.7%	32,156,828	0.2%
96	Petroleum Prod/Equipment (65)	1,567,036	2,022,281	-22.5%	1,724,808	-20.6%	34,942,902	-2.9%
50	Lumber/Building Materials (96)	1,544,819	1,541,452	0.2%	4,183,442	-3.8%	47,177,209	-4.5%
82	Contractors (762)	1,517,602	1,404,307	8.1%	2,750,875	5.5%	36,324,277	5.6%
34	Grocery Stores Liquor (299)	1,451,847	1,402,355	3.5%	3,216,110	4.0%	38,102,034	2.7%
99	Light Industrial/Printers (2334)	1,282,596	1,164,947	10.1%	2,144,232	6.3%	30,662,792	9.7%
89	Business Services (2842)	1,229,975	646,495	90.3%	1,632,112	77.3%	14,553,178	-2.3%
30	Home Furnishings (1022)	1,221,250	1,151,527	6.1%	2,451,026	5.4%	25,018,230	6.8%
86	Electrical Equipment (414)	1,194,530	1,461,148	-18.2%	2,202,412	-3.6%	20,601,620	10.6%
85	Transportation/Rentals (511)	1,128,270	1,086,984	3.8%	1,613,751	12.1%	19,058,388	40.5%
18	Office Supplies/Furniture (719)	1,108,039	1,152,224	-3.8%	1,489,702	-5.9%	23,317,517	-11.7%
75	Restaurants Beer And Wine (357)	842,280	909,675	-7.4%	1,816,067	-2.1%	23,490,552	-0.8%
75	Hotels-Liquor (132)	770,312	691,462	11.4%	1,110,585	10.9%	8,886,898	7.6%
33	Grocery Stores Beer/Wine (187)	763,950	803,867	-5.0%	1,433,383	-0.8%	12,342,925	-2.5%
92	Drugs/Chemicals (323)	741,723	646,453	14.7%	986,313	8.5%	12,172,534	8.7%
72	Repair Shop/Equip. Rentals (809)	735,269	401,351	83.2%	1,149,946	41.2%	11,047,887	8.8%
01	Women's Apparel (654)	682,082	691,343	-1.3%	1,366,252	5.3%	15,178,371	2.9%
	All Others (18089)	10,802,623	10,095,121	7.0%	22,883,305	7.7%	340,511,531	19.8%
	TOTAL ALL TYPES (43784)	53,999,889	52,036,261	3.8%	111,906,857	3.9%	1,334,106,365	7.0%
Major Industry Groups								
	Autos And Transportation (2795)	7,718,499	7,137,213	8.1%	19,917,009	10.2%	216,384,496	12.2%
	Building And Construction (1167)	3,839,596	3,584,498	7.1%	8,597,486	2.9%	107,479,903	2.8%
	Business And Industry (11274)	8,938,648	7,850,744	13.9%	15,183,213	10.5%	253,115,519	20.3%
	Food And Drugs (1594)	3,686,449	3,672,910	0.4%	7,326,701	2.0%	80,681,341	2.1%
	Fuel And Service Stations (371)	5,244,036	6,228,074	-15.8%	12,349,361	-10.9%	176,951,019	-4.9%
	General Consumer Goods (21935)	15,060,063	14,285,355	5.4%	31,410,175	4.9%	321,991,275	4.5%
	Restaurants And Hotels (4641)	9,512,474	9,235,254	3.0%	17,111,895	3.5%	177,407,670	7.2%
	Transfers & Unidentified (7)	125	42,212	-99.7%	11,015	-76.1%	95,143	-76.5%
	TOTAL ALL GROUPS (43784)	53,999,889	52,036,261	3.8%	111,906,857	3.9%	1,334,106,365	7.0%
TOTAL ALL BUSINESSES (43784)		53,999,889	52,036,261	3.8%	111,906,857	3.9%	1,334,106,365	7.0%
ALLOCATIONS FROM COUNTY POOL		6,496,689	6,201,421	4.8%				
ALLOCATIONS FROM STATE POOL		37,645	52,231	-27.9%				
GROSS RECEIPTS		60,534,222	58,289,912	3.9%				

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Code	Business Type Description (Count)	Sales \$ Per Account			Sales \$ Per Capita			% Of Total Sales		
		Agency	County	State	Agency	County	State	Agency	County	State
60	New Motor Vehicle Dealers (117)	3,736,501	4,411,763	4,507,361	330	403	350	8.2%	11.5%	10.1%
36	Restaurants Liquor (1,196)	353,003	306,728	230,105	318	209	169	7.9%	5.9%	4.9%
62	Service Stations (300)	1,215,133	1,294,405	1,245,962	275	334	376	6.8%	9.5%	10.8%
24	Restaurants No Alcohol (2,878)	114,792	114,864	105,966	249	214	195	6.2%	6.1%	5.6%
08	Discount Dept Stores (33)	8,349,132	8,940,265	8,661,239	208	261	220	5.2%	7.4%	6.4%
03	Family Apparel (2,675)	79,774	63,824	56,761	161	119	98	4.0%	3.4%	2.8%
19	Specialty Stores (6,060)	27,565	24,722	24,245	126	100	88	3.1%	2.8%	2.6%
31	Electronics/Appliance Stores (654)	254,510	208,589	183,239	126	97	83	3.1%	2.8%	2.4%
07	Department Stores (256)	621,799	478,675	404,590	120	93	87	3.0%	2.7%	2.5%
50	Lumber/Building Materials (96)	1,641,602	1,671,099	1,415,049	119	135	129	3.0%	3.8%	3.7%
34	Grocery Stores Liquor (299)	489,125	494,417	385,390	110	102	102	2.7%	2.9%	3.0%
96	Petroleum Prod/Equipment (65)	2,221,472	1,281,384	1,219,747	109	51	91	2.7%	1.4%	2.6%
82	Contractors (762)	180,906	115,068	133,562	104	79	95	2.6%	2.3%	2.7%
99	Light Industrial/Printers (2,334)	54,728	40,508	51,680	96	69	77	2.4%	1.9%	2.2%
30	Home Furnishings (1,022)	118,886	104,834	89,109	92	78	67	2.3%	2.2%	1.9%
89	Business Services (2,842)	42,426	28,513	26,329	91	52	39	2.3%	1.5%	1.1%
86	Electrical Equipment (414)	288,534	230,964	188,330	90	66	53	2.2%	1.9%	1.5%
18	Office Supplies/Furniture (719)	151,278	109,047	155,961	82	46	61	2.0%	1.3%	1.8%
85	Transportation/Rentals (511)	175,527	127,980	133,134	68	42	40	1.7%	1.2%	1.2%
35	Restaurants Beer And Wine (357)	235,933	217,754	192,457	64	58	63	1.6%	1.6%	1.8%
75	Hotels-Liquor (132)	579,266	539,119	411,685	58	35	24	1.4%	1.0%	0.8%
33	Grocery Stores Beer/Wine (187)	408,601	308,728	233,875	58	46	33	1.4%	1.3%	1.0%
92	Drugs/Chemicals (323)	229,635	143,902	159,208	56	31	32	1.4%	0.9%	0.9%
72	Repair Shop/Equip. Rentals (809)	89,814	55,751	47,793	55	36	29	1.4%	1.0%	0.8%
01	Women's Apparel (654)	103,811	92,351	80,948	51	43	40	1.3%	1.2%	1.2%
	All Others (18,089)	58,692	51,956	56,979	801	715	824	19.9%	20.3%	23.8%
	TOTAL ALL TYPES (43,784)	121,578	112,040	111,253	4,014	3,516	3,467	100.0%	100.0%	100.0%
Major Industry Groups										
	Autos And Transportation (2,795)	266,798	279,718	243,621	562	622	570	14.0%	17.7%	16.4%
	Building And Construction (1,167)	319,761	254,881	265,029	281	267	289	7.0%	7.6%	8.3%
	Business And Industry (11,274)	78,337	58,175	74,368	666	476	583	16.6%	13.5%	16.8%
	Food And Drugs (1,594)	231,946	218,948	179,155	279	233	217	6.9%	6.6%	6.3%
	Fuel And Service Stations (371)	1,377,017	1,229,127	1,165,796	385	388	470	9.6%	11.0%	13.6%
	General Consumer Goods (21,935)	67,992	63,409	56,649	1,125	988	862	28.0%	28.1%	24.9%
	Restaurants And Hotels (4,641)	204,510	183,514	155,776	716	542	475	17.8%	15.4%	13.7%
	Transfers & Unidentified (7)	1,783	30,486	6,566	0	0	0	0.0%	0.0%	0.0%
	TOTAL ALL GROUPS (43,784)	121,578	112,040	111,253	4,014	3,516	3,467	100.0%	100.0%	100.0%
TOTAL ALL BUSINESSES (43,784)		121,578	112,040	111,253	4,014	3,516	3,467	100.0%	100.0%	100.0%

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CITY OF GOTHAM

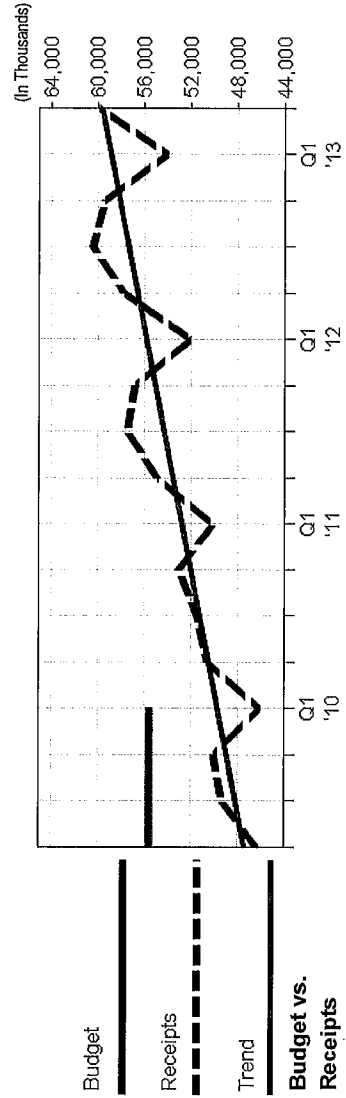
TOP 20 DEVIATING BUSINESSES

Firm Name Account Number	4Q 2010 4Q 2011	\$ Change % Change	Prior Year Comparison	4Q 2010 4Q 2011
Dougco Discount Dept Stores SRZ OH 030823777	490,335 546,644	56,309 11%		
Photoscapes New Motor Vehicle Dealers SR AP 101846452	NP 33,346	33,346 -n/a-		
Djgraphic New Motor Vehicle Dealers SRX AP 017252957	88,876 109,204	20,327 23%		
Lanimar Service Stations SRY AP 100931119	(3,481) 14,928	18,410 529%		
Metropoly Service Stations SR AA 101486459	NP 16,912	16,912 -n/a-		
Verdalee Discount Dept Stores SRZ OHA 017847614	122,760 133,793	11,033 9%		
Foreheads Government/Social Org. SRY AA 098167288	88 10,764	10,676 12K%		
Metalcraft Auto Lease SRZ OH 098148127x	(1,605) 8,969	10,574 659%		
Awch Restaurants No Alcohol SRY AP 099534577	9,654 19,840	10,186 106%		
Citiva Service Stations AP 101841005	NP 7,946	7,946 -n/a-		
Ravenous Service Stations SRZ BH 018747872	27,730 34,761	7,031 25%		
Srhc Specialty Stores SR AA 102294014x	NP 5,898	5,898 -n/a-		
Netchannels Home Furnishings SR AP 101323832x	6,151 NP	(6,151) -100%		
Formerica New Motor Vehicle Dealers SR AP 017906307	39,802 32,250	(7,553) -19%		
Mollybananners Lumber/Building Materials SR AP 101312680	12,674 4,122	(8,552) -67%		
Ooohlala New Motor Vehicle Dealers SR AP 100889132	186,066 177,123	(8,943) -5%		
Neca Service Stations SR AP 100290768x	9,160 NP	(9,160) -100%		
Glo Light Industrial/Printers SC OHB 100049239x	12,362 NP	(12,362) -100%		
Mudroom Restaurants Beer And Wine SR AP 100660364x	13,216 NP	(13,216) -100%		
Silverstone New Motor Vehicle Dealers SR AP 100825656x	47,608 NP	(47,608) -100%		
Agency Total	2,771,384 2,911,255	139,871 5.0%		

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Seven Major Industry Groups	Fiscal Yr 2011-12 Totals	FY 2012-13 Sales Quarters				Fiscal Yr 2012-13 Totals	Dollar Change Prior Yr	Percent Change Prior Yr	FY 2013-14 Sales Quarters				Fiscal Yr 2013-14 YTD Totals	YTD % Change Prior Yr
		2Q	3Q	4Q	1Q				2Q	3Q	4Q	1Q		
Point of Sale	25,523,929	7,137,213	7,282,496	7,034,441	7,185,361	28,639,513	3,115,583	12%	7,718,499	7,718,499	7,718,499	7,718,499	8%	
Autos And Transportation	14,906,497	3,584,498	4,467,071	2,312,910	3,402,635	13,767,114	(1,139,383)	-8%	3,839,596	3,839,596	3,839,596	3,839,596	7%	
Building And Construction	30,953,621	7,860,744	8,806,121	9,225,527	6,063,190	31,945,582	991,961	3%	8,938,648	8,938,648	8,938,648	8,938,648	14%	
Business And Industry	13,963,238	3,672,910	3,995,506	3,558,516	3,528,957	14,755,889	792,651	6%	3,686,449	3,686,449	3,686,449	3,686,449	0%	
Food And Drugs	22,172,770	6,228,074	5,811,540	5,266,691	5,344,030	22,650,335	477,565	2%	5,244,036	5,244,036	5,244,036	5,244,036	-16%	
Fuel And Service Stations	58,082,011	14,285,355	14,983,574	17,183,398	14,290,278	60,742,605	2,660,593	5%	15,060,063	15,060,063	15,060,063	15,060,063	5%	
General Consumer Goods	33,826,318	9,235,254	9,688,764	8,497,973	8,733,418	36,135,410	2,309,092	7%	9,512,474	9,512,474	9,512,474	9,512,474	3%	
Restaurants And Hotels	82,034	42,212	(1,036)	(2,112)	(1,616)	37,448	(44,586)	-54%	125	125	125	125	-100%	
Transfers & Unidentified	199,510,418	52,036,261	55,014,036	53,077,344	48,546,254	208,673,895	9,163,478	5%	53,999,889	53,999,889	53,999,889	53,999,889	4%	
Total Point of Sale	23,542,348	6,201,421	5,985,806	6,793,468	5,938,515	24,919,210	1,376,862	6%	6,496,689	6,496,689	6,496,689	6,496,689	5%	
County Pool Allocations	73,749	52,231	(19,802)	38,430	35,272	106,131	32,382	44%	37,645	37,645	37,645	37,645	-28%	
State Pool Allocations	223,126,514	58,289,912	60,980,041	59,909,242	54,520,041	233,699,236	10,572,722	5%	60,534,222	60,534,222	60,534,222	60,534,222	4%	
Total (Net Collections)	(55,781,629)	(14,572,478)	(15,245,010)	(14,977,310)	(13,630,010)	(58,424,809)	(2,643,180)	-5%	(15,133,556)	(15,133,556)	(15,133,556)	(15,133,556)	-4%	
Triple Flip Reduction	167,344,886	43,717,434	45,735,031	44,931,931	40,890,031	175,274,427	7,929,541	5%	45,400,667	45,400,667	45,400,667	45,400,667	4%	
Total	(2,150,344)	(580,438)	(594,465)	(578,168)	(661,390)	(2,314,460)	(164,116)	-8%	(639,828)	(639,828)	(639,828)	(639,828)	-10%	
Less: Cost of Administration	165,194,541	43,136,997	45,140,565	44,353,763	40,328,641	172,959,957	7,765,426	5%	44,760,838	44,760,838	44,760,838	44,760,838	4%	
Balance	53,381,930	0	0	28,719,280	28,719,280	57,438,561	4,056,631	8%	0	0	0	0	-N/A-	
Sales & Use Tax Comp Fund*	218,576,471	43,136,997	45,140,565	73,073,044	69,047,922	230,398,928	11,822,056	5%	44,760,838	44,760,838	44,760,838	44,760,838	4%	
Budget														
Accrual Basis (60-day)	220,656,971					232,963,428								
Accrual Basis (90-day)	221,279,555					232,081,750								

*Beginning 2006-07, the State began deducting administrative costs on the 25% reimbursement.



CITY OF GOTHAM
FY 2012-13 (ending June)
Mid-Year Sales and Use Tax Revenues Projection
(Cash Basis)

Agency Budget Estimate for FY 2012-13	
Sales Tax Net	8,737,500
Sales Tax In Lieu	2,912,500
Total Agency Budget Estimate	\$11,650,000

Total Payment From SBOE (Gross Before Triple Flip Deduction)	
Includes State and County Pools, Net of Admin Fee	
Current Quarter	4Q 2012
Previous Quarter	3Q 2012
2nd Previous Quarter	2Q 2012
3rd Previous Quarter	1Q 2012
Total Payments	13,516,780

Adjustments	
<i>Economic Adjustments</i>	
Autos & Transportation (+7.5%)	98,900
Pools (+10.0%)	32,800
General Consumer Goods (+3.0%)	23,700
Restaurants & Hotels (+5.0%)	19,650
Building & Construction (+4.5%)	6,950
Fuel & Service Stations (-1.5%)	(4,050)
Business & Industry (+4.0%)	3,000
Food & Drugs (+2.0%)	2,250
Transfers & Unidentified (-100.0%)	536
Other Adjustments (see attached)	(20,010)
Total Adjustments	163,726

Subtotal Point-of-Sale (10.0% increase from FY 2011-12 actual)	13,680,506
Triple Flip Deduction	(3,453,655)
Net Point of Sale (75% Allocation)	10,226,851
Back Fill Payment	
Estimated FY 2012-13 SUTCF (Net of Admin)	3,182,289
FY 2011-12 True-Up Payment	162,778
Total Back Fill Payment	3,345,067

ESTIMATED FY 2012-13 SALES TAX REVENUES	\$13,571,918
Rounded to Nearest Thousand (46.0% increase from FY 2011-12 actual)	\$13,572,000
With Estimated 60-Day Accrual	13,843,000

Note: 1. Gotham's half-cent Measure G transactions tax became effective April 1, 2013 and is estimated to generate an additional \$2,350,000 in the first year. Detailed calculations are contained in a separate attachment.
2. Gotham's share of the half-cent Proposition 172 revenues are estimated at \$537,850.

Other Adjustments

Ajax Power Plant Project - completed	(185,625)
Gotham Hospital Project equip.outlay	72,500
Air Fuel Resources - pending audit recovery	48,500
We Squeeze Finance refund - 1/12	38,525
Itty Bitty Italian Motors - new (1 qtr)	35,000
Bob's Saab - closeout	(33,250)
Ziroco Steel Wheels - pending audit recovery	18,500
Granny's Goodtime Grill - reopens April 1	15,000
Acme Meters one-time purchase - 1/12	(14,560)
Snide Johns Used Autos - closeout	(12,500)
City Share of County pool - onetime spike in 1/12	(9,950)
Forever 39 - new (2 Qtrs)	9,500
Ed's Hardware - closeout	(8,500)
Nancy's Natural Foods - new	6,850
Total Other Adjustments	<u>(20,010)</u>



CITY OF GOTHAM

EXTENDED SALES AND USE TAX BUDGET ESTIMATE

Industry Group	Fiscal Yr. 2012-13 Actuals		Fiscal Yr. 2013-14		Fiscal Yr. 2014-15		Fiscal Yr. 2015-16		Fiscal Yr. 2016-17		Fiscal Yr. 2017-18		Fiscal Yr. 2018-19	
	Actual Qtrs 2Q	Prior Qtrs 3Q - 1Q	Adjust	Total 4 Qtrs	Adjust	Projection %	Adjust	Projection %	Adjust	Projection %	Adjust	Projection %	Adjust	Projection %
Autos And Transportation	4,324,225	3,318,925	249,550	4,714,242	9.0%	259,300	4,973,542	5.5%	5,197,351	4.5%	5,405,245	4.0%	5,621,455	4.0%
Building And Construction	524,311	385,137	23,100	540,918	3.2%	29,750	570,668	5.5%	607,761	6.5%	632,072	4.0%	654,194	3.5%
Business And Industry	352,217	263,755	137,700	506,448	43.8%	17,750	524,198	3.5%	542,544	3.5%	561,534	3.5%	581,187	3.5%
Food And Drugs	469,378	349,490	9,450	468,014	3.3%	9,700	494,714	2.0%	504,608	2.0%	514,700	2.0%	524,994	2.0%
Fuel And Service Stations	1,056,770	778,585	15,800	1,050,576	-0.6%	0	1,050,576	0.0%	1,066,335	1.5%	1,082,330	1.5%	1,098,565	1.5%
General Consumer Goods	3,749,654	2,828,221	99,000	3,703,110	-1.2%	129,600	3,832,710	3.5%	3,947,691	3.0%	4,046,383	2.5%	4,127,311	2.0%
Restaurants And Hotels	1,581,362	1,178,377	84,475	1,676,286	6.0%	75,450	1,751,736	4.5%	1,821,805	4.0%	1,885,588	3.5%	1,942,135	3.0%
Transfers & Unidentified	(693)	(693)	693	(17)	97.6%	17	0	100.7%	0	0	0	0	0	0
State and County Pools	1,479,698	1,120,814	116,550	1,539,732	5.4%	109,200	1,668,932	7.0%	1,784,102	7.5%	1,928,659	7.5%	2,044,379	6.0%
Total	13,536,921	10,222,611	736,318	14,236,308	5.2%	630,767	14,867,075	4.4%	15,482,198	4.1%	16,056,492	3.7%	16,594,221	3.3%
Administration Cost	(137,268)	(103,607)		(139,387)	-1.5%		(139,387)	0.0%	(201,269)		(208,734)		(215,725)	
Total	13,399,654	10,119,004	736,318	14,096,921	5.2%	630,767	14,727,688	4.5%	15,280,929	3.8%	15,847,757	3.7%	16,378,496	3.3%
Triple Flip Deduction	(3,384,230)			(3,559,077)	-5.2%		(3,716,769)	-4.4%						
Estimated SUTCF	3,182,289			3,523,486	10.7%		3,679,601	4.4%						
True-Up Payment	162,778			168,099	3.3%		0	-100.0%						
Total	13,360,480	10,119,004	736,318	14,229,429	6.5%	630,767	14,690,520	3.2%	15,482,198	5.4%	16,056,492	3.7%	16,594,221	3.3%
													16,594,221	0.0%



October 2013

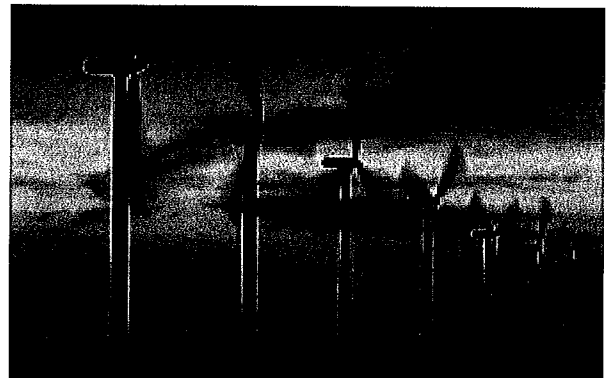
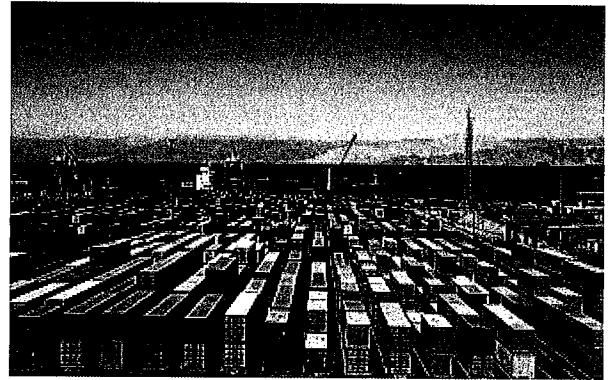
California Forecast: Sales Tax Trends and Economic Drivers

HdL provides relevant information and analyses on the economic forces affecting California's local government agencies. In addition, HdL's Revenue Enhancement Services and Software help clients to maximize revenues.

HdL serves over 350 cities, counties and special districts in California and across the nation.

HdL
COMPANIES

30
Years
Dedicated Service
Since 1983





	2013-14	2014-15
Autos/Trucks/Trailers/Boats	5.0%	5.0%
<p>A combination of pent-up demand, affordable financing options, better fuel efficiency and highly desirable technology packages are expected to make 2013 the highest sales year for autos since 2007. However, sales are expected to plateau toward the last half of the fiscal year and return to more normal growth levels as the initial backlog is satisfied.</p>		
Buildings/Construction	2.7%	5.0%
<p>Permit activity suggests that many parts of the state are in the early stages of a housing recovery with remodeling and construction activity for single family and multi-family units accelerating at a pace last seen in 2008. However, gains spurred by an increase new households, declining unemployment and rising personal income may be tempered by tightened credit and/or rising mortgage interest rates.</p>		
Business/Industry	2.0%	2.5%
<p>The ratio between new orders for capital equipment and inventories has returned to pre-recession ranges suggesting that the post-recession "growth spurt" has passed and expansion going forward will be tepid. Many companies are converting to tax free cloud services rather than investing in new hardware and equipment. Construction of alternative and renewable energy is expected to continue through 2015 though the rate of new project starts may slow.</p>		
Food/Drugs	2.6%	2.5%
<p>Large drug store chains continue to expand their range of goods and anticipate increased traffic by adding health care clinics and lab services to accommodate new demand created by the Affordable Care Act. Competitive pressures on traditional grocers will continue with the introduction of new specialty food concepts, expanded food offerings by non-grocer discount retailers and by the resurgence of on-line order/home delivery services.</p>		
Fuel/Service Stations	2.4%	-2.0%
<p>Increased fuel efficiency, conversions of fleets to natural gas and changing demographic preferences are rapid, reducing gasoline consumption despite population growth. Prices are also experiencing downward pressure due to the seasonal shift to winter fuel blends, and booming domestic oil production. California typically has higher prices than the rest of the nation because of a limited number of refineries and a closed distribution system, leaving it more vulnerable to supply disruptions and price surges.</p>		
General Consumer Goods	3.7%	3.0%
<p>Consumer confidence in the recovery remains high despite rising uncertainty related to federal fiscal maneuvers. If Congressional brinkmanship is short-lived, stock market gains should help sustain an increase in luxury consumer spending into next year while increased debt from the purchase of homes and new cars is expected to keep gains in middle income spending at more moderate levels. A job recovery that consists primarily of part-time and minimum wage jobs is expected to produce little sales growth from lower income purchasers.</p>		
Restaurants/Hotels	6.2%	5.0%
<p>As the economy improves and people begin to travel more, hotel occupancy rates are increasing and average daily rates at hotels and tourism-related spending are on the rise. The growth in Chinese tourism to the California market has increased almost 900% since 2003. In the restaurant segment, growth appears to be primarily in quick-service and fine dining categories while the middle-priced casual dining segment continues to report losses or very moderate gains.</p>		
State and County Pools	11.3%	6.0%
<p>Sales at Amazon and other out-of-state internet retailers that began collecting taxes in September 2012 have boosted countywide pool allocations. In-state retailers are also adding to pool totals as they add emphasis to Internet offerings supplied from distribution centers outside California. Private automobile sales, equipment leases and out-of-state purchases of business equipment and supplies are also adding to pool gains.</p>		
TOTAL	5.0%	3.3%
<p>The Proposition 172 growth projection is 4.4% for Fiscal Year 2013-14. This factor varies from HdL's Bradley-Burns growth forecast due to differing collection periods and comparisons to prior year data that include onetime payment aberrations.</p>		



	2013-14	2014-15
U.S. Real GDP Growth	3.0%	4.1%

The U.S. economy posted a modest 2.5% increase in Real GDP during the second quarter of 2013. The expansion was forecast to continue into the third quarter, but may be slowed by headwinds emanating from Washington D.C. Beacon Economics expects the economy to grow during the first two quarters of fiscal 2013-14 despite the ongoing negotiations in the Capitol, though acceleration in growth will likely only begin to express itself in early 2014.

	2013-14	2014-15
U.S. Unemployment Rate	7.2%	6.8%

Job growth continued during the first two months of the fiscal year. Through August, the U.S. added back over 6.8 million of the roughly 8.7 million jobs lost during the Great Recession. The unemployment rate has already dipped to 7.3%--down from its peak of 10.0% in October 2009. Unemployment is expected to continue to fall as the economy gradually adjusts to fiscal policy changes, but the coming fiscal year will see the unemployment rate remain above 7%.

	2013-14	2014-15
California Retail Nonfarm Employment Growth	1.6%	2.6%

Nonfarm employment growth in California continues to move forward, albeit at a slower pace. Through August, California regained more than 826,000 jobs since hitting bottom in February 2010. Virtually every major sector has added jobs over the past year with the exception of Government and Manufacturing, and every major region saw job growth over the past 12 months. As the economy adjusts to higher taxes and lower government spending, the current forecast calls for growth to accelerate to over 2%.

	2013-14	2014-15
California Unemployment Rate	8.9%	7.7%

At 8.9%, California's unemployment rate has maintained a sub-9% rate over the past four months. The monthly figures on labor force participation remain volatile, but the trend shows that the rate has declined despite the upward pressure of rising numbers of Californians looking for work. As nonfarm employment growth begins to pick up, Beacon Economics expects the unemployment rate to drop, dipping below 8.5% by the end of 2013 and into the mid-7% range by 2014-15.

	2013-14	2014-15
California Population Growth	0.7%	0.8%

In recent years, population growth in California has dipped below 1% annually. In part, the lackluster growth is a function of a weak economy as net migration tends to be cyclical. However, it is also a function of slower natural population increase. Natural population growth (births minus deaths) has fallen as fertility rates have declined and the population has aged. Although the cyclical effects of the Great Recession should begin to moderate, slower natural population increases are expected to drive sub-1% population growth in coming years.

	2013-14	2014-15
California Median Existing Home Prices	\$ 379,300	\$ 416,275

Despite a relatively strong uptick in new construction activity, housing inventory remains at just 3.1 months of supply. As such, home price growth has continued to be robust, with median sales prices up 28.5% on a year over year basis in August. This growth comes despite the fact that mortgage lending at commercial banks remains muted, keeping demand below where it would otherwise be. Expect continued double digit growth this fiscal year before price appreciation moderates back toward historical averages in subsequent years.

	2013-14	2014-15
California Residential Building Permits	88,700	123,000

Tight housing inventories combined with a low housing vacancy rate, rising prices and a gradually improving economy have continued to stimulate building activity throughout the state's major metropolitan areas. Through August, there were over 52,000 new residential permits issued in California. Given the surge in renter households in the wake of the foreclosure crisis, multi-family construction continues to form a larger portion of new residential units than the single-family market. Although population growth has slowed in recent years, we continue to add new residents, which exacerbate an already-low housing vacancy rate and should keep permit growth robust over the next two years.



HdL Companies

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Diamond Bar, California 91765
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Fax: 909.861.7726

California's allocation data trails actual sales activity by three to six months. HdL compensates for the lack of current information by reviewing the latest reports, statistics and perspectives from fifty or more economists, analysts and trade associations to reach a consensus on probable trends for coming quarters. The forecast is used to help project revenues based on statewide formulas and for reference in tailoring sales tax estimates appropriate to each client's specific demographics, tax base and regional trends.



"Good information leads to good decisions."



BEACON ECONOMICS

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Beacon Economics, LLC has proven to be one of the most thorough and accurate, economic research/analytical forecasters in the country. Their evaluation of the key drivers impacting local economies and tax revenues provides additional perspective to HdL's quarterly consensus updates. The collaboration and sharing of information between Beacon Economics and HdL helps both companies enhance the accuracy of the work that they perform for their respective clients.



CITY OF SAN DIEGO

Sales and Use Tax Compensation Fund Allocation 2013-14 (Triple Flip)

Final Adjustment for 2012-13

	2012-13 Estimated *	2012-13 Actual	Adjustment From Estimate
Revenue Loss	—	\$58,424,809.04	
Admin Fee	—	(\$565,142.35)	
	<u>\$55,377,479.00 *</u>	<u>\$57,859,666.69</u>	<u>\$2,482,187.69</u>

Estimated Adjustment for 2013-14

	2013-14 Estimated SUTCF	2012-13 Adjustment	2013-14 Net Adjustment
	\$59,433,041.00 *	\$2,482,187.69	<u>\$61,915,228.69</u>

* The administrative fee on the 25% of 1% has already been deducted from the estimate.

Source: State of California Department of Finance



Q1

Oakland In Brief

Gross receipts for Oakland's first quarter sales were 2.9% higher than the same period one year ago. Actual sales activity increased 3.9% when accounting anomalies were excluded.

Recent additions contributed to gains from multiple categories of eateries although payment deviated inflated postings from both restaurants liquor and those with no alcohol. Sales increased from grocery-liquor, light industrial/ printers, and automotive supply. Accounting aberrations that affected one or both quarters understated increases from new motor vehicle dealers, lumber/building materials and the consumer goods group, but overstated results from the business and industry group.

Postings declined from jet fuel and several classifications of business to business transactions, notably including electrical equipment, office supplies/furniture, business services and the heavy industrial group where a closeout was a factor. Point of sale gains were also partially offset by the smaller allocation from the countywide use tax pool.

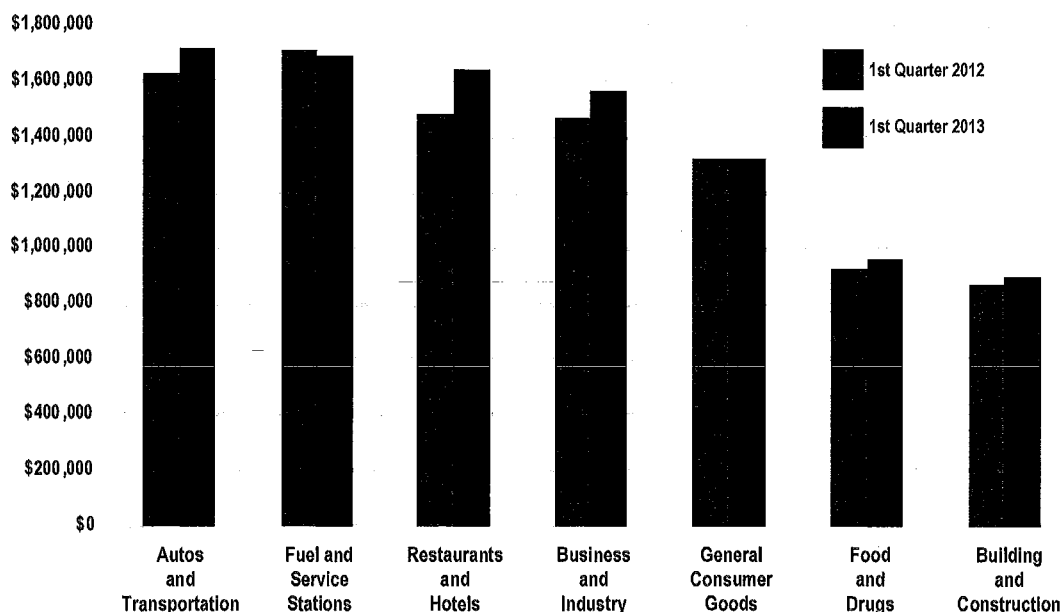
Net of onetime reporting events, sales and use tax receipts for all of Alameda County rose 6.7% over the same time period; the Bay Area as a whole was up 6.6%.



City of Oakland Sales Tax Update

Second Quarter Receipts for First Quarter Sales (January - March 2013)

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

In Alphabetical Order

Audi Mazda of Oakland	Honda of Oakland
Best Buy	Mercedes Benz of Oakland
Broadway Volkswagen	Oakland Coliseum
Chevron	One Source Supply Solutions
Coliseum Lexus	One Toyota of Oakland
Downtown Saab	Rainin Instrument
East Bay Restaurant Supply	Safeway
Economy Lumber	Shell/Texaco
Enterprise Commercial Truck	Southwest Jet Fuel
Give Something Back	Target
Harvey Clars Estate Auction	Walgreens
Home Depot	Walmart
	Westside Building Material

REVENUE COMPARISON

Four Quarters – Fiscal Year To Date

	2011-12	2012-13
Point-of-Sale	\$40,200,443	\$41,330,760
County Pool	5,634,878	6,067,991
State Pool	15,338	21,687
Gross Receipts	\$45,850,658	\$47,420,438
Cty/Cnty Share	(2,292,533)	(2,371,022)
Net Receipts	\$43,558,125	\$45,049,416
Less Triple Flip*	\$(10,889,531)	\$(11,262,354)

*Reimbursed from county compensation fund

NOTES

California Overall

After adjusting for payment aberrations, statewide sales tax receipts for January through March sales were 6.5% higher than the same period in 2012.

Strong sales for apparel, department stores and big box discounters lifted general consumer goods and accounted for 23% of the statewide increase. Improvements in the housing sector pushed building and construction sales up 8.6%. Continued robust sales of new automobiles led to a 9.3% increase over the comparable quarter. Reduced consumption combined with lower gasoline prices cut fuel and service station returns in the first quarter by 2.7%.

Energy Projects Boost Business and Industry Gains

Taxes from construction of solar, wind, biomass and geothermal power projects accounted for 39% of California's business-to-business sales this quarter and produced significant windfalls for a handful of local agencies.

This temporary boost in revenues came from the federal government's goal of doubling the nation's renewable energy production in three years and from California's SB 2X which was signed in April of 2011 and calls for 33% of all retail electricity sales to be from renewable energy sources by 2020. Joint federal and state funding efforts to meet these goals have resulted in the initiation of more than a dozen utility-scale solar energy projects and over 130 renewable power plant projects in California.

Intermittent quarterly spikes in sales and use tax receipts from projects under construction or in the pipeline are expected for another two years.

Decline in Fuel Consumption Continues

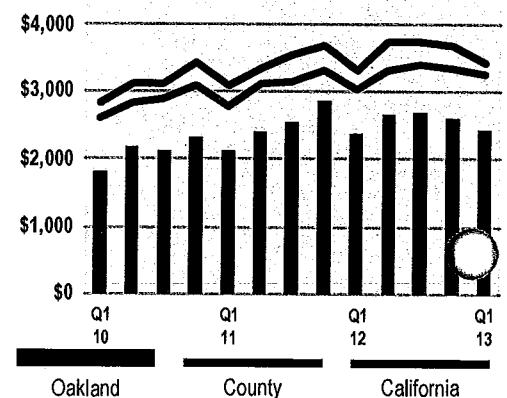
According to the most recent data from the State Board of Equalization, California's gasoline usage fell 1.7% while diesel consumption eased 0.4% in the fourth quarter of 2012 from 2011 levels. This continues a decline that began in 2005 and which is almost twice the nationwide drop.

Historically, economic conditions have been the primary driver in fuel usage, however other factors are becoming increasingly prevalent. Nationally, total vehicle miles traveled have dropped eight years in a row as aging drivers travel fewer miles and the millennial generation, focused on social networking technology, is driving less than previous generations. Increased fuel efficiency is also at play with the average new car achieving 16% more miles per gallon than just five years ago and some

commercial trucking fleets shifting to natural gas.

Until recently, price increases have offset consumption declines. The price gains were partly the result of California refineries exporting their finished product to emerging economies with higher demand and also by periodic refinery and transmission interruptions in the state's limited production infrastructure.

SALES PER CAPITA

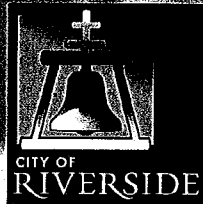


OAKLAND TOP 15 BUSINESS TYPES

Business Type	Oakland		County	HdL State
	Q1 '13*	Change	Change	Change
Automotive Supply Stores	223.4	16.2%	10.2%	5.1%
Contractors	253.0	0.7%	1.5%	5.8%
Discount Dept Stores	— CONFIDENTIAL —		4.2%	5.1%
Electrical Equipment	303.6	-4.6%	15.8%	4.5%
Grocery Stores Liquor	355.5	6.0%	5.7%	24.7%
Light Industrial/Printers	304.8	21.4%	6.8%	7.3%
Lumber/Building Materials	394.8	4.5%	8.7%	7.1%
New Motor Vehicle Dealers	938.7	3.6%	9.6%	9.5%
Petroleum Prod/Equipment	446.1	-4.5%	-4.1%	-3.4%
Restaurants Beer And Wine	248.2	10.0%	-0.2%	-2.7%
Restaurants Liquor	563.0	13.0%	8.4%	7.1%
Restaurants No Alcohol	626.6	11.4%	7.1%	5.9%
Service Stations	1,238.6	-0.1%	0.1%	-2.2%
Specialty Stores	243.2	1.4%	5.8%	2.8%
Transportation/Rentals	264.7	-1.3%	12.3%	13.9%
Total All Accounts	\$9,795.2	4.1%	5.3%	5.7%
County & State Pool Allocation	1,397.8	-4.6%		
Gross Receipts	\$11,193.0	2.9%		
City/County Share	(559.6)	-2.9%		
Net Receipts	\$10,633.3	2.9%		

*In thousands

Q2



City of Riverside Sales Tax Update

Third Quarter Receipts for Second Quarter Sales (April - June 2013)

Riverside In Brief

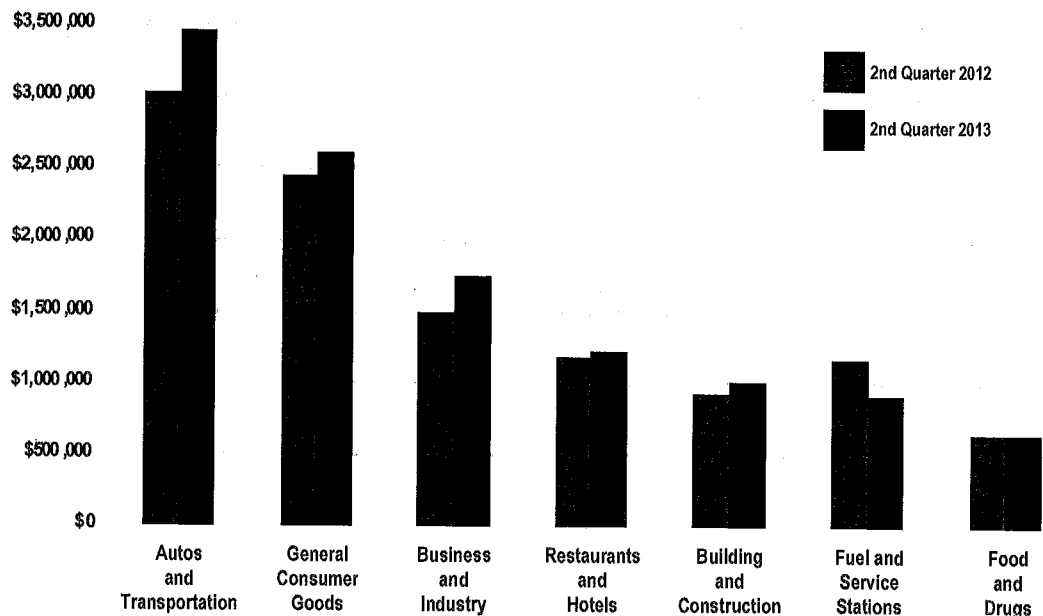
Receipts from second quarter sales were 5.1% higher than a year ago. There were various offsetting accounting adjustments that had little effect on the year-over-year sales comparison.

Most industry groups were up but autos and transportation, business and industry and general consumer goods categories excelled. Continued strong sales and leases of new autos and sales of used cars drove up autos and transportation receipts. Retroactive payment adjustments in the drugs/chemicals and transportation –non-auto group inflated business and industry gains. Similar adjustments boosted general consumer goods totals. Increases in several business classifications in the building and construction sector showed that construction activities continue to gain momentum. Though up in part due to new business additions, restaurants as a group appeared to lag countywide and statewide trends. But restaurant results were similar to other areas of the region and state once reporting aberrations were factored out.

Temporary allocation errors that bolstered year-ago results exaggerated the drop in the fuel and service station classification.

Including temporary accounting adjustments, all of Riverside County was up 7.3%; statewide sales grew 5.4%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

In Alphabetical Order

Acura of Riverside	Johnson Truck Centers
Best Buy	Lexus Riverside
BMW Riverside	Nordstrom
Carmax	Raceway Nissan
Champion Lumber	Riverside Chevrolet
Chevron	Riverside Honda
Consolidated Electrical Distributors	Riverside Mazda
Fritts Ford	Sams Club
Goodrich Aerospace	Stater Bros
Herbalife	Target
Home Depot	Toyota of Riverside
J A Moss	Walmart
	Walters Auto Sales

REVENUE COMPARISON

Four Quarters – Fiscal Year To Date

	2011-12	2012-13
Point-of-Sale	\$41,773,490	\$44,353,952
County Pool	4,872,285	4,591,972
State Pool	32,009	19,635
Gross Receipts	\$46,677,785	\$48,965,560
Less Triple Flip*	\$(11,669,446)	\$(12,241,390)

*Reimbursed from county compensation fund

State Overall

Adjusted for accounting anomalies, receipts from local governments' one cent sales and use tax were up 5.4% over the second quarter of 2012.

More than half of the increase was driven by a strong quarter for auto sales plus new revenues flowing to the countywide use tax allocation pools largely as result of the previous passage of AB 155's expanded definition of nexus for out-of-state companies required to collect California sales and use taxes.

Receipts from the building and construction categories exhibited significant gains reflecting the beginning of a recovery in new housing construction and considerable remodeling activity. Restaurant sales were also strong but limited to low priced quick service chains and higher priced fine dining restaurants with full liquor licenses.

Gains from general consumer goods were modest overall and tended to be retailer and community specific. Tax revenues from fuel were down from last year's comparable quarter while receipts from business and industrial purchases were flat with the few increases in that group primarily tied to agriculture and food processing.

The Remaining Fiscal Year

The general consensus is that the state's economy will continue to recover in 2013-14 but sales tax growth may be more modest in the second half of the fiscal year than the first half.

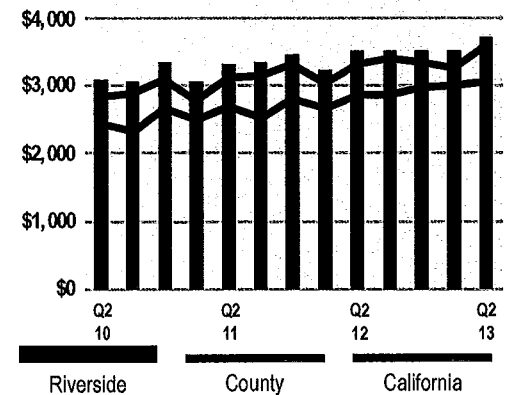
Auto sales which have been up by double digits from years of pent-up demand are expected to plateau in another quarter or two with the pace of growth returning to more normal levels. With consumers taking on more debt to purchase new cars and homes, discretion-

ary spending on other items is expected to slow. Low inflation, price competition and a job recovery tilted toward low paying or part-time work will also keep the cost of taxable goods in check.

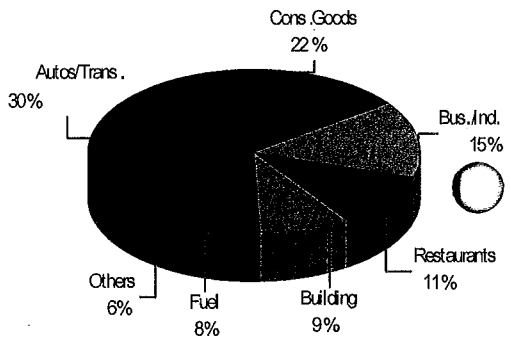
The six year boom in the state's technology sector appears to be slowing with companies shifting from buying their own hardware and software to renting computer power through cloud based services. Gas prices will continue to be impacted by refinery shutdowns, Middle East crises and oil speculators. However with today's new cars almost 20% more fuel efficient than those sold only six years ago, further tax gains from this segment are not anticipated.

Continued recovery in construction activity is expected to generate a major share of sales tax growth in the second half of the fiscal year. With rising home and stock market values benefiting higher income families, luxury goods in all categories are also projected to show solid gains.

SALES PER CAPITA



REVENUE BY BUSINESS GROUP Riverside This Quarter



RIVERSIDE TOP 15 BUSINESS TYPES

Business Type	Riverside		County	HdL State
	Q2 '13*	Change	Change	Change
Auto Lease	222.8	24.6%	25.0%	13.6%
Department Stores	334.8	-1.7%	-1.5%	0.2%
Discount Dept Stores	708.2	5.5%	1.7%	2.3%
Drugs/Chemicals	205.3	170.3%	14.3%	8.7%
Electronics/Appliance Stores	324.6	11.0%	10.6%	3.9%
Family Apparel	218.4	2.5%	1.1%	4.7%
Grocery Stores Liquor	365.4	2.6%	3.4%	2.7%
Light Industrial/Printers	209.4	-24.6%	11.9%	9.7%
Lumber/Building Materials	566.4	12.4%	-9.1%	-4.6%
New Motor Vehicle Dealers	2,300.9	15.0%	14.8%	11.1%
Restaurants Liquor	343.8	7.1%	11.4%	9.8%
Restaurants No Alcohol	712.4	2.5%	4.8%	5.9%
Service Stations	906.7	-21.4%	-6.4%	-5.7%
Specialty Stores	236.5	-2.1%	0.4%	5.3%
Used Automotive Dealers	346.5	7.0%	12.0%	9.4%
Total All Accounts	\$11,619.1	6.6%	7.1%	7.0%
County & State Pool Allocation	1,215.4	-7.0%		
Gross Receipts	\$12,834.4	5.1%		<i>*In thousands</i>

Geo Area Names

Sales Tax by Geographic areas

Carmel Mountain Plaza

Count: 117

Fashion Valley

Count: 229

San Diego - Port Study

Count: 1,460

University Towne Center

Count: 224

Mission Valley Center

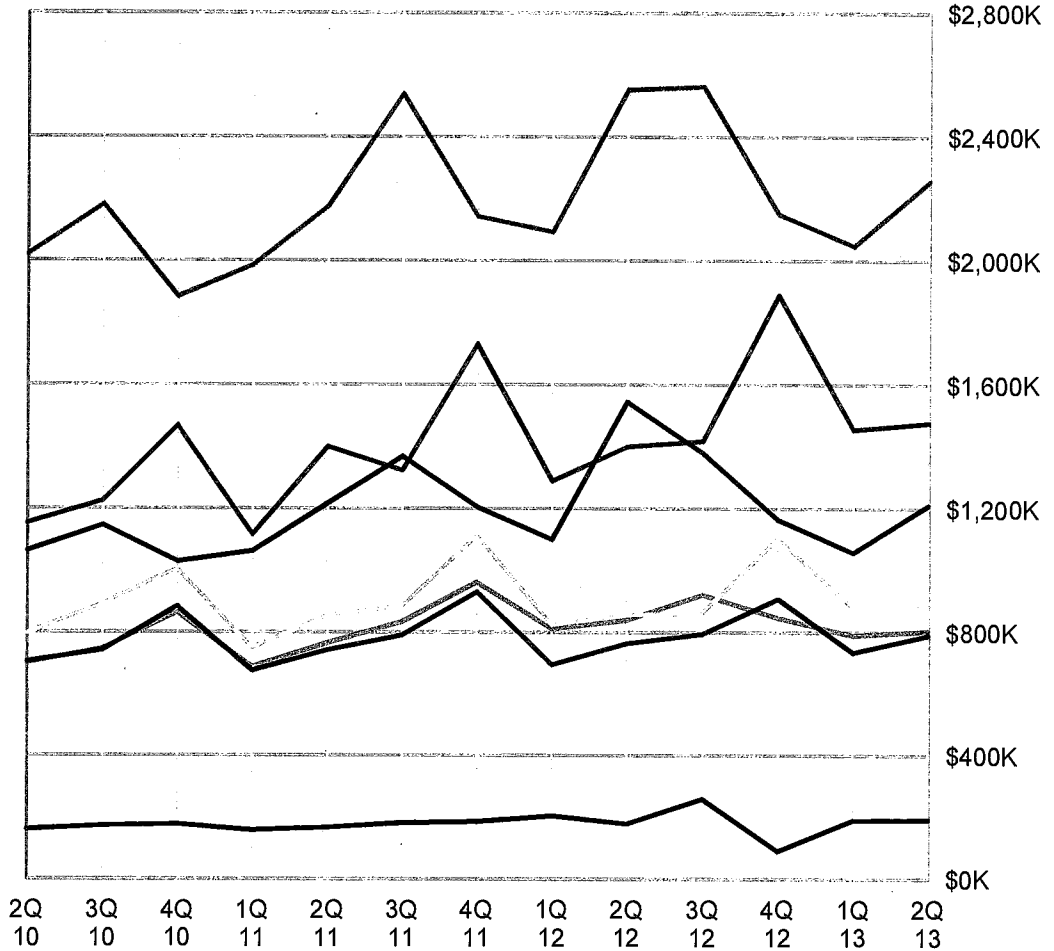
Count: 155

San Diego International Airprt

Count: 91

Genessee Plaza

Count: 37



* Periods Shown Reflect the Period in Which the Sales Occurred - Point of Sale



SAN DIEGO COUNTY ALL AGENCIES

SALES TAX TRENDS FOR ALL AGENCIES - 2Q 2013 SALES

Agency allocations reflect "point of sale" receipts

Agency Name	Count	Current Year 2Q 2013	Prior Year 2Q 2012	Share of County Pool	Actual Receipts % Change	Adjusted* % Change
Del Mar	1,760	494,435	415,625	0.4%	+ 19.0%	+ 14.4%
Coronado	648	641,521	602,914	0.6%	+ 6.4%	+ 11.9%
Santee	1,427	1,975,887	1,865,731	1.8%	+ 5.9%	+ 10.2%
Lemon Grove	588	947,268	872,470	0.8%	+ 8.6%	+ 9.5%
Oceanside	4,919	4,314,525	4,096,306	3.9%	+ 5.3%	+ 9.3%
Vista	2,793	3,446,230	3,351,525	3.1%	+ 2.8%	+ 7.8%
National City	2,083	3,422,336	3,213,878	3.1%	+ 6.5%	+ 7.3%
El Cajon	2,865	4,967,403	4,653,303	4.4%	+ 6.8%	+ 6.9%
San Diego Co. Uninc	13,275	5,713,228	5,610,572	5.1%	+ 1.8%	+ 6.2%
Carlsbad	4,653	6,730,966	6,076,707	6.0%	+ 10.8%	+ 5.9%
San Marcos	2,510	3,438,262	3,281,847	3.1%	+ 4.8%	+ 4.5%
Chula Vista	4,921	6,363,710	6,356,665	5.7%	+ 0.1%	+ 4.2%
Escondido	4,585	6,939,504	6,797,991	6.2%	+ 2.1%	+ 3.6%
San Diego	43,784	53,999,889	52,036,261	48.3%	+ 3.8%	+ 3.4%
Imperial Beach	424	199,226	221,300	0.2%	- 10.0%	+ 2.5%
La Mesa	1,921	2,472,353	2,436,552	2.2%	+ 1.5%	+ 1.8%
Encinitas	3,091	2,629,184	2,604,893	2.3%	+ 0.9%	+ 1.2%
Poway	1,694	2,601,951	2,570,733	2.3%	+ 1.2%	+ 0.3%
Soiana Beach	928	608,979	656,254	0.5%	- 7.2%	- 7.0%
Totals	98,869	111,906,857	107,721,529	100.0%	+ 3.9%	+ 4.4%
San Diego Pool	18,780	13,463,436	12,837,712		+ 4.9%	+ 12.4%

YEAR END SUMMARY – SALES TAX RELATED ISSUES

The 2012 legislative session ended with few new sales tax related changes as the state's budget crisis contained the legislature's usual enthusiasm for granting more and more exemptions.

For 2013, the unanticipated super majorities that November's election produced in both the Senate and Assembly are expected to produce significant numbers of tax related issues in the new legislative session. There are already proposals to reduce the threshold for voter approval of local tax taxes. SCA 4 (Liu) would decrease the threshold on transportation projects from 2/3 thirds to 55%, SCA 3 (Leno) would similarly reduce the threshold on school parcel tax proposals and SCA 7 (Wolk), the same reduction for approval of new library bonds. Senator Corbett has also introduced SCA 9 which would provide for the levying of special sales or property taxes to fund community and economic development projects if approved by 55% of the voters. Proposals for a split roll property tax are also likely.

Several bills to replace redevelopment are expected but unlikely to be approved at least in the coming year. Senator Steinberg has reintroduced his previous proposal through SB 1 to allow a county and city to create Sustainable Communities Investment Authorities that would carry out functions similar to the previous RDAs. Senator Wolk has also reintroduced her previous proposal now under SB 33, to allow the establishment of Infrastructure Financing Districts for public works and transportation related projects. However, many observers believe that the Governor will not support new measures until his first priority of reducing the state's debt and the implementation of healthcare reform, water sufficiency and high speed rail are addressed.

The following is a summary of sales tax related bills that did get approved and chaptered in the 2012 legislative session plus updates on relevant issues and litigation.

SALES TAX BILLS THAT WERE APPROVED

SB 1128 (Padilla)

This expands the tax exemptions that the California Alternative Energy and Advanced Transportation Authority (CAEATFA) can grant to include "advanced manufacturing projects and advanced transportation technologies." Which projects qualify under this new provision will be defined by CAEATFA which has indicated that it is developing an implementation plan. The amount of new exemptions that can be granted under this bill is capped at \$100 million per year.

SB 1243 (Lowenthal)

The previous sunset of January 1, 2012 for the exemption of bunker fuel from sales tax is now extended to January 1, 2024.

SB 1485 (Kehoe)

This clarifies that motor vehicle fuel purchased for blending with other fuels is exempt as long as sales or use tax is collected for the subsequent product into which the fuel was blended.

AB 216 (Ma)

A state audit concluded that up to \$67 million per year in tax revenues was being lost from individuals improperly using salvage vehicle certificates to under report the value of vehicles that they fixed and resold or escaped paying sales tax altogether. This new provision attempts to contain the problem by restricting tax exempt sales of salvaged vehicles to holders of approved resale permits.

AB 1126 (Calderon)

Clarifies that proposals to increase local sales and use tax rates through a Transactions and Use Tax District can be in increments of 1/8%.

AB 2323 (Perea)

This bill requires the Board of Equalization to issue written opinions on decisions that involved disputes totaling the payment or allocation of \$500,000 or more. The bill's author was concerned that the decline in the number of written opinions issued by the Board in recent years was leading to a lack of transparency.

VETOED - REQUEST TO STUDY EXTENDING SALES TAX TO SERVICES

Most discussions and analyses of California's tax structure commonly note the narrowness of the basket of goods on which the state levies sales tax and the desirability of expanding the base to reflect this century's service economy while reducing the high tax rate that results from an extremely narrow base. AB 1963 (Huber) directed the Legislative Analyst to prepare an analysis. The Governor's veto message noted that the legislation was unnecessary as the legislature already has the authority to request such a study. There is no public record of a subsequent request. Assembly Member Huber has since been termed out.

INTERNET TAXATION

California's 2011 legislation AB 155 became effective September 15th of this year. The bill narrowly expanded the definition of a taxable nexus to include remote sellers with annual statewide sales of \$1 million or more who have in-state affiliates that provide services in connection with the remote seller's sales if the sales from those specific services exceed \$10,000 per year. Some out-of-state retailers have indicated that they will be dropping their affiliates to avoid the tax. It will also take some time for the state to fully staff for enforcement and compliance. Initially, the anticipated local revenues via the county allocation pools are not expected to generate annual revenues exceeding \$0.25 per capita.

At the federal level, support for legislation to overturn 1992's Quill Corp. vs. North Dakota decision is building with a coalition of retail groups including the National Retail Federation and even Amazon, pushing Congress to level the playing field for all retailers and provide national uniformity in processing taxes from on-line sales. During this session, the broadest support appeared to be for the Marketplace Fairness Act (S. 1832) sponsored by Senators Durbin (D-Ill.), Enzi (R-Wyo) and Alexander (R-Tenn.). It would authorize states to require out-of-state sellers to collect the tax if the state is a member of the Streamlined Sales and Use Tax Agreement (SSUTA) or if they adopt a uniform tax structure and process for filing returns. An attempt to get the bill on the floor by including it as an amendment to the National

Defense Authorization Act recently failed and there was not enough time to attach it to something else. Senator Durbin has indicated that he will reintroduce next session.

SALES TAX RELATED LITIGATION

City of Alameda et. al. v. BOE (San Francisco Court Cases 509231, 509232, 509234). This is a consolidation of several cases where the petitioners contend that the BOE incorrectly interprets the California Uniform Commercial Code to allocate use tax from out-of-state deliveries through the countywide allocation pools. A judgment was entered on Sept. 18th denying the request for retroactive allocations but finding that in the future, sales tax should go to the in-state jurisdiction where the order was taken regardless of whether the merchandise was inventoried and shipped from out-of-state. The case is now under appeal.

Nortel Networks Inc. v. BOE (2011) 191 Cal. App 4th 1259 and Microsoft v. Franchise Tax Board (2012) Case No. A131964. California requires that sales or use tax be paid for pre-written (canned) software if it is delivered by a physical media such as a CD. Custom software, licensing agreements to use software under a technology transfer agreement involving patents and copyrights, and software delivered electronically are not subject to sales tax. These two cases rule that technology transfer agreements are not taxable, tangible personal property *regardless* of whether the software is custom or pre-written. Sales tax from mass marketed, off-the-shelf software will not be impacted as retailers do not normally hold copyright or patent rights. The impact on the amounts of sales and use tax currently being generated by major industrial and manufacturer software users could be significant but has yet to be determined. The BOE will be discussing how to proceed at their meeting in January.

City of Alhambra v. County of Los Angeles (Case No. S185457). The court ruled that Counties may not include property tax revenues diverted from the Educational Revenue Augmentation Fund to backfill the VLF and Triple Flip swaps in their calculation of the city's share of the cost of collecting and administering property tax. Some counties have already begun reimbursing cities for the extra property tax fees charged during the last six years. Others are contesting whether retroactive payments are required while Los Angeles County has petitioned the court for a rehearing on the entire decision. The court has until February 15, 2013 to decide L.A. County's request to reopen and reconsider. The Triple Flip is currently scheduled to expire in 2016-17.

INCREASED SALES TAX RATES

Proposition 30 increased the state's sales tax by ¼ cent for a four year period beginning January 1, 2013 bringing the statewide basic rate to 7.50%.

Local governments also have the authority to seek voter approval to increase their sales tax rate through the formation of an "add-on" transactions and use tax district. As with other taxes, the district must obtain a majority vote if for general purposes and a two-thirds vote for special purposes.

Nine cities placed proposals for new districts in June and 25 more in November. Proposals ranged from increases of 1/8% to 1.0%. All but four of the 34 city proposals passed. Additionally, 11 counties had proposals to either add a new tax or extend an existing tax during the two elections. Seven of the 11 countywide measures also passed. More of the county measures required a two-thirds voter approval

which may account for the lower passage rate. Taken together, 87% of all measures requiring only a majority approval passed while only half of those requiring a two-thirds approval did so.

This brings the total number of city transactions tax and use districts to 126 and number of countywide districts to 43. Additional measures are expected to be on the March ballot.

DIRECT PAYMENT PERMITS

We have had a number of recent questions from newly appointed agency staff regarding the use of direct payment permits to recover use tax paid on purchases of goods from out-of-state inventories.

The local share of use tax on out-of-state purchases exceeding \$500,000 is allocated to the jurisdiction of first functional use. Local use tax on purchases under \$500,000 is pooled and shared by all jurisdictions in the county of delivery based on each jurisdiction's pro rata share of taxable sales.

HdL monitors out-of-state purchases that exceed \$500,000 to insure that the local tax revenues are properly allocated. If we determine there has been an allocation error, we will submit a petition to the Board of Equalization (BOE) and pursue a reallocation. However, providing us with advance notice of qualifying purchases that exceed \$500,000 can streamline the process and expedite receipt of local tax revenues to your jurisdiction.

We further encourage jurisdictions with significant ongoing, out-of-state purchases that are *under* \$500,000 to self-assess their use tax through the direct payment permit process. The direct payment permit allows you to recover 100% of the local use tax that your agency pays on its purchase by authorizing your agency to issue a certificate exempting the vendor from paying the tax and instead, directly reporting the tax to the State Board of Equalization on your jurisdiction's sales and use tax return. Self-reporting of the use tax effectively makes your jurisdiction the "point of sale."

If your agency does not currently have a direct payment permit, you may obtain one by submitting BOE Form-400-DP which can be downloaded at: <http://www.boe.ca.gov/cgl-bin/forms.cgi>. Your jurisdiction must have an existing California seller's permit or a use tax permit and the BOE requires that you include your permit number on your direct payment permit application. The regulation describing the process can be found at: <http://www.boe.ca.gov/lawguides/business/current/btlg/vol1/sutr/1699-5.html>. The BOE staff member responsible for issuing direct payment permits is Steve Morgan. He can be reached at 916.322.9463.

For more information on how to maximize use tax revenues or inform local businesses in your community about direct payment permits, click on these links: [Maximizing Use Tax](#) and [HdL's Use Tax Direct Payment Permits](#) or contact us at 909.861.4335.



HeadLines



Our HeadLines e-news service provides HdL clients with the most up-to-date information on trends affecting California's economy and is meant to provide you with insight and support in your budget preparation and economic planning.

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Wal-Mart Opens Largest Online Fulfillment Center

Wal-Mart Stores unveiled its largest ever warehouse dedicated to filling online orders last week as the world's biggest retailer steps up competition with web rival Amazon.com. The warehouse, based in Bethlehem, Pa., will be more than 1 million square feet and employ over 350 full-time staff when it opens in the first quarter of 2014. [Read More](#)

Amazon Fresh Begins Orange County Service

Some people in Orange County no longer have to wear pants while grocery shopping, as AmazonFresh, Amazon's home grocery delivery service, is now active in parts of the county. AmazonFresh debuted in Los Angeles earlier this summer and has been operating in the Seattle metro since 2007. Parts of Orange County eligible for service include Anaheim, Huntington Beach, Irvine and Newport Beach. Parts of Long Beach also have access to the program, which is currently being run out of a San Bernardino fulfillment center, according to Amazon. [Read More](#)

Tight Budgets Don't Mean Millennials Won't Pony Up For iPhones And Chipotle

Things haven't been easy for millennials. More are enrolling in college, but just 63% are employed and a third are living at home with parents, according to a Pew Report released earlier this year. Budgets may be tight, but at more than 80 million strong and spending \$1 trillion annually in aggregate, millennials are still a powerful buying force, at least in three specific areas: technology, apparel and food. [Read More](#)

Wal-Mart, Target Roll Out Smaller Store Formats to Battle with Drug Store Rivals

The latest growth strategy at Wal-Mart stores is to get bigger by getting smaller. After building the world's largest retail platform by opening superstores in every major U.S. market, Wal-Mart is doubling down on a strategy of opening new stores that are a fraction of the chain's traditional size, targeting densely populated urban areas where demographics increasingly show more people prefer to work and live. [Read More](#)

Consumers Turning to Their Smartphones, Tablets for Specific Retail Activities

When it comes to consumers' love of all things digital, using tablets and smartphones to interact with retailers is high on their list. According to a report produced in partnership with comScore and The Partnering Group, in June 2013, more than half (55%) of all retail related Internet time originated on smartphones and tablet devices combined, compared with just 45 percent originating from desktop devices. [Read More](#)



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HdL Companies

- Sales and Use Tax
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HdL provides relevant information and analysis on the economic forces affecting local government agencies. We serve over 355 cities, counties and districts in

By The Numbers

Percent of change from one year ago.

CALIFORNIA DATA

Ports (August):
Containers

California and across the nation. Our allocation audits and software help our clients maximize their revenues.

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[Vol. 3 Issue 17 September 11, 2013](#)

[Vol. 3 Issue 18 September 26, 2013](#)

Imported ↑ 7.36%

Exported ↑ 6.59%

Major Airport Traffic (August):

Passengers

Domestic ↑ 1.04%

International ↑ 6.59%

Unemployment Rate:

August 2013 8.9%

August 2012 10.4%



2013-2014
California
Retail Analytics

Expanding Retailers

Published: April 2013



HdL
COMPANIES

30
Years
Dedicated Service
Since 1983



RETAILERS EXPANDING IN CALIFORNIA April 2013

<i>Business Name</i>	<i>Leasable Sq Ft In 000's</i>	<i>Annual 1% Tax in \$000's</i>	<i>Site Preferences</i>	<i>Expansion Area</i>	<i>Contact Information</i>
General Retail					
4G Verizon Wireless	1-4	25-35	2, 3, 9	Statewide	garymorris@morriscrc.com
99 Cents Only Stores	20.1	15-30	1,2	Escondido California	Cassidy Turley, San Diego, 858.625.5244
ACE Hardware	10-25	16-30	1, 2, 4, 12	Southern California	myace@acehardware.com
Active Ride Shop	4.5-6	14-25	6, 7, 9	Southern California	jeff@strategicretailadvisor.com
Aerosoles	1.4-2.5	3.5-6	6, 11, 13	Statewide	scott@spirealty.com
Armstrong Garden Center	6.5	12-24	4	Southern California	Monte Enright, 616.914.1091
Big 5 Corp.	9-15	20-35	1, 2, 8	Statewide	jsb@big5corp.com
Big Lots	25-35	20-35	1, 2, 4	Statewide	mflow@biglots.com
Bloomingdale's	25	500-1,100	4, 6, 7, 11	Upscale Urban Centers	Charles DiGiovanna, 513.579.7447
Boot Barn	8-12	15-25	1, 2, 4, 10	Statewide	abrowning@bootbam.com
Burlington Coat Factory	50-70	60-100	1, 2, 3, 6, 7	Northern California	michael.shanahan@coat.com
Cache	2	3.5-7	6, 9	Statewide	Dawn Balopole, 614.939.5177
Charles David	1.2-1.6	3-5	9	Southern California	david.iann@charlesdavid.com
Cosmo Prof	2-2.4	5-7.5	1, 2,	Orange County	Epstein & Associates, 858.536.8383
Costco Wholesale	150	750-1,250	4	Orange County	pberry@commercialwest.com
Daneli Shoes	2-4	6-12	1, 2, 4, 12	Upscale Urban Centers	elie@footwearetc.com
David's Bridal	5.5-12	15-25	1, 2, 3, 4, 9	Statewide	Michael Mirsky, 610.943.5000
dd's Discounts	20-22	125-250	4, 8, 13	San Francisco Bay Area	sarah.edwards@srsre.com
Destination XL	7-10	5-8	4, 12, 13	Southern California	scott@spirealty.com
Dollar General	9-10	12-25	1, 2, 4, 8, 13	Statewide	dyoung@dollargeneral.com
Dollar Tree	8-12	11-15	1, 2, 3, 8, 11	Statewide	blaine@strategicretailadvisor.com
DSW	18-20	35-50	3	Statewide	steveramey@dswinc.com
Fallas Paredes	18-22	15-30	1, 2, 3, 4	Statewide	agodoy@nationalstoresinc.com
Family Dollar Store	8-10	6-20	1, 2, 4	Southern California	realestate@familydollar.com
Famous Footware	5-6	2-5	1, 2, 6, 7, 9, 13	Statewide	rgrahamslaw@brownshoe.com
Footwear Etc.	2-6	8-15	4, 12	Southern California	elie@footwearetc.com
Game Stop	1.3-1.8	6-20	3, 9	San Francisco Bay Area	scarmichael@terrnomics.com
Golfsmith	50-60	30-50	1, 2, 4	Southern California	Springstead & Associates, 749.797.9040
Guitar Center	7-15	30-60	1, 2, 3, 4	Statewide	bshepard@scg-retail.com
Hallmark Gold Crown	3-3.5	5-10	2, 3, 6	S. Diego/Rvrsde Cnties, SF Bay Area	scarmichael@terrnomics.com
Hancock Fabrics	11-12	8-13	1, 2, 3, 4	Statewide	rdriskell@hancockfabric.com
Helzberg Diamonds	1.6-2.2	9-15	1, 2, 4, 8, 9	Statewide	Ellen Zellemer, 816.842.7780
Hobby Lobby Stores	55-60	60-80	1, 2, 3,	Statewide	Scott Nelson, 405.745.1100
Home Goods	45	65-125	4	Statewide	TJX Cos., Inc., 508.390.1000
J. Stephens	1.4-2.2	3-5	6, 7, 9, 13	Southern California	Gary Haus, 818.431.2501
Jared - Galleria of Jewelry	6	15-30	4	Statewide	dclunk@jewels.com
Jo-Ann Fabrics & Crafts	12-25	20-60	1, 2, 3, 4, 6, 7	Southern California	velma.quinlan@joann.com
Johnny Was	1.5	6-12	6, 7, 9, 13	Southern California	scott@spirealty.com
Kahoots Pet Store	6-8	10-20	1, 2, 4, 9	Southern California	pberry@commercialwest.com
Le Roy's Shoes & Clothing	4-10	6-10	1, 2, 4, 8	Southern California	bigwavedave49@yahoo.com
Leslie's Poolmart	2.6-3.2	4-12	1, 5, 9	Southern California	Springstead & Associates, 749.797.9040
Loma Jane	1.5	3.5-5.5	1, 2, 3, 6, 7	Upscale Urban Centers	scott@spirealty.com
Lululemon Athletica	2.2-3.2	25-50	1, 2, 3, 9	Statewide	Allan Marquardt, 314.683.6003
Macy's Department Store	100-180	350-475	1, 2, 3	Statewide	Carl Goetemoeller, 513.579.7666
Mancini Sleepworld	7-14	15-30	1, 2, 4	Statewide	rmancini@sleepworld.com
Melrose Stores	10	5-10	1, 2	Southern California	bernie@pvpinc.com
Mor Furniture For Less	40-60	100-200	3, 4	Statewide	Rick Haux, 858.547.1616
Nordstrom Rack	35-40	150-275	3	Statewide	Tony Sekora, 206.303.2095
Orvis Co.	5.5-7	6-10	1, 2, 3, 4, 12	Statewide	goldenoakdev@cox.net
Party City	12-15	13-30	30	Statewide	dcalvin@partycity.com
Payless Shoes	2.7-3	4-6	3, 9	Southern California	bernie@pvpinc.com
Performance Bicycle	7-12	6-20	1, 3, 9	Southern California	Springstead & Associates, 749.797.9040
Planet Beauty	1.4-2.5	8-12	1, 6, 9	Statewide	Bahman Fakhimi, 949.752.1885
Relax the Back	2.3-2.7	5-10	1, 2, 3, 9	Southern California	Kurt Buehler, 800.290.2225 ext 7941
Ross Dress for Less	22-30	60-120	1, 2, 3, 6, 7	Statewide	Gregg McGillis, 925.965.4400
Sally Beauty Supply	1.6-1.8	6-12	1, 2, 13	Statewide	Steve Patten, 203.234.6371
Shoe City	3.8-6	10-25	1, 2, 4, 12	Southern California	bob@ripratt.com
Sit N Sleep	13	15-30	1, 2, 4, 6, 7	Southern California	Larry Miller, 310.608.6838
Sport Chalet	42	25-50	3, 6, 7, 9	Statewide	Dennis Trausch, 818.790.2717
Stein Mart	28-32	40-70	2, 6, 9	SF Bay Area and Sacramento Region	cfirstenberg@metrovation.com
Sur La Table	5-6	15-30	6, 7, 9, 13	Statewide	Steve Bartha, 201.302.9116
Susie Deals	5-6	1.5-3	1, 2, 3	Statewide	bernie@pvpinc.com
The Alley	15-30	12-18	1, 3	Southern California	William Marek, 760.347.7200
The Container Store	22-25	90-120	6, 7, 9, 13	Statewide	Valerie Richardson, 972.538.6000
Tilly's	6-8	20-40	1, 2, 3, 6, 7, 11	Statewide	John Burgess, 949.609.5587
Total Wine & More	20-25	75-150	1, 2, 3, 4, 8, 9, 13	Statewide	parmstrong@totalwine.com
Tuesday Morning, Inc.	10	6-18	3, 4, 6, 7, 8, 9, 11	Statewide	mdean@tuesdaymorning.com
U.S. Cellular Corp	1.5-3.5	2-6	1, 2, 3, 6, 9, 13	Northern California	glen.todd@uscellular.com
Ulta	10	30-50	3	Statewide	rick.franz@ultainc.com
Walking Company	1-1.4	5-10	6, 8	Upscale Urban Centers	joec@thewalkingcompany.com
Walmart Neighborhood Mrkt	39	45-75	4, 5	Statewide	Wal-Mart Stores, Inc., 479.273.4000
Warehouse Shoe Sale	8-12	15-30	4, 12	Southern California	skangavari@rosanopartners.com
Windsor Fashions	3-5	8-14	6, 13	Southern California	eddiezo@aol.com

Business Name	Leasable Sq Ft in 000's	Annual 1% Tax in \$000's	Site Preferences	Expansion Area	Contact Information
Restaurants					
Amezi Pizza & Pasta	1.2-2.5	2-4	4	Southern California	nandrisano@aol.com
Black Bear Diner	1.2-3.5	10-30	2, 3, 4, 6, 7	Statewide	bob.manley@blackbeardiner.com
Broken Yolk Café	4-6	15-25	2, 3, 4, 9, 13	San Diego Region	greg@pvpinc.com
Buffalo Wild Wings	6	20-40	10, 12	Inland Empire & Orange County	jeff@strategicretailadvisor.com
Burger Lounge	1-2.2	5-15	2, 4, 6, 9, 11, 13	Upscale Urban Centers	Mike.Spilky@locationmattersinc.com
Cabo Cantina	3.5-4.5	10-20	2, 4, 9	Southern California	ira@iraspilky.com
California Fish Grill	2.8-3.0	5-10	2, 4, 13	Southern California	manny@cafishgrill.com
Carino's Italian Grill	5-6.5	5-15	4	Statewide	justin.mcmahon@cbre.com
Corner Bakery Café	3.5-4.4	20-30	3, 8,	Statewide	sites@cornerbakerycafe.com
Famous Dave's	3-6	35-50	2, 3, 4, 9, 13	Central & Southern California	guestrelations@famousdaves.com
Fatburger	1.5-2	5-8	12	LA, Orange, Ventura Counties	madamczk@kennedywilson.com
Five Guy's Famous Burgers	2-3	14-20	12	Statewide	molly.bonwell@cbre.com
Freebirds World Burrito	2-2.8	5-9	1, 2, 4, 6, 8, 13	Statewide	cmarsh@freebirds.com
Fresca's Mexican Grill	1.7-2.5	5-8	2, 3, 4, 9, 13	LA & Orange Counties	tryder@frescas.com
Golden Corral	11	28-40	3, 4, 5, 12	Central Valley	kelvinchen88@yahoo.com
Il Fornaio	7.5-8.5	30-50	8, 9	Statewide	brian.kjos@sequoiacompany.com
In-N-Out Burger	3.8	30-50	4	Statewide	Mike Bailey, 714.969.8099
Logan's Roadhouse	5.6-6.5	15-25	4, 6, 13	Northern & Central California	steveg@logansroadhouse.com
Lone Star Steakhouse & Saloon	5.5-6.2	20-25	4	Southern California	realestate@steakco.com
Malibu Fish Grill	1.5-2.7	8-12	2, 4, 9, 13	Southern California	rr@kf.com
Mary's Pizza Shack	4-6	15-20	1, 2, 4, 13	Northern California	jschaefer@terronomics.com
Niko Niko	1.2-2.2	5-15	6	Southern California	gprince@princecommercial.com
Noodles & Company	2.4-2.6	5-10	1, 2, 3, 4, 8, 9, 13	San Diego & Sacramento Regions	jdrew@retainsite.net
Olive Garden	7.5	40-55	3, 5, 6, 7	Statewide	tom.woods@colliers.com
Panda Express	1.8-2.2	10-20	12	Statewide	David Landsberg, 626.372.9898
Panera Bread	4.2-4.6	13-20	4, 5, 12	Orange and Los Angeles Counties	jromm@commercialwest.com
Pei Wei Asian Diner	2.9-3.2	6-11	2, 9, 13	Southern California	rr@rkf.com
Qdoba Mexican Grill	2.2-2.4	5-10	3, 9	Southern California	comments@qdoba.com
Red Robin Gourmet Burgers	2-6.5	25-80	4, 12	Statewide	wally@strategicretailadvisor.com
Smashburger	1.6-2.2	5-10	1, 2, 4, 6, 12	Statewide	realestate@smashburger.com
Smashburger	3.5-6.5	25-35	2, 4, 8, 9, 13	Southern California	ibrown@ngfk.com
Tender Greens	3-3.5	16-35	9, 12	Statewide	mblancarte@sitereach.com
Texas Roadhouse	6.5-7.5	30-60	2, 3, 4, 13	Central & Southern California	mikek@texasroadhouse.com
The Cheesecake Factory	7.5-15	65-110	4, 8, 9, 13	Upscale Urban Centers	bmakellar@thecheesecakefactory.com
The Counter	2.7-3.2	20-40	2, 4, 6, 9, 13	Northern California Upscale Centers	rsrusher@ccareynfk.com
The Habit Burger Grill	1.9-2.3	10-20	5, 12	Antelope Valley, Kern, Riverside, Ventura	trissman@trissmancommercial.com
Tilted Kilt	5.5-7.5	25-35	1, 2, 3, 8, 9, 11, 13	LA & Orange Counties	tiltedkilt.com
Togo's	1.4-1.7	2.5-4	1, 2, 9	LA, Orange, Ventura Counties	jpaster@naicapital.com
Waba Grill	1.5-2	2-4.5	12	LA, Orange, Ventura Counties	madamczk@kennedywilson.com
Which Wich	1.2-1.8	2-3	1, 2, 3, 4, 8, 9, 13	Southern California	info@whichwich.com
Wood Ranch BBQ & Grill	1.5-4	45-75	2, 4, 8, 13	Southern California	James Ashton, 818.869.9544
Yard House	10-12	50-120	3, 8, 9, 13	Statewide	john.few@sequoiacompany.com
Zankou Chicken	2.5	20-30	1, 2, 4, 8, 12	Los Angeles County	jromm@commercialwest.com

Food & Drug					
7-Eleven	2-3	10-20	1,2,4	Statewide	Springstead & Associates, 749.797.9040
Bev Mol	10	35-70	1, 2, 3	Statewide	matt.alexander@srse.com
CVS	14.5	20-60	1, 2, 12	South LA and Orange Counties	Springstead & Associates, 749.797.9040
El Super	35-50	30-55	2, 4, 9, 13	Central Valley	Anthony Mansour, 310.815.8611 x 104
Grocery Outlet	15-20	10-35	1, 2, 4	Northern Calif, San Diego County	mdrasin@cfgo.com
Ralphs	40-60	40-90	4	Orange County	blaine@strategicretailadvisor.com
Ray's Food Place	20-46	15-25	2, 4	From Sonoma County North	jimmym@ckmarket.com
Save-A-Lot	14-20	1.5-4	4, 12	San Bernardino County	Springstead & Associates, 749.797.9040
Smart & Final	25-40	20-45	5	Orange County	Springstead & Associates, 749.797.9040
Sprouts Farmers Market	24-30	12-36	1, 2, 4	Statewide	sethbrown@sprouts.com
Stater Bros. Market	44	35-60	1, 2	Southern California	bill.corridan@staterbros.com
Superior Grocers	40-50	25-50	2, 4	Central and Southern California	randyibara@sbcglobal.net
Walgreens	15	15-30	4, 12	Orange & Riverside Counties	blaine@strategicretailadvisor.com
Whole Foods	20	50-100	2, 12	Southern California	Whole Foods Market, Inc., 724.273.3400

Automotive					
Firestone Tire	7.5-8.5	5-10	3, 4, 7	Statewide	paustin@bfr.com
Les Schwab Tire Center	9-12	15-30	4	Central California	jon.r.scanlan@lesschwab.com
Peppercorn	5-7	15-30	12	Southern California	joel_walsh@peppercorn.com

Key to preferred sites:					
1 Community Strip	4 Freestanding	7 Enclosed Super Regional Mall	10 Mixed Use	13 Regional Strip Mall	
2 Neighborhood Strip	5 Pad/Out Parcel	8 Downtown / CBD	11 Outlet Center		
3 Power Center	6 Enclosed Regional Mall	9 Lifestyle Center	12 Endcaps		

HdL

COMPANIES

HdL Companies

1340 Valley Vista Drive, Suite 200

Diamond Bar, CA 91765

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APPENDIX 2

Sample Property Tax Reports

Reports in the portfolio of deliverables include but are not limited to:

Roll Summary Graph

Displays by value type (land, improvements, personal property, and exemptions) the value deviations between the current tax year and each of the prior 5 tax years. The lower portion of the graph identifies the total assessed value and net taxable assessed value comparisons.

Top 40 Net Taxable Secured Value Changes

The largest valuation deviations - increases and decreases are shown on this graph with APN, Owner Name, Situs Address where available, Current Assessed Value, and Value Increase or Decline.

Median/Average Sales Price

A graphic report detailing the average and median sale prices of residential, commercial, industrial property over the past 15 years through the last real estate recession to present.

City/Agency Roll Summary

Report detailing land, improvement, fixtures, personal property, and exemptions for each taxing agency. The value of this report is that City staff can readily see where deviations occur from one year to the next.

Tax Dollar Breakdown Graph

The breakdown of the City's 1% general levy factor file is displayed, with those portions of the tax collected for the County highlighted, for illustrative purposes. This report looks at the largest value, non-redevelopment TRA (tax rate area) as a representative breakdown. In some counties the ERAF (Educational Revenue Augmentation Fund) shift is calculated as a percentage of city shift at the TRA level.

Revenue Calculation

By using the information from the Agency Reconciliation Report, the Base Year Value Report, the City file detailing the breakdown of the 1% General Tax Levy and voter approved debt, we extend the lien date roll, and furnish property tax revenue projections for budgeting purposes for the General Fund.

Use Category Summary

This table summarizes parcels within the City by use code and provides number of parcels, assessed value and property tax information. The report can be also be prepared for Absentee Owned, Pre Prop 13, or special geographic assembly requested by the City.

Category Summary Year to Year Growth

This report references a year to year comparison of values, parcel counts and percent change of each major use code assigned to the City for a better understanding of where increases or declines are being experienced within the City or a specific geo area.

Transfer of Ownership Summary

This listing details the transfers of ownership during the past 5 years and the resultant revenue change due to the enrollment of the higher or lower sales prices the year after the transaction.

Sales-Average/Median Price History

Multi-year summary of the average and median sales prices of full value sales for single family residential transactions.

Top Secured/Unsecured Property Owner/Taxpayer Summary Reports

These listings are compiled by a computer sort of all parcels owned by the same individual or group of individuals with a common mailing address. This assembly of parcels provides information about the largest overall secured property owners and/or taxpayers. The Top Ten Property Taxpayers includes the percentage of the entire tax levy attributed to a taxpayer as well as the use code and taxing jurisdiction of the property owner.

Proposition 8 Recapture History

This report displays the historical impact of Proposition 8 reductions to the value of parcels in the City and monitors the progress values as they are restored by the assessor.

Non-Residential New Construction

A listing that calculates non-residential growth for increasing a City's Gann Limitation as a result of Proposition 111.

Foreclosure Data compiled from real estate trackers on a monthly basis

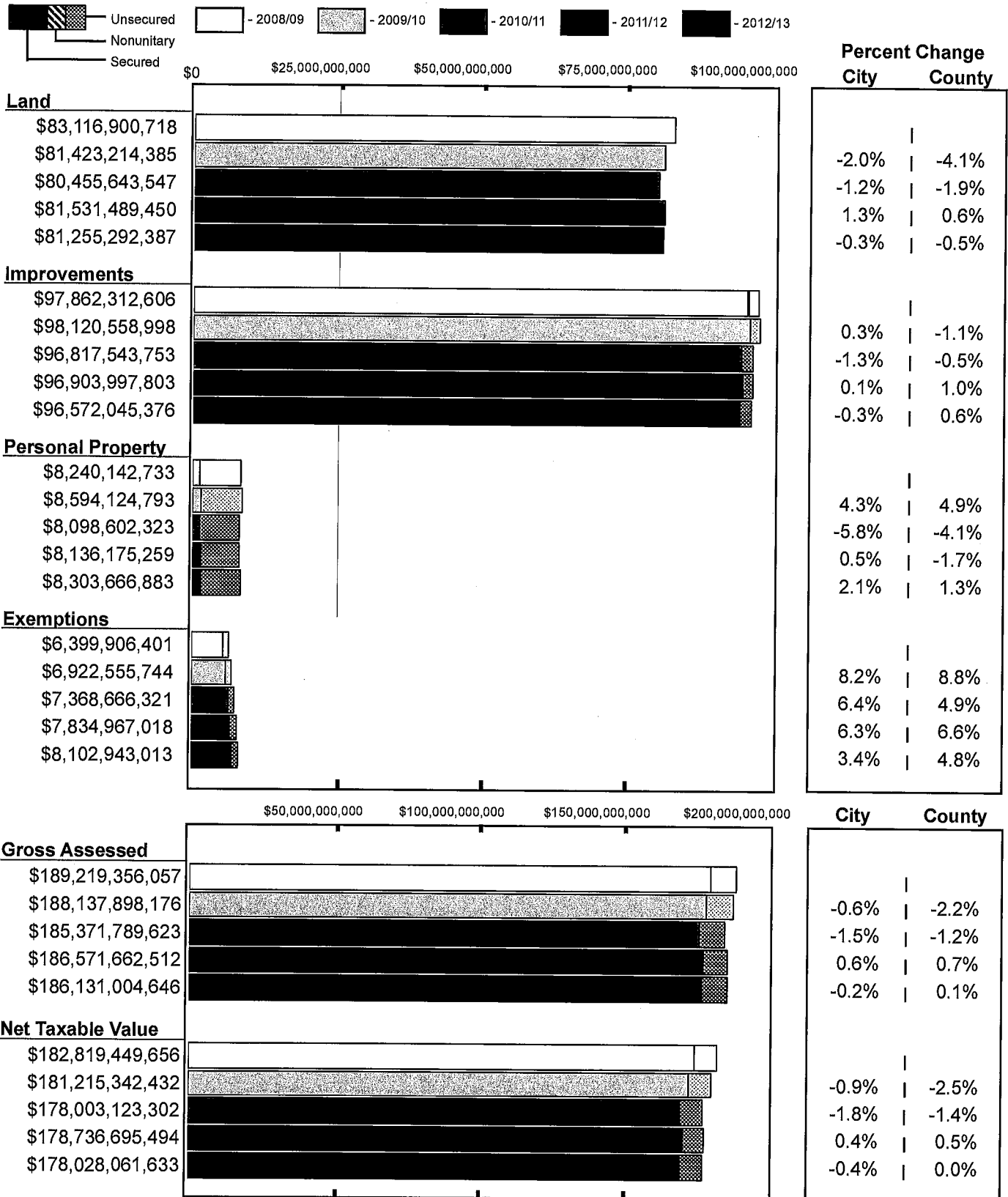
REO Listing A listing of properties owned by banks, mortgage lenders, financial institutions or government mortgage associations.

General Fund Spreadsheet

Budget projections in the form of a revenue spreadsheet for the general fund estimates take into account positive and negative changes in the sale prices of properties transacted prior to the next lien date, potential losses through assessor applied Proposition 8 reductions and recaptured values in future years, successful appeal reductions that are pooled countywide and incorporate the annual CPI adjustment per Proposition 13. Data entry points for completed new construction and supplemental revenues are available to round out the budget estimate.



THE CITY OF SAN DIEGO 2008/09 TO 2012/13 ASSESSED VALUES



Data Source: San Diego County Assessor 2008/09 To 2012/13 Combined Tax Rolls

Prepared On 10/8/2013 By NEC

This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone



THE CITY OF SAN DIEGO

2012/13 TOP 40 NET TAXABLE SECURED VALUE CHANGES

Parcel	Use Category	Owner	Situs	Current Net Taxable Value	Net Taxable Value Change	Value Change from Prior Year
760-016-03-00	Commercial	Host Hotels And Resorts Lp; Manchester Gr	1 Market Pl	\$444,509,827	+\$258,375,101	+139%
760-017-35-00	Commercial	Sunstone Park Lessees Llc; One Park Blvd	1 Park Blvd	\$600,540,300	+\$195,740,300	+48%
760-016-17-00	Commercial	Host Hotels And Resorts Lp; Manchester Gr	1 Market Pl	\$321,082,740	+\$142,181,962	+79%
533-610-05-00	Commercial	Bruins Owner L L C	910 Broadway Cir	\$106,692,000	+\$58,317,865	+121%
341-470-15-00	Commercial	California Proton Treatment Center L L C	9730 Summers Ridge Rd	\$62,990,810	+\$53,374,329	+579%
313-060-05-00	Residential	Cresta Bella LP	11035 Via Livorno	\$70,988,884	+\$51,489,978	+264%
463-590-09-00	Residential	Plymouth Health Investments Llc	6599 Alvarado Rd	\$54,796,000	+\$37,750,277	+221%
369-220-86-00	Residential	S P U S O 5 Wood Kearny Mesa L L C	8798 Spectrum Center Blvd	\$55,930,000	+\$34,430,000	+160%
760-016-11-00	Commercial	Service America Corporation < Centerplate>	111 W Harbor Dr	\$47,697,501	+\$32,796,150	+220%
307-390-57-00	Commercial	I C W Plaza Holdings L L C	11455 El Camino Real	\$54,060,000	+\$28,036,132	+108%
433-290-02-00	Residential	O C S D Holdings L L C	2116 Fenton Pkwy Unit 2288	\$127,907,239	+\$26,853,756	+27%
345-161-04-00	Commercial	H E I L La Jolla L L C	4240 La Jolla Village Dr	\$77,500,000	+\$26,112,934	+51%
345-200-03-00	Commercial	A M L N Landlord L L C	9360 Towne Centre Dr	\$33,540,660	+\$26,040,980	+347%
533-435-01-00	Commercial	S D C F D Tower 8 Owners L L C	450 B St	\$60,150,000	+\$25,804,156	+75%
427-530-13-00	Institutional	Rady Childrens Hospital-San Diego	3010 Childrens Way	\$3,242,589	-\$23,802,791	-88%
345-162-25-00	Commercial	4350 La Jolla Village L L C	4350 La Jolla Village Dr	\$34,000,000	-\$23,950,000	-41%
533-474-05-00	Commercial	Irvine Company L L C	600 W Broadway	\$135,000,000	-\$25,000,000	-16%
534-182-07-00	Commercial	Trizec 701 B Street Llc	701 B St	\$105,000,000	-\$25,000,000	-19%
345-161-01-00	Commercial	Irvine Company Llc	4250 Executive Sq Unit A	\$28,560,000	-\$25,900,000	-48%
533-561-08-00	Commercial	Taylor Lucina G And Agerico A; Taylor Davi	101 W Broadway	\$95,000,000	-\$26,400,000	-22%
760-217-26-00	Residential	Us Navy	Pacific Beach Dr	\$0	-\$26,453,164	-100%
533-403-10-00	Commercial	Broadway Lexington Llc	401 A St	\$115,000,000	-\$27,800,000	-19%
533-610-16-00	Commercial	225 Broadway Llc	209 E Broadway	\$77,039,116	-\$28,006,887	-27%
369-170-03-00	Industrial	Kearny Mesa Industrial L L C	4000 Ruffin Rd	\$50,000,000	-\$28,943,863	-37%
307-452-39-00	Commercial	T R E A Pacific Plaza L L C	10935 Vista Sorrento Pkwy	\$34,000,000	-\$29,000,000	-46%
666-400-18-00	Commercial	Chelsea San Diego Finance L L C; Simons	4051 Camino De La Plz Unit	\$130,000,000	-\$29,610,139	-19%
345-161-02-00	Commercial	Irvine Company Llc	4275 Executive Sq	\$31,450,000	-\$29,820,000	-49%
760-229-13-00	Recreational	St Of California Department Of Transportati	Sthy 125	\$0	-\$36,500,000	-100%
760-226-85-00	Residential	Us Navy	Chollas Hts	\$0	-\$42,666,594	-100%
533-524-13-00	Commercial	K H P Ii San Diego Hotel L L C	1047 5Th Ave	\$46,053,000	-\$42,930,750	-48%
345-162-26-00	Commercial	Pacific Tower L L C	4365 Executive Dr	\$76,000,000	-\$45,225,000	-37%
535-121-12-00	Commercial	Strata Properties L L C	945 Market St	\$53,439,389	-\$45,705,995	-46%
345-161-03-00	Commercial	La Jolla Executive Center L L C	4220 Executive Dr	\$44,880,000	-\$46,000,000	-51%
533-485-06-04	Commercial	Reef America Reit Ii Corporation G G G	402 W Broadway	\$71,450,000	-\$47,839,830	-40%
760-146-72-00	Residential	Us Navy	Mcas Miramar	\$0	-\$48,639,916	-100%
760-217-27-00	Residential	Us Navy	Barnett Ave	\$0	-\$56,793,588	-100%
760-245-28-00	Residential	Us Navy	Chesterion	\$0	-\$60,693,230	-100%
760-235-72-00	Residential	Us Navy	Bayview Hills	\$0	-\$72,106,545	-100%
760-226-71-00	Residential	Us Navy	3123 Affon Rd	\$0	-\$83,528,255	-100%
760-239-43-00	Residential	Us Navy	Santo Rd	\$0	-\$226,095,462	-100%

Data Source: San Diego County Assessor 2011/12 And 2012/13 Secured Tax Rolls

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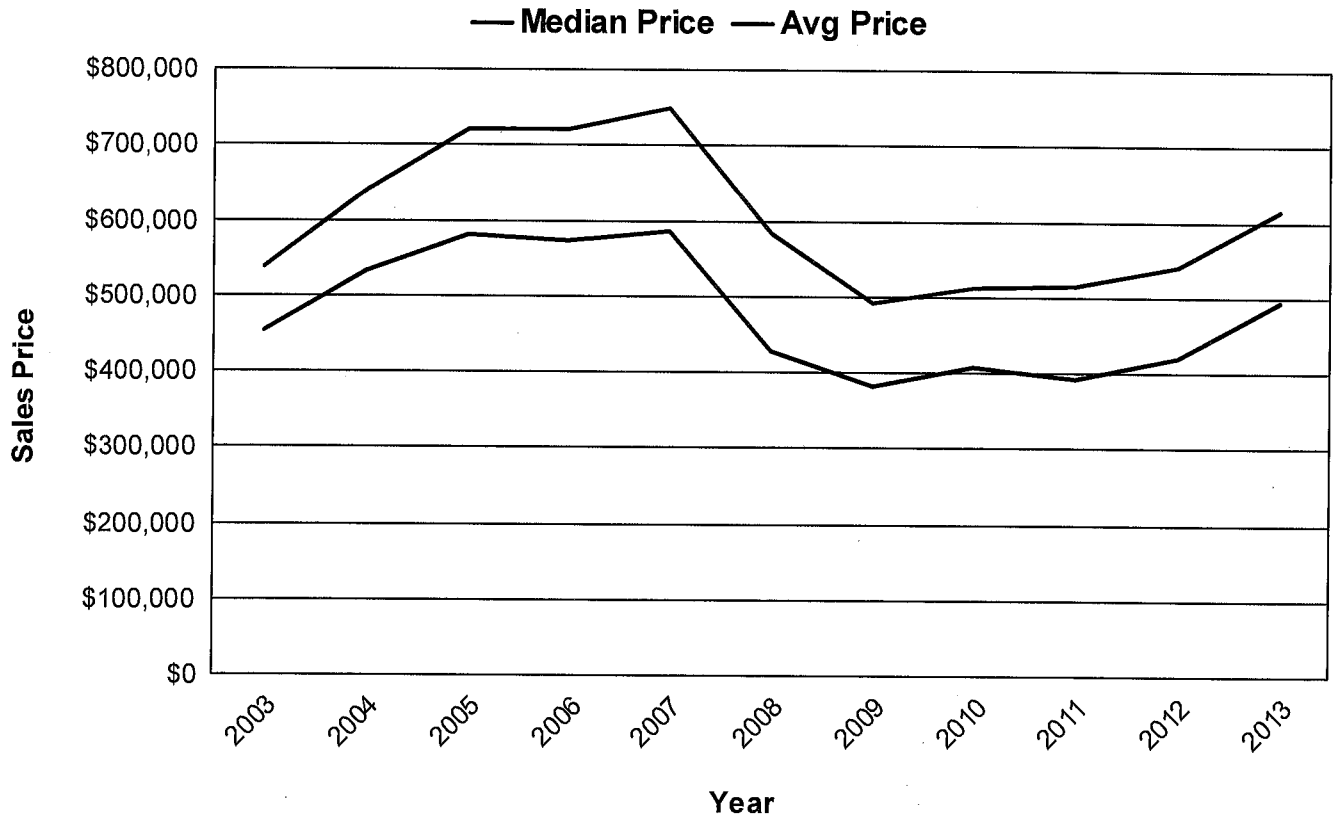
Prepared On 10/8/2013 By NEC



THE CITY OF SAN DIEGO SALES VALUE HISTORY

Detached Single Family Residential Full Value Sales (01/01/2003 - 8/30/2013)

Year	Full Value Sales	Average Price	Median Price	Median % Change
2003	10,129	\$538,293	\$454,000	
2004	10,213	\$638,845	\$533,000	17.40%
2005	9,544	\$719,825	\$580,000	8.82%
2006	7,776	\$721,583	\$573,000	-1.21%
2007	6,292	\$748,106	\$585,000	2.09%
2008	6,562	\$583,275	\$428,000	-26.84%
2009	7,879	\$491,357	\$382,000	-10.75%
2010	7,774	\$512,416	\$408,000	6.81%
2011	7,461	\$515,283	\$392,500	-3.80%
2012	8,875	\$538,946	\$420,000	7.01%
2013	6,156	\$613,032	\$495,000	17.86%



*Sales not included in the analysis are quitclaim deeds, trust transfers, timeshares, and partial sales.

Data Source: San Diego County Recorder

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THE CITY OF SAN DIEGO 2012/13 ROLL SUMMARY

Taxable Property Values

	Secured	Nonunitary Utilities	Unsecured
Parcels	374,654	49	35,261
TRAs	174	13	125
Values			
Land	81,234,739,791	20,552,596	0
Improvements	94,681,674,823	45,049,380	1,845,321,173
Personal Property	1,386,419,909	0	6,710,533,458
Fixtures	0	0	0
Aircraft	0	0	206,713,516
Total Value	\$177,302,834,523	\$65,601,976	\$8,555,854,631
Exemptions			
Real Estate	6,874,048,652	0	0
Personal Property	0	0	1,228,849,361
Fixtures	0	0	0
Aircraft	0	0	45,000
Homeowners*	1,462,584,799	0	1,686,165
Total Exemptions*	\$6,874,048,652	\$0	\$1,228,849,361
Total Net Value	\$170,428,785,871	\$65,601,976	\$7,327,005,270

Combined Values	Total
Total Values	\$185,924,291,130
Total Exemptions	\$8,102,898,013
Net Total Values	\$177,821,393,117
Net Aircraft Values	\$206,668,516

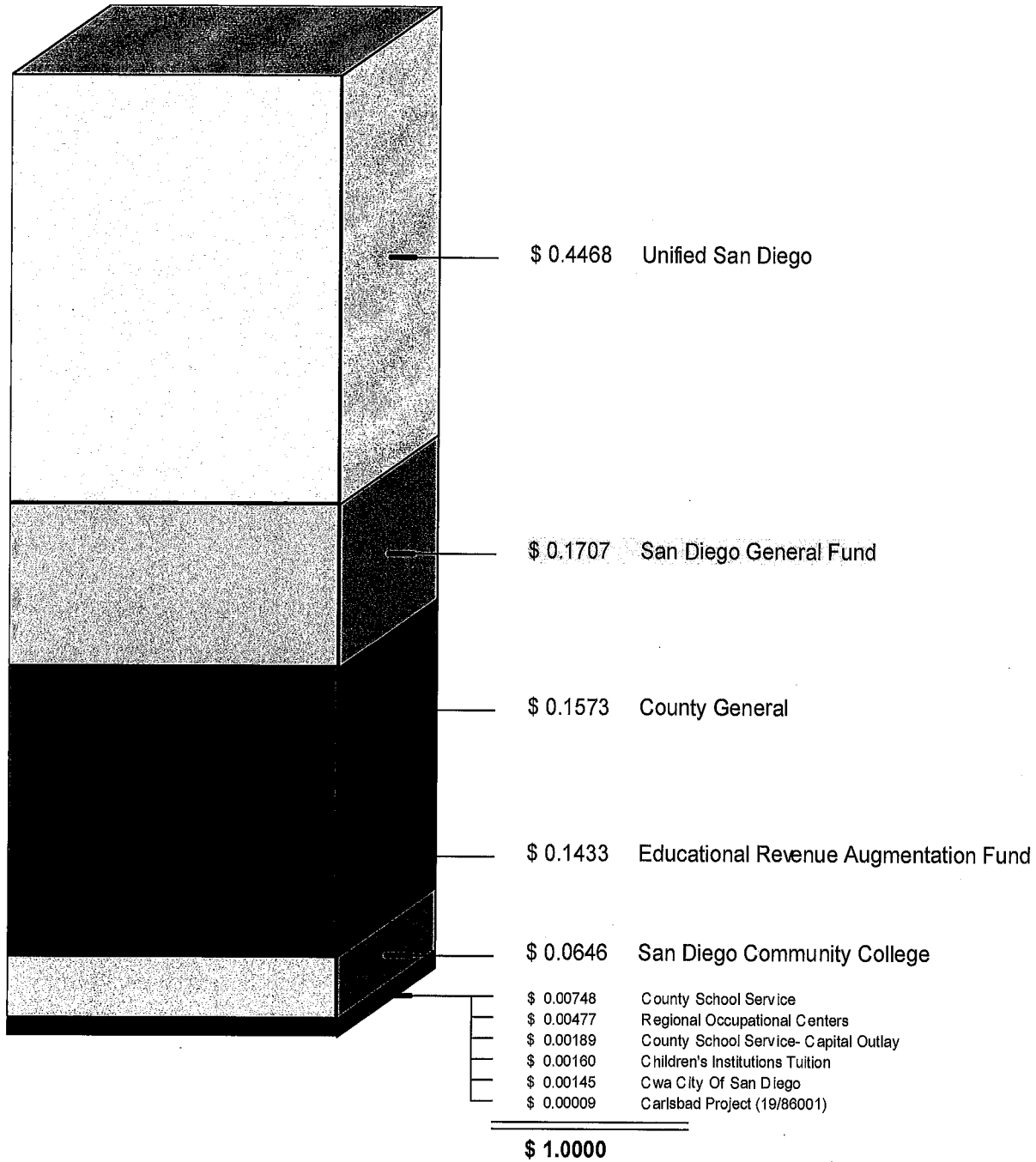
* Note: Homeowner Exemptions are not included in Total Exemptions
Totals do not include Aircraft Values or Exemptions

Data Source: San Diego County Assessor 2012/13 Combined Tax Rolls
This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

Prepared On 10/8/2013 By NEC



THE CITY OF SAN DIEGO PROPERTY TAX DOLLAR BREAKDOWN



ATI (Annual Tax Increment) Ratios for Tax Rate Area 008-001, Excluding Redevelopment Factors & Additional Debt Service

Data Source: San Diego County Assessor 2012/13 Annual Tax Increment Tables

Prepared On 10/8/2013 By NEC

This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone



THE CITY OF SAN DIEGO PROPERTY TAX REVENUE - 2012/13

Estimated Revenue, Assuming Zero Delinquency and No County Admin Fees

General Fund Summary - Non SA TRAs				General Fund Revenue			
Roll	Non SA TRAs Taxable Value	Rate	General Fund Revenue	Debt Rate	Debt Revenue	Total Revenue	
SEC	\$149,668,810.567	0.170437053	\$255,091,109.69	0.000000	\$0.00	\$255,091,109.69	
UTIL	\$60,197,035	0.114625787	\$69,001.32	0.000000	\$0.00	\$69,001.32	
UNS	\$6,505,674,240	0.167531665	\$10,899,064.35	0.000000	\$0.00	\$10,899,064.35	
TOTAL	\$156,234,681,842	0.170294567	\$266,059,175.37	0.000000	\$0.00	\$266,059,175.37	
+ Aircraft	\$206,668,516		\$688,895.05		\$0.00	\$688,895.05	
Total Before Adjustment of Original Charge	\$156,441,350,358	0.170509951	\$266,748,070.42	0.000000	\$0.00	\$266,748,070.42	
+ Adjustment of Original Charge (Net effective Total Revenue Loss)			\$3,376,708.07			\$3,376,708.07	
Non SA TRAs Total	\$156,441,350,358	0.172455872	\$270,124,778.50			\$270,124,778.50	
General Fund Summary - SA TRAs				General Fund Revenue			
Roll	Net Value	Rate	Base Year Revenue	Debt Rate	Debt Revenue	Total Revenue	
SEC	\$20,759,975,304	0.208185598	\$8,995,300.28	0.000000	\$0.00	\$8,995,300.28	
UTIL	\$5,404,941	0.209377797	\$12,688.19	0.000000	\$0.00	\$12,688.19	
UNS	\$821,331,030	0.206886797	\$608,810.27	0.000000	\$0.00	\$608,810.27	
TOTAL	\$21,586,711,275**	0.208104454	\$9,616,798.75	0.000000	\$0.00	\$9,616,798.75	
+ Aircraft	\$0		\$0.00		\$0.00	\$0.00	
+ Adjustment of Original Charge (Net effective Total Revenue Loss)			\$121,737.05			\$121,737.05	
SA TRAs Total	\$21,586,711,275**		\$121,737.05			\$121,737.05	
General Fund Total	\$178,028,061,633	0.173760702	\$279,863,314.29	0.000000	\$0.00	\$279,863,314.29	

**Value is net of Subordinate TRAs with a Net Taxable Value of \$19,555,101, Base Year Values of \$6,613,075 for the Subordinate TRAs are included in the General Fund Total

Incremental Revenue Summary				Total Incremental Revenue			
Roll	SA Taxable Value	Rate	Incremental Revenue	Debt Rate	Debt Revenue	Total Incremental Revenue	
SEC	\$20,740,832,818	1.000000000	\$164,262,872.22	0.000000	\$0.00	\$164,262,872.22	
UTIL	\$5,404,941	1.000000000	-\$6,550.10	0.000000	\$0.00	-\$6,550.10	
UNS	\$820,918,415	1.000000000	\$5,269,967.62	0.000000	\$0.00	\$5,269,967.62	
TOTAL	21,567,156,174	1.000000000	\$169,526,289.74	0.000000	\$0.00	\$169,526,289.74	
+ Aircraft	\$0	0.000000000	\$0.00	0.000000	\$0.00	\$0.00	
SA Total	\$21,567,156,174		\$169,526,289.74	0.000000	\$0.00	\$169,526,289.74	

Homeowner Exemption revenues are included in the revenue model used for this report

Data Source: San Diego County Assessor 2012/13 Combined Tax Rolls

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By NEC

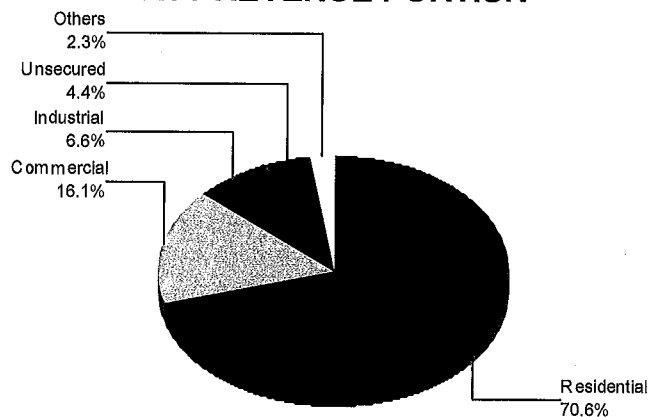


THE CITY OF SAN DIEGO 2012/13 USE CATEGORY SUMMARY

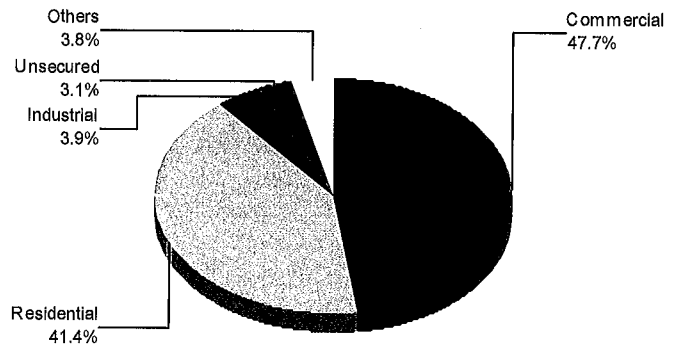
BASIC PROPERTY TAX TABLE

Category	Parcels	Net Taxable Value	G. F. Revenue	Incr. Revenue
Residential	348,926	\$120,438,707,976 (67.7%)	\$197,648,852.84	\$70,169,195.75
Commercial	10,800	\$33,845,553,602 (19.0%)	\$45,051,232.45	\$80,940,072.15
Industrial	3,817	\$11,721,420,173 (6.6%)	\$18,376,186.20	\$6,687,027.91
Dry Farm	480	\$186,126,547 (0.1%)	\$298,318.80	\$2,874.22
Institutional	937	\$309,982,905 (0.2%)	\$449,318.13	\$554,888.32
Irrigated	35	\$14,310,662 (0.0%)	\$23,631.18	\$0.00
Recreational	3,780	\$1,525,917,972 (0.9%)	\$2,238,479.43	\$2,443,700.33
Vacant	5,879	\$2,386,766,034 (1.3%)	\$3,346,125.31	\$3,452,276.35
Exempt	5,972	\$0 (0.0%)	\$0.00	\$0.00
SBE Nonunitary	[49]	\$65,601,976 (0.0%)	\$80,003.91	\$6,287.08
Unsecured	[35,261]	\$7,533,673,786 (4.2%)	\$12,351,166.03	\$5,269,967.62
TOTALS	380,626	\$178,028,061,633	\$279,863,314.29	\$169,526,289.74

CITY REVENUE PORTION



INCREMENTAL REVENUE PORTION





THE CITY OF SAN DIEGO

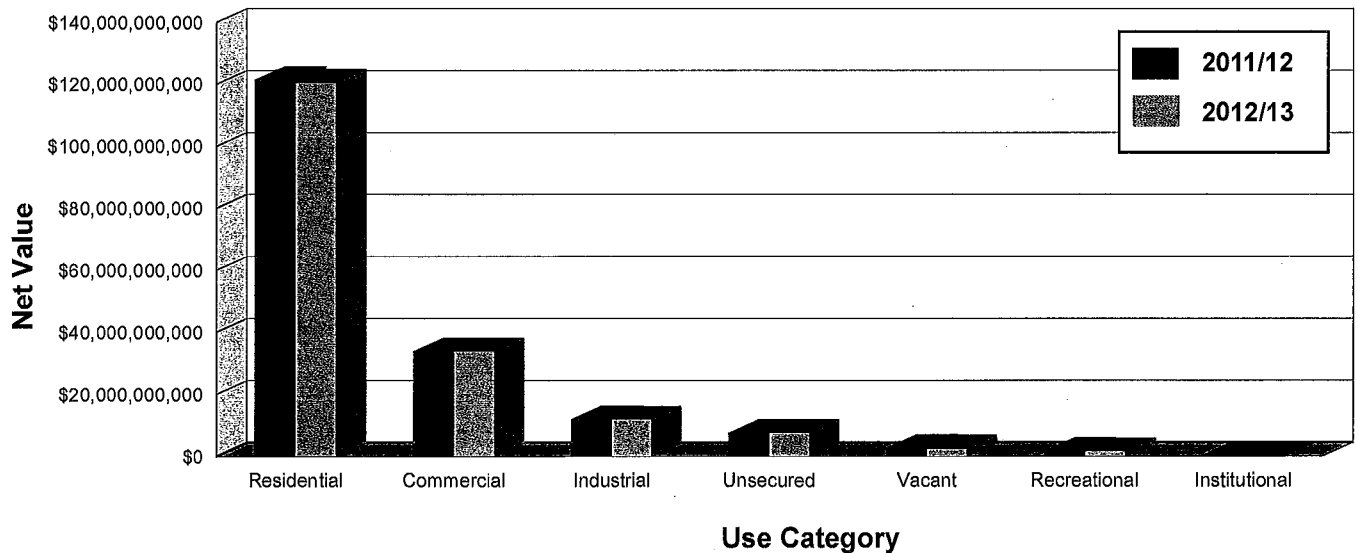
2012/13 GROWTH BY USE CATEGORY

2011/12 to 2012/13 Value Growth by Use Category

Category	2011/12 Net Taxable Value		2012/13 Net Taxable Value		\$ Change	% Change
Residential	348,400	\$121,220,314,679	348,926	\$120,438,707,976 (67.7%)	-\$781,606,703	-0.6%
Commercial	10,827	\$33,643,306,541	10,800	\$33,845,553,602 (19.0%)	\$202,247,061	0.6%
Industrial	3,820	\$11,723,677,819	3,817	\$11,721,420,173 (6.6%)	-\$2,257,646	0.0%
Unsecured	[35,136]	\$7,431,385,355	[35,261]	\$7,533,673,786 (4.2%)	\$102,288,431	1.4%
Vacant	5,991	\$2,545,162,661	5,879	\$2,386,766,034 (1.3%)	-\$158,396,627	-6.2%
Recreational	3,737	\$1,542,134,032	3,780	\$1,525,917,972 (0.9%)	-\$16,216,060	-1.1%
Institutional	933	\$357,693,382	937	\$309,982,905 (0.2%)	-\$47,710,477	-13.3%
Dry Farm	499	\$192,331,458	480	\$186,126,547 (0.1%)	-\$6,204,911	-3.2%
SBE Nonunitary	[50]	\$67,105,656	[49]	\$65,601,976 (0.0%)	-\$1,503,680	-2.2%
Irrigated	34	\$13,583,911	35	\$14,310,662 (0.0%)	\$726,751	5.4%
Exempt	5,942	\$0	5,972	\$0 (0.0%)	\$0	> 999.9%
TOTALS	380,183	\$178,736,695,494	380,626	\$178,028,061,633 (100.0%)	-\$708,633,861	-0.4%

Numbers in blue are parcel/assessment counts

Assessed Value by Major Use Category





THE CITY OF SAN DIEGO TRANSFER OF OWNERSHIP (2008 - 2012)

Single Family Residential

Multifamily, Commercial, Industrial, Vacant

Totals

Tax Year	# SFR Sales	Original Values	Sale Price	% Change	Non SFR Sales	Original Values	Sale Price	% Change	Total Sales	Original Values	Sale Values	% Change	\$ Change
ENTIRE CITY Valid Sales Price Analysis													
2012 1/1/12-12/31/12	14,646	\$5,182,298,820	\$6,648,556,985	28.3%	1,502	\$2,083,140,559	\$2,402,977,590	15.4%	16,148	\$7,266,439,379	\$9,051,534,575	24.6%	\$1,786,095,196
2011 1/1/11-12/31/11	13,064	\$4,717,263,592	\$5,535,526,119	17.3%	1,456	\$1,854,724,650	\$2,216,565,455	19.5%	14,520	\$6,571,988,242	\$7,752,091,574	18.0%	\$1,180,103,332
2010 1/1/10-12/31/10	13,860	\$4,790,514,616	\$5,876,618,032	22.7%	1,452	\$1,542,336,220	\$2,141,971,745	38.9%	15,312	\$6,332,850,836	\$8,018,589,777	26.6%	\$1,685,738,941
2009 1/1/09-12/31/09	14,333	\$5,026,761,306	\$5,876,679,796	16.9%	1,176	\$871,437,173	\$993,320,741	14.0%	15,509	\$5,898,198,479	\$6,870,000,537	16.5%	\$971,802,058
2008 1/1/08-12/31/08	12,446	\$5,244,152,909	\$6,011,076,736	14.6%	1,111	\$1,218,702,281	\$1,856,824,226	52.4%	13,557	\$6,462,855,190	\$7,867,900,962	21.7%	\$1,405,045,772

GENERAL FUND Valid Sales Price Analysis

2012 1/1/12-12/31/12	12,954	\$4,649,585,989	\$6,053,958,441	30.2%	1,107	\$1,471,798,857	\$1,781,729,590	21.1%	14,061	\$6,121,384,846	\$7,835,688,031	28.0%	\$1,714,303,185
2011 1/1/11-12/31/11	11,391	\$4,138,254,244	\$4,966,382,956	20.0%	1,099	\$1,341,592,171	\$1,685,607,455	25.6%	12,490	\$5,479,846,415	\$6,651,990,411	21.4%	\$2,993,940.37
2010 1/1/10-12/31/10	12,049	\$4,184,177,366	\$5,259,068,624	25.7%	1,120	\$1,185,885,437	\$1,677,833,700	41.5%	13,169	\$5,370,062,803	\$6,936,902,324	29.2%	\$2,035,312.65
2009 1/1/09-12/31/09	12,410	\$4,407,151,052	\$5,243,848,790	19.0%	850	\$720,666,950	\$849,938,914	17.9%	13,260	\$5,127,818,002	\$6,093,787,704	18.8%	\$2,666,019.27
2008 1/1/08-12/31/08	10,810	\$4,548,628,314	\$5,269,512,296	15.8%	840	\$915,151,724	\$1,456,047,226	59.1%	11,650	\$5,463,780,038	\$6,725,559,522	23.1%	\$1,566,839,521

SAN DIEGO SA Valid Sales Price Analysis

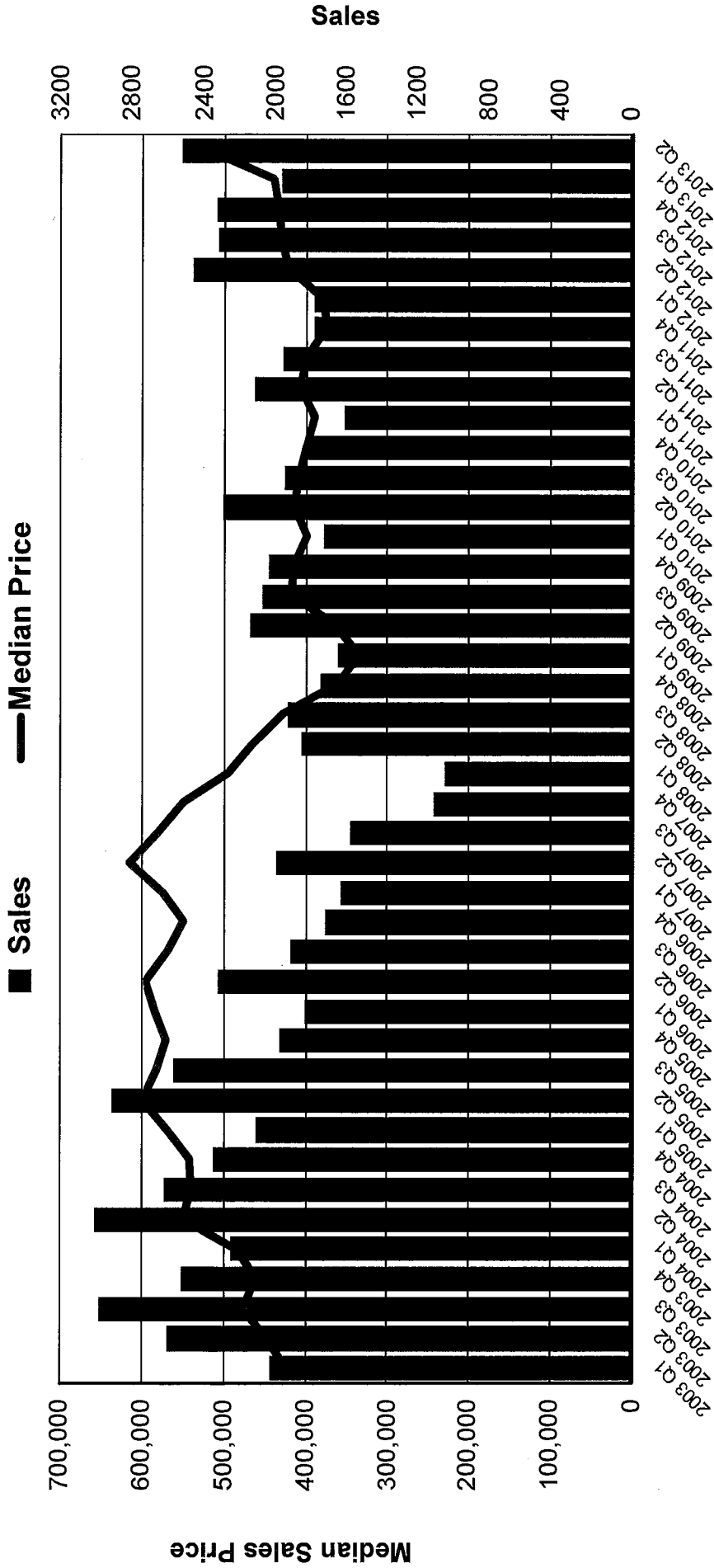
2012 1/1/12-12/31/12	1,692	\$532,712,831	\$594,598,544	11.6%	395	\$611,341,702	\$621,248,000	1.6%	2,087	\$1,144,054,533	\$1,215,846,544	6.3%	\$71,792,011
2011 1/1/11-12/31/11	1,673	\$579,009,348	\$569,143,163	-1.7%	356	\$512,675,525	\$530,473,000	3.5%	2,029	\$1,091,684,873	\$1,099,616,163	0.7%	\$7,931,290
2010 1/1/10-12/31/10	1,811	\$606,337,250	\$617,549,408	1.8%	332	\$356,450,783	\$464,138,045	30.2%	2,143	\$962,788,033	\$1,081,687,453	12.3%	\$80,002.92^A
2009 1/1/09-12/31/09	1,923	\$619,610,254	\$632,831,006	2.1%	326	\$150,770,223	\$143,381,827	-4.9%	2,249	\$770,380,477	\$776,212,833	0.8%	\$5,832,356
2008 1/1/08-12/31/08	1,636	\$695,524,595	\$741,564,440	6.6%	270	\$302,250,057	\$398,677,000	31.9%	1,906	\$997,774,652	\$1,140,241,440	14.3%	\$58,865.97^A

* Sale value is a sum of all Full Value Parcel Sales (Sales not included in the analysis are quitclaim deeds, trust transfers, partial sales, timeshares, multiple parcel transactions and non-reported document number transfers)
 ^ Revenue reflects all Incremental revenue generated in Successor Project Areas, excluding base year revenue.



THE CITY OF SAN DIEGO SALES HISTORY

Detached Single Family Residential Full Value Sales (01/01/2003 - 06/30/2013)



Period

*Sales not included in the analysis are quitclaim deeds, trust transfers, timeshares, and partial sales.

Data Source: San Diego County Recorder

This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone



THE CITY OF SAN DIEGO 2012/13 TOP TEN PROPERTY TAXPAYERS

Top Property Owners Based On Net Values

Owner	Secured Parcels Value % of Net AV	Unsecured Parcels Value % of Net AV	Combined Value % of Net AV	Primary Use & Primary Agency
1) IRVINE COMPANY (Pending Appeals On Parcels)	90 \$1,555,395,566 0.91%	6 \$438,922 0.01%	\$1,555,834,488 0.87%	Residential San Diego General Fund
2) QUALCOMM INC	23 \$1,438,070,156 0.84%	3 \$51,745,523 0.69%	\$1,489,815,679 0.84%	Commercial San Diego General Fund
3) KILROY REALTY (Pending Appeals On Parcels)	88 \$1,421,046,649 0.83%	11 \$657,549 0.01%	\$1,421,704,198 0.80%	Commercial San Diego General Fund
4) HOST HOTELS AND RESORTS (Pending Appeals On Parcels)	10 \$1,033,676,953 0.61%	2 \$2,838,138 0.04%	\$1,036,515,091 0.58%	Commercial Successor Agency
5) ARE SD REGION LLC (Pending Appeals On Parcels)	37 \$627,783,440 0.37%		\$627,783,440 0.35%	Industrial San Diego General Fund
6) SUNSTONE PARK LESSEES LLC (Pending Appeals On Parcels)	1 \$600,540,300 0.35%		\$600,540,300 0.34%	Commercial Successor Agency
7) H G FENTON COMPANY (Pending Appeals On Parcels)	68 \$469,354,286 0.28%	2 \$1,117,520 0.01%	\$470,471,806 0.26%	Residential San Diego General Fund
8) ARDEN REALTY LP (Pending Appeals On Parcels)	21 \$469,147,712 0.28%	4 \$36,041 0.00%	\$469,183,753 0.26%	Commercial San Diego General Fund
9) FASHION VALLEY MALL LLC (Pending Appeals On Parcels)	4 \$467,185,470 0.27%		\$467,185,470 0.26%	Commercial San Diego General Fund
10) OCSD HOLDINGS LLC (Pending Appeals On Parcels)	13 \$444,560,115 0.26%		\$444,560,115 0.25%	Residential San Diego General Fund
Top Ten Total	355 \$8,526,760,647 5.00%	28 \$56,833,693 0.75%	\$8,583,594,340 4.82%	
City Total		\$7,533,673,786	\$178,028,061,633	

Top Owners last edited on 10/2/13 by nicholec using sales through 06/30/13 (Version R.1)

Data Source: San Diego County Assessor 2012/13 Combined Tax Rolls and the SBE Non Unitary Tax Roll

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Prepared On 10/8/2013 By NEC



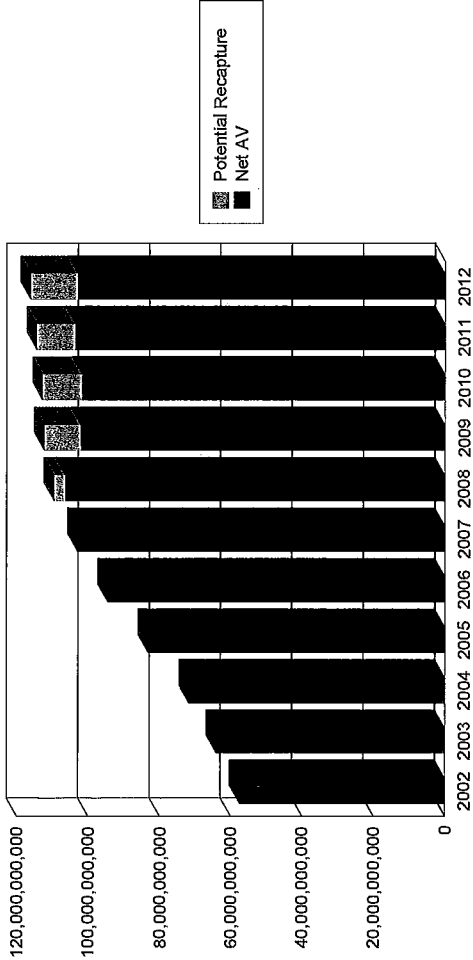
THE CITY OF SAN DIEGO

PROP 8 POTENTIAL RECAPTURE HISTORY

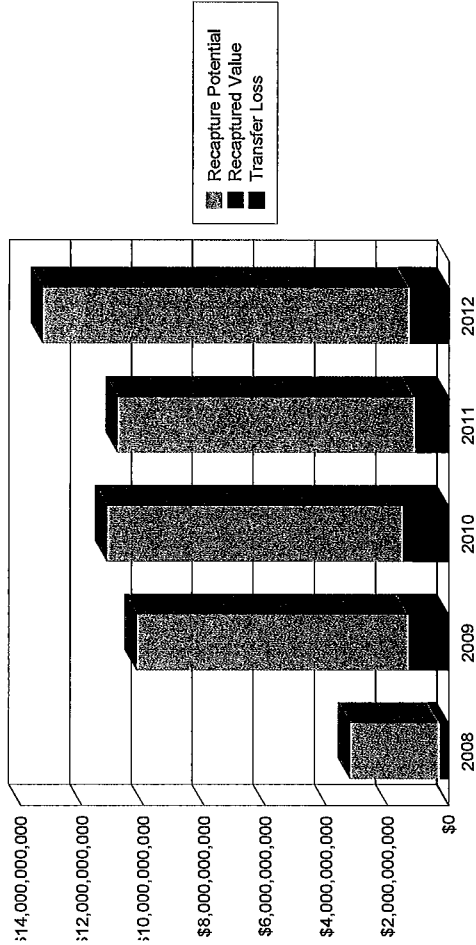
Single Family Residential Parcels

Roll Year	Prop 8 Parcel Count	Net AV of Prop 8 Parcels	Inflation Adjusted Peak Taxable Values	Potential Recapture	% of All Parcels	Prop 8 Parcels that have Recaptured Value	Increase in Net AV Due to Recaptures	Transfer Count	Recapture Potential Due to Transfer
2008	29,072	11,469,296,014	14,703,853,493	3,234,557,479	9.1%	310	25,495,337	2,563	271,292,389
2009	77,718	29,042,904,011	39,274,075,907	10,231,171,896	24.2%	4,208	43,058,129	7,228	1,276,368,360
2010	78,479	28,588,991,730	39,779,675,432	11,190,683,702	24.4%	10,491	316,233,155	7,539	1,181,125,348
2011	73,449	27,402,763,006	38,253,616,074	10,850,853,068	22.9%	12,103	33,790,792	6,417	1,084,552,800
2012	81,150	30,448,914,838	43,757,380,770	13,308,465,932	25.3%			7,202	1,280,128,082

Totals for Single Family Residential Parcels



Prop 8 History



The report identifies those parcels which have been granted a value reduction and are eligible for further potential of recaptured value per Proposition 8. The reductions were based on market conditions at the time of assessor review. This calculation is derived from historical transfers of ownership. Assessor applied Proposition 8 reductions and trends in the marketplace relative to median and average home sales and is an estimate of the impact of current adjustments to the assessment roll as of the 2012-13 lien date.

The Inflation Adjusted Peak Value is defined as a parcel's highest value after its most recent sale. If a parcel is assessed for a lower value after its most recent sale, then the sales price becomes the peak value. Peak values are inflated annually according to the maximum allowed rate under proposition 13.

The count of Prop 8 Parcels that have recaptured value includes both parcels that have been fully recaptured and are no longer in the Prop 8 Parcel Count as well as parcels that have only recaptured a portion of the Inflation Adjusted Peak Values.

The Proposition 8 potential value recapturing is shown in the Potential Recapture Column and assumes no future sales transactions. As properties transfer ownership they are removed from the Prop 8 Parcel Count and if sold for more or less will not be eligible for value recapturing per Proposition 8.



THE CITY OF SAN DIEGO FORECLOSURE ACTIVITY

	Notices of Default Filed	Notices of Trustee's Sale Filed	Real Estate Owned by Lender Increase	Total Foreclosure Activity	% of Households
Feb - 2012	494	527	174	1,195	0.2%
Mar - 2012	583	412	122	1,117	0.2%
Apr - 2012	502	353	192	1,047	0.2%
May - 2012	454	341	151	946	0.2%
Jun - 2012	573	427	146	1,146	0.2%
Jul - 2012	512	376	152	1,040	0.2%
Aug - 2012	375	348	167	890	0.2%
Sep - 2012	390	434	187	1,011	0.2%
Oct - 2012	349	393	173	915	0.2%
Nov - 2012	296	299	149	744	0.2%
Dec - 2012	291	307	145	743	0.2%
Jan - 2013	77	179	115	371	0.1%
Feb - 2013	178	179	100	457	0.1%
Mar - 2013	247	181	81	509	0.1%
Apr - 2013	190	110	83	383	0.1%
May - 2013	198	172	41	411	0.1%
Jun - 2013	220	113	46	379	0.1%
Jul - 2013	146	94	40	280	0.1%
Aug - 2013	197	151	46	394	0.1%



Notes

Foreclosure data is grouped by zip code which may not follow municipal boundaries.
Notices of Default: Indicates that the property owner has missed at least one scheduled loan payment.
Notice of Trustee's Sale: A document announcing the public sale of a property to recover debt owed by the owner of the property.
Real Estate Owned: Property is now owned by the lender as a result of a foreclosure.

Data Source: RealtyTrac U.S. Foreclosure Market Report

Prepared On 10/8/2013 By NEC

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THE CITY OF SAN DIEGO 2012/13 SECURED LENDER OWNED LISTING

Parcels In Parcel Order

Parcel	TRA	Owner	Situs Address	Use Code Descr.	Taxable Value	\$ Change	% Change	Last Trans- action Date	Last Trans- action Price
760-226-35-00	008-001	Bank Of America Nt And Sa (Caaztc020)	5500 Campanile Dr	Radio Station/Bank/Misc.	\$51,978	\$1,019	2.0%	10/1/94	\$0
760-226-46-00	008-001	Wells Fargo Bank	Sdsu	Miscellaneous/Special	\$39,982	\$783	2.0%	12/23/96	\$0
760-226-47-00	008-001	Bank Of America Nt And Sa (Casand020)	5500 Campanile Dr	Radio Station/Bank/Misc.	\$29,628	\$580	2.0%	3/1/93	\$0
760-226-53-00	008-001	Jp Morgan Chase And Company		Radio Station/Bank/Misc.	\$37,947	\$743	2.0%	12/29/99	\$0
760-226-54-00	008-001	Us Bank National Association		Radio Station/Bank/Misc.	\$77,000	\$0	0.0%	12/29/99	\$0
760-226-58-00	008-001	San Diego County Credit Union	8950 Clairemont Mesa Blvd	Radio Station/Bank/Misc.	\$20,463	\$401	2.0%	8/5/98	\$0
760-226-61-00	008-001	University And State Employees U S E Credit Union		Miscellaneous/Special	\$205,928	\$4,036	2.0%	6/1/99	\$0
760-228-43-00	008-118	Bank Of America N A	Gilman Dr	Radio Station/Bank/Misc.	\$74,460	\$1,460	2.0%	8/4/97	\$0
760-228-48-00	008-118	University And State Employees Credit Union (Use)	Ucsd Campus	Radio Station/Bank/Misc.	\$203,715	\$3,994	2.0%	3/3/00	\$0
760-228-52-00	008-118	Jpmorgan Chase Bank Na	Student Ctr	Radio Station/Bank/Misc.	\$324,000	\$324,000		12/31/02	\$0
760-228-60-00	008-118	University And State Employees Credit Union	Gilman Dr	Radio Station/Bank/Misc.	\$1,227,254	\$24,063	2.0%		\$0
760-238-13-00	008-001	Wells Fargo Bank	21645 San Diego Ave	1 to 3 Story Misc. Store Builidi	\$126,693	\$2,483	2.0%	8/1/92	\$0
760-245-39-00	008-001	San Diego County Credit Union	Meadowlark Dr	Radio Station/Bank/Misc.	\$11,303	\$221	2.0%		\$0
693 Records					841,629,458	5,866,352	0.7%		605,139,315

This report is a computer generated listing using common words for banks, mortgage, lending, and savings and loan companies. Some proper names may therefore be included that are not lending institutions and some lending institutions may not be included. This listing includes sales transactions through 08/30/2013 and may be subject to changes as REO properties are acquired or sold from lending institutions.

Data Source: San Diego County Assessor 2012/13 Secured Tax Roll

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Prepared On 10/8/2013 by NEC



THE CITY OF SAN DIEGO GENERAL FUND REVENUE ESTIMATE

2013-14 Revenue Estimate based on 2012-13 Values and Estimated Changes

	General Fund	VLFAA
General Fund and BY Values 2012-13	\$160,855,822,117	
Citywide Net Taxable Value 2012-13		\$178,028,061,633
Real Property Value (Incl. Prop 8 parcels)	\$150,071,890,908	\$170,887,687,135
CPI of Non Prop 8 Parcels (2.000%)	\$2,417,533,222	\$2,766,098,883
Transfer of Ownership Assessed Value Change	\$1,714,303,185	\$1,786,095,196
Successful Appeals Exposure Estimate	\$1,589,773,098	\$1,016,363,089
Est. SFR Prop 8 Adj Based on Recent SFR Price	\$1,055,696,722	\$1,193,522,300
Estimated Real Property Value	\$156,849,197,135	\$177,649,766,603
Base Year Values	\$4,621,140,275	<i>Included in AV</i>
Secured Personal Property Value (0.0% growth)	\$1,152,496,747	\$1,386,419,909
Unsecured Personal Property Value (0.0% growth)	\$4,950,097,152	\$5,688,352,613
Nonunitary Utility Value	\$60,197,035	\$65,601,976
Enter Completed New Construction		
Estimated Net Taxable Value	\$167,633,128,344	\$184,790,141,101
Estimated Total Percent Change 2013-14	4.21%	3.80%
Taxed @ 1%	\$1,676,331,283	
Aircraft Value	\$206,668,516	
Average City Share 0.1735502607	\$290,927,731	
Aircraft Rate (.01 * 0.333333333)	\$688,895	
Estimated Pending Appeals Impact	(\$1,708,880)	
Enter Unitary Taxes Budgeted Flat		
Net GF Estimate for 2013-14	\$289,907,747	
Enter Suppl. Apportionment Recd. in 2012-13		
Base Value of VLFAA		\$104,105,333
Estimated Change to VLFAA		\$3,956,003
VLFAA Estimate for 2013-14		\$108,061,336

NOTES:

- Base Year Values Entry: The demise of redevelopment means that base year values in redevelopment project areas will tend to remain constant (no growth).
- Completed new construction entry: If completed new construction has resulted in a sale of the property it is likely that the new value will appear in the value increase due to transfers of ownership entry and therefore should not be also included in the completed new construction value. Enter the value of new construction completed between Nov. 2011 and Oct. 2012.
- Successful Appeals: For Counties where appeals data is available, estimates are based on most recent appeals closed during the 2012 calendar year.
- Pending Appeals Impact: In counties where appeals data is available, we are providing an estimate of the jurisdiction's share of potential revenue reduction resulting from appeals resolved mid-year. This is a "best guess" however commercial and industrial appeals outside of former RDAs have been filed in unprecedented numbers and are having a negative impact on cash flows as tax payers are due refunds.
- Secured personal property and unsecured values are projected at 100% of 2012-13 levels
- Estimated Assessor Prop 8 Reductions: Prop 8 reductions in value are TEMPORARY reductions applied by the assessor that recognize the fact that the current market value of a property has fallen below its current (Prop 13) assessed value. For 2013-14, properties with prior Prop 8 reductions are not included in the CPI increase, they are projected flat until either the Assessor begins to recapture value as the economy improves and median sale prices begin to increase or they are further reduced.
- Supplemental revenue allocations are pooled countywide and are erratic. They should be budgeted conservatively using last year's actual receipts as a guide.
- General Fund Revenue Estimate does not include any ad valorem voter approved debt service revenue.
- The projection assumes 100% payment of taxes. Delinquency is not considered in the projection; however, rates of between 3%-4% are typical.
- Pass through and residual revenues from former redevelopment agencies are not included in this estimate.
- SB 2557 Administration Fees are not deducted from the general fund projections.





**Delivering Revenue,
Insight and Efficiency
to Local Government**

1340 Valley Vista Drive
Suite 200
Diamond Bar
California 91765

909.861.4335
Fax: 909.861.7726
888.861.0220
www.hdlcompanies.com

October 17, 2013

Mr. Bill Broderick, CPPB
Procurement Specialist
City of San Diego
Purchasing & Contracting Dept.
1200 Third Avenue, Suite 200
San Diego, CA 92101-4195

RE: Sales, Use Tax, Property Tax Audit and Recovery, and Information Services


HdL Companies (Hinderliter, de Llamas & Associates and HdL Coren & Cone) are pleased to respond to Proposal No. 10038642-14-W due October 17, 2013. Enclosed are one original, one electronic copy and five copies of the proposal. This offer is valid for a period of 90 days after the submission date of the proposal.

HdL Companies is a California corporation located at 1340 Valley Vista Drive, Suite 200, Diamond Bar, California 91765. HdL Companies was incorporated on July 26, 1985. Our Federal I.D. number is 33-0008507. Andrew Nickerson is authorized to represent Hinderliter, de Llamas & Associates regarding Sales Tax Services and Paula Cone is authorized to represent HdL Coren and Cone regarding Property Tax Services. Both can be reached at 909.861.4335.

HdL is of good standing in the State of California and possesses the permits, approvals and authorizations necessary to perform Sales, Use Tax, Property Tax Audit and Recovery, and Information Services. Upon provisional award of a contract for services with the City of San Diego, HdL will submit all license and insurance documents specified in Proposal No. 10038642-14-W.

We appreciate the opportunity to respond to San Diego's request for Sales, Use Tax, Property Tax Audit and Recovery, and Information Services and look forward to demonstrating in more detail, how HdL's approach to revenue management can benefit the City of San Diego.

Sincerely,


Andrew Nickerson
Hinderliter, de Llamas & Associates


Paula Cone
HdL Coren and Cone



1. CONTRACTOR'S COVER SHEET

Legal Status of Contractor:

- 1. Name of Firm: Hinderliter, de Llamas and Associates

- 2. Type of Business: The bidder represents as part of its offer that it operates as (*Mark one with an 'X'*) An Individual ; A Corporation ; Partnership or Joint Venture . (If a Joint Venture, provide information for each party to the joint venture when answering items 3-7 below.)
 - a. If incorporated, existing under the laws of the State of: California.
 - b. Date of incorporation: 1985
 - c. The ID Number/Registration Number assigned to your Corporation or Limited Partnership by the State named above: California. Data Universal Numbering System (DUN & BRADSTREET) Number: 62-750-1398.
 - d. Office which will be responsible for providing the City of San Diego the specified services:

Address: 1340 Valley Vista Drive, #200
Diamond Bar, CA 91765

Contact Person/Telephone Number: 909.861.4335 Fax Number: 909.861.7726
Email: anickerson@hdlcompanies.com

- 5. Name, title, and signature of individual duly authorized as representative to execute contracts:

Name: Andrew Nickerson

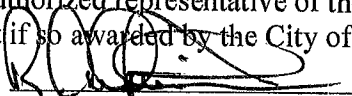
Title: President

Signature: 

- 6. The undersigned understands that the City of San Diego reserves the right to reject any and all solicitation and to waive informalities and irregularities if there's a mistake in the offer.
- 7a. The undersigned further understands that the contents within this solicitation will become a part of the contract when awarded to the above named Propose Firm.
- 7b. My signature below certifies that the proposal as submitted complies with all terms and conditions as set forth within the Request for Proposal.

- 7c. My signature also certifies that the accompanying solicitation is not the result of, or affected by, any unlawful act of collusion with another person or company engaged in the same line of business, or any act of fraud. Furthermore, I understand that fraud and unlawful collusion are crimes under Federal Law, and can result in fines and/or civil damage awards.

I, hereby certify that I am a duly authorized representative of the forenamed Firm and have the authority to enter an agreement if so awarded by the City of San Diego:

Authorized Representative Signature: 

Printed Name: Andrew Nickerson

Position: President

Dated this 17th day of October, 2013.

2. PRE-AWARD SURVEY DOCUMENTS

This statement is an integral part of a Contractor's proposal. All references and information shall be current and traceable. If the Contractor is a joint venture, each Contractor shall prepare a separate form.

SOLICITATION NUMBER: 10038642-14-W

NAME OF CONTRACTOR: Hinderliter, de Llamas & Associates

ADDRESS: 1340 Valley Vista Drive #200
Diamond Bar, CA 91765

TELEPHONE: 909.861.4335

1. Name your principal financial institution for financial reference:

Name of Bank: Citizens Business Bank

Point of Contact: Pat Batiz

Address: 2650 E. Imperial Highway
Brea, CA 92821

Telephone Number: 714.996.8150

I authorize the release of credit information for verification of financial responsibility.



Contractor's Signature

10-17-2013
(Date)

Andrew Nickerson
Name (typed or written)

2. State your firm's average receipts over the past 3 years: \$ 6,420,120

3. If your firm is a partnership, list names and addresses of partners; if a corporation, list names of directors, State of incorporation and addresses of corporation: if a joint venture, list names and addresses of ventures.

Robert Hinderliter, 1340 Valley Vista Drive #200, Diamond Bar, CA 91765
(Name) (Address)

Lloyd de Llamas, 1340 Valley Vista Drive #200, Diamond Bar, CA 91765
(Name) (Address)

Andrew Nickerson, 1340 Valley Vista Drive #200, Diamond Bar, CA 91765
(Name) (Address)

4. How many years has your firm been in business as a contractor under your present name?
30 years.

5. How many people are currently employed by your firm? 36

6. Have your firm failed to complete a contract? Yes ___ No X (check one)

If yes, give details

7. List the names of three (3) references to demonstrate successful performance for work of similar size and scope as specified in this contract during the past seven (7) years. Proposers must also demonstrate that they are properly equipped to perform the work as specified in this contract. Previous experience in furnishing the services as specified in this RFP will be an important consideration.

LIST OF REFERENCES

Reference #1

Name of Entity: City of Oakland

Contact Person: David McPherson, Revenue & Tax Administrator

Phone No: 510.238.6650
\$750/Month Plus 15%

Dollar Value of Contract: \$ Audit Fee Contract Dates: 1998-Present

Requirements of the Contract:

Sales and Use Tax Audit and Revenue Management Services

Reference #2

Name of Entity: City of Riverside

Contact Person: Joanne Snowden, Principal Accountant

Phone No: 951.826.5982

Dollar Value of Contract: \$ \$650/Month Plus 15%
 Audit Fee Contract Dates: 2001-Present

Requirements of the Contract:

 Sales and Use Tax Audit and Revenue Management Services

Reference #3

Name of Entity: City of Santa Monica

Contact Person: David Carr, Principal Budget analyst-Investments

Phone No: 310.458.8775

Dollar Value of Contract: \$ \$750/Month Plus 15%
 Audit Fee Contract Dates: 2001-Present

Requirements of the Contract:

 Sales and Use Tax Audit and Revenue Management Services

Company Name: N/A Contact Name: _____

Address: _____ Phone Number: _____

_____ Fax Number: _____

Dollar amount of sub-contract: \$ _____ Contract Dates: _____

Contractor's License #: _____

Requirements of contract: _____

What portion of work will be assigned to this subcontractor: _____

Company Name: N/A Contact Name: _____

Address: _____ Phone Number: _____

_____ Fax Number: _____

Dollar amount of sub-contract: \$ _____ Contract Dates: _____

Contractor's License #: _____

Requirements of contract: _____

What portion of work will be assigned to this subcontractor: _____

Company Name: N/A Contact Name: _____

Address: _____ Phone Number: _____

_____ Fax Number: _____

Dollar amount of sub-contract: \$ _____ Contract Dates: _____

Contractor's License #: _____

Requirements of contract: _____

What portion of work will be assigned to this subcontractor: _____

3. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, PROPOSED DEBARMENT, AND OTHER RESPONSIBILITY MATTERS

- A. The Contractor certifies, to the best of its knowledge and belief, that --
1. The Contractor and/or any of its Principals --
 - a. ARE ←checking this box means you are presently debarred, etc., ARE NOT presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any public (Federal, State, or Local) agency;
 - b. HAVE ←checking this box means you have been convicted, etc., HAVE NOT , within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public contract or subcontract; violation of Federal or State antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; and
 - c. ARE ←checking this box means you are presently indicted, etc., ARE NOT presently indicted for, or otherwise criminally or civilly charged by a public entity with, commission of any of the offenses enumerated in paragraph (a) (1) (ii) of this provision.
 2. The Contractor HAS ←checking this box means you have defaulted on contracts, HAS NOT , within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.
 3. "Principals," for the purposes of this certification, means officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity. This Certification Concerns a Matter Within the Jurisdiction of the City of San Diego and the Making of a False, Fictitious, or Fraudulent Certification May Render the Maker Subject to Prosecution.
- B. The Contractor shall provide immediate written notice to the Purchasing Agent if, at any time prior to contract award, the Contractor learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- C. A certification that any of the items in paragraph (a) of this provision exists will not necessarily result in withholding of an award under this solicitation. However, the certification will be considered in connection with a determination of the Contractor's responsibility. Failure of the Contractor to furnish a certification or provide such

- additional information as requested by the Purchasing Agent may render the Contractor non-responsible.
- D. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an Contractor is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
 - E. The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the Contractor knowingly rendered an erroneous certification, in addition to other remedies available to the City of San Diego, the Purchasing Agent may terminate the contract resulting from this solicitation for default.

Hinderliter, de Llamas & Associates

Name of Firm



Signature of Authorized Representative

Andrew Nickerson

Printed/Typed Name

10-17-13

Date

4. DECLARATION REGARDING INFORMATION REQUESTED UNDER THE CALIFORNIA PUBLIC RECORDS ACT

The undersigned duly authorized representative, on behalf of the named Contractor declares and acknowledges the following:

Any information submitted in response this Request for Proposal is a public record subject to disclosure unless a specific exemption in the California Public Records Act applies.

If a Contractor submits information **clearly marked** confidential or proprietary, the City of San Diego (City) may protect such information and treat it with confidentiality only to the extent permitted by law. However, it will be the **responsibility of the Contractor** to provide to the City the specific legal grounds on which the City can rely in withholding information requested under the California Public Records Act, should the City choose to withhold such information.

General references to sections of the California Public Records Act will not suffice. Rather, the Contractor must provide a **specific and detailed legal basis, including applicable case law** that **clearly establishes** the requested information is exempt from the disclosure requirements of the California Public Records Act.

If the Contractor does not provide a specific and detailed legal basis for withholding the requested information within a time specified by the City, the City will release the information as required by the California Public Records Act and the **Contractor will hold the City harmless** for release of this information.

It will be the **Contractor's obligation to defend**, at Contractor's expense, any legal actions or challenges seeking to obtain from the City any information requested under the California Public Records Act withheld by the City at the Contractor's request. Furthermore, the Contractor shall **indemnify** the City and **hold it harmless** for any claim or liability, and **defend any action** brought against the City, resulting from the City's refusal to release information requested under the Public Records Act withheld at Contractor's request.

Nothing in this Agreement creates any obligation for the City to notify the Contractor or obtain the Contractor's approval or consent before releasing information subject to disclosure under the California Public Records Act.

Hinderliter, de Llamas & Associates

Name of Firm



Signature of Authorized Representative

Andrew Nickerson

Printed/Typed Name

10-17-13

Date

5. PROOF OF INSURANCE

Contractor acknowledges that it has read and understands the City's insurance requirements and will comply. In addition, Contractor acknowledges that it has shared the insurance requirements with its agent and its agent has agreed to comply. Upon award, Contractor shall supply the city with a copy of your Workers' Compensation, Comprehensive Automobile, Comprehensive General Liability and Other declaration pages as specified herein, which illustrates the coverage and limits for this solicitation.

The undersigned duly authorized representative, on behalf of the named Contractor declares that the Contractor will comply.

Hinderliter, de Llamas & Associates

Name of Firm



Signature of Authorized Representative

Andrew Nickerson

Printed/Typed Name

10-17-13

Date

6. CRIMINAL BACKGROUND CERTIFICATION

Contractor performing this Contract herein certifies that all employees working on this Contract has had a criminal background check and said employees are clear of any sexual and drug related convictions. All employees whether Contractor or Subcontractor shall be free from any felony convictions.

The undersigned duly authorized representative, on behalf of the named Contractor declares that this certification is true and correct.

Hinderliter, de Llamas & Associates

Name of Firm



Signature of Authorized Representative

Andrew Nickerson

Printed/Typed Name

10-17-13


Date

7. AFFIDAVIT FOR CONTRACTOR/VENDOR

**PURCHASING & CONTRACTING DEPARTMENT
OFFICE OF EQUAL OPPORTUNITY CONTRACTING PROGRAM
1200 Third Avenue, Suite 200
San Diego, CA 92101
619-236-6000**

I, the undersigned, being first duly sworn, depose and say that I have read the STANDARDS RELATED TO CONFLICTS OF INTEREST INVOLVING COUNCIL MEMBERS OR EMPLOYEES OF THE CITY OF SAN DIEGO, understand them and that neither I, nor the owner/officers of the firm, nor any member of it, is involved, directly or indirectly, in a business relationship with any member or employee of the City of San Diego, and that, to the best of my knowledge, a conflict of interest situation, within the meaning of the STANDARDS RELATED TO CONFLICTS OF INTEREST INVOLVING COUNCIL MEMBERS OR EMPLOYEES OF THE CITY OF SAN DIEGO does not exist.

Name: Andrew Nickerson
(type or print)

Signature: 
(Must be signed by President or Vice President)

Social Security Number or Federal ID Number: 33-0008507

Position: President

Firm: Hinderliter, de Llamas & Associates

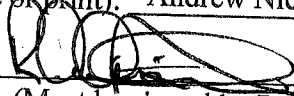
8. CONFLICT OF INTEREST DISCLOSURE STATEMENT

**PURCHASING & CONTRACTING DEPARTMENT
OFFICE OF EQUAL OPPORTUNITY CONTRACTING PROGRAM
1200 Third Avenue, Suite 200
San Diego, CA 92101
619-236-6000**

I, the undersigned, being first duly sworn, depose and say that I have read the standards related to Conflicts Of Interest involving council members or employees of the City of San Diego, understand them and make the following disclosures concerning myself, the owners/officers of the firm I represent, or any member of it. The statement prohibits public servants from directly or indirectly soliciting any contract between his or her public entity employer and any of the following:

1. Him or Herself.
2. Any firm, meaning a co-partnership or other unincorporated association, of which one is a partner, member or employee.
3. Any private corporation in which one is a stockholder owning more than one percent (1%) of the total outstanding stock of any class if the stock is not listed on a stock exchange, or stock with a present total market value in excess of \$25,000 if the stock is listed on a stock exchange or of which one is a director officer, or employee.
4. Any trust of which he or she is a beneficiary or trustee.
5. Do not take part in the negotiations for such a contract or the renegotiation or amendment of the contract, or the approval of the contract.
6. Represent either party in the transaction.
7. Promptly discloses any pecuniary interest in the contract to the official body that has power to approve the contract, which disclosure shall be made a matter of record in its official proceedings.

Name (type or print): Andrew Nickerson

Signature: 
(Must be signed by President or Vice President)

Position: President

Firm: Hinderliter, de Llamas & Associates

9. DRUG-FREE WORKPLACE

A. GENERAL

All City projects are now subject to The City of San Diego Resolution No. R-277952 adopted on May 20, 1991. All bidders should be aware of the provisions of San Diego City Council Policy No. 100-17 which was established by the above numbered resolution. The policy applies equally to the Contractor and all Subcontractors. The elements of the policy are outlined below.

B. DEFINITIONS

- 1) "Drug-Free Workplace" means a site for the performance of work done in connection with a contract let by The City of San Diego for the construction, maintenance, or repair of any facility, or public work, or for professional, or nonprofessional services rendered on behalf of the City by an entity at which employees of the entity are prohibited from engaging in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance in accordance with the requirements of this section.
- 2) "Employee" means the employee of a Contractor directly engaged in the performance of work pursuant to a contract as described in Section C.
- 3) "Controlled Substance" means a controlled substance in Schedules I through V of Section 202 of the Controlled Substances Act (21 U.S.C. Sec. 812).
- 4) "Contractor" means the department, division, or other unit of a person or organization responsible to the Contractor for the performance of a portion of the work under the contract.

C. CITY CONTRACTOR REQUIREMENTS

- 1) Every person or organization awarded a contract or grant by the City of San Diego for the provision of services shall certify to the City that it will provide a Drug-Free Workplace by doing all of the following:
 - a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the person's organization's workplace and specifying the actions that will be taken against employees for violations of the prohibition.

- b) Establishing a Drug-Free Awareness Program to inform employees about all of the following:
 - (1) The dangers of drug abuse in the workplace.
 - (2) The person's or organization's policy of maintaining a Drug-Free Workplace.
 - (3) Any available drug counseling, rehabilitation, and employee assistance programs.
 - (4) The penalties that may be imposed upon employees for drug abuse violations.
 - c) Posting the statement required by subdivision (1) in a prominent place at Contractor's main office. For projects large enough to necessitate a construction trailer at the job site, the required signage would also be posted at the job site.
- 2) Contractors shall include in each subcontract agreement language which indicates the Subcontractor's agreement to abide by the provisions of subdivisions a) through c) inclusive of Section C1. Contractors and Subcontractors shall be individually responsible for their own Drug-Free Workplace programs.

NOTE: The requirements of a Drug-Free Awareness Program can be satisfied by periodic tailgate sessions covering the various aspects of drug-abuse education. Although an in-house employee assistance program is not required, Contractors should be able to provide a listing of drug rehabilitation and counseling programs available in the community at large.

Questions about the City's Drug-Free Workplace Policy should be referred to the Purchasing Agent.

**THIS DOCUMENT MUST BE COMPLETED,
SIGNED, AND SUBMITTED PRIOR TO CONTRACT AWARD
DRUG-FREE WORKPLACE
CONTRACTOR CERTIFICATION**

BID NUMBER: 10038642-14-W

PROJECT TITLE: Sales, Use Tax, Property Tax Audit and Recovery and Information Services

I hereby certify that I am familiar with the requirements of **San Diego City Council Policy No. 100-17** regarding Drug-Free Workplace as outlined in the request for proposals, and that,

Hinderliter, de Llamas & Associates

(Name under which business is conducted)

has in place a Drug-Free Workplace Program that complies with said policy. I further certify that each subcontract agreement for this project contains language which indicates the Subcontractor's agreement to abide by the provisions of subdivisions a) through c) of the policy as outlined.

SIGNED:  _____

PRINTED NAME: Andrew Nickerson

TITLE: President

COMPANY NAME: Hinderliter, de Llamas & Associates

ADDRESS: 1340 Valley Vista Drive, #200

Diamond Bar, CA 91765

TELEPHONE: 909.861.4335 FAX: 909.861.7726

DATE: 10-17-13

**10. EQUAL BENEFITS ORDINANCE
CERTIFICATION OF COMPLIANCE**



For additional information, contact:
CITY OF SAN DIEGO

EQUAL BENEFITS PROGRAM
202 C Street, MS 9A, San Diego, CA 92101

COMPANY INFORMATION

Company Name: Hindeliter, de Llamas & Associates	Contact Name: Andrew Nickerson
Company Address: 1340 Valley Vista Drive, Suite 200 Diamond Bar, CA 91765	Contact Phone: 909.861.4335 Contact Email: 909.861.7726

CONTRACT INFORMATION

Contract Title: Sales, Use Tax, Property Tax Audit and Recovery and Information Services	Start Date:
Contract Number (if no number, state location):	End Date:

SUMMARY OF EQUAL BENEFITS ORDINANCE REQUIREMENTS

The Equal Benefits Ordinance [EBO] requires the City to enter into contracts only with contractors who certify they will provide and maintain equal benefits as defined in San Diego Municipal Code §22.4302 for the duration of the contract. To comply:

- Contractor shall offer equal benefits to employees with spouses and employees with domestic partners.
 - Benefits include health, dental, vision insurance; pension/401(k) plans; bereavement, family, parental leave; discounts, child care; travel/relocation expenses; employee assistance programs; credit union membership; or any other benefit.
 - Any benefit not offered to an employee with a spouse, is not required to be offered to an employee with a domestic partner.
- Contractor shall post notice of firm's equal benefits policy in the workplace and notify employees at time of hire and during open enrollment periods.
- Contractor shall allow City access to records, when requested, to confirm compliance with EBO requirements.
- Contractor shall submit *EBO Certification of Compliance*, signed under penalty of perjury, prior to award of contract.

NOTE: This summary is provided for convenience. Full text of the EBO and its Rules are posted at www.sandiego.gov/administration.

CONTRACTOR EQUAL BENEFITS ORDINANCE CERTIFICATION

Please indicate your firm's compliance status with the EBO. The City may request supporting documentation.

- I affirm compliance with the EBO because my firm (*contractor must select one reason*):
 - Provides equal benefits to spouses and domestic partners.
 - Provides no benefits to spouses or domestic partners.
 - Has no employees.
 - Has collective bargaining agreement(s) in place prior to January 1, 2011, that has not been renewed or expired.

- I request the City's approval to pay affected employees a cash equivalent in lieu of equal benefits and verify my firm made a reasonable effort but is not able to provide equal benefits upon contract award. I agree to notify employees of the availability of a cash equivalent for benefits available to spouses but not domestic partners and to continue to make every reasonable effort to extend all available benefits to domestic partners.

It is unlawful for any contractor to knowingly submit any false information to the City regarding equal benefits or cash equivalent associated with the execution, award, amendment, or administration of any contract. [San Diego Municipal Code §22.4307(a)]

Under penalty of perjury under laws of the State of California, I certify the above information is true and correct. I further certify that my firm understands the requirements of the Equal Benefits Ordinance and will provide and maintain equal benefits for the duration of the contract or pay a cash equivalent if authorized by the City.

Andrew Nickerson, President

Name/Title of Signatory

Signature

10-17-13

Date

FOR OFFICIAL CITY USE ONLY

Receipt Date:	EBO Analyst:	<input type="checkbox"/> Approved	<input type="checkbox"/> Not Approved – Reason:
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City of San Diego Purchasing & Contracting Department

CONTRACTOR STANDARDS
Pledge of Compliance

Effective December 24, 2008, the Council of the City of San Diego adopted Ordinance No. O-19808 to extend the Contractor Standards Ordinance to all contracts greater than \$50,000.

To assist the Purchasing Agent in making this determination and to fulfill the requirements of §22.3224(d), each bidder/proposer must complete and submit this Pledge of Compliance with the bid/proposal.

All responses must be typewritten or printed in ink. If an explanation is requested or additional space is required, respondents must use the Pledge of Compliance Attachment "A" and sign each page.

A. PROJECT TITLE:

Sales, Use Tax, Property Tax Audit and Recovery and Information Services

B. BIDDER/CONTRACTOR INFORMATION:

Table with contractor information for Hinderliter, de Llamas & Associates, including legal name, street address, contact person, phone, and fax.

C. OWNERSHIP AND NAME CHANGES:

- 1. In the past five (5) years, has your firm changed its name? [] Yes [X] No
2. In the past five (5) years, has a firm owner, partner or officer operated a similar business? [] Yes [X] No

D. BUSINESS ORGANIZATION/STRUCTURE: Indicate the organizational structure of your firm. Check one only on this page. Use *Pledge of Compliance Attachment "A"* if more space is required.

Corporation Date incorporated: 07 / 22 / 85 State of incorporation: California

List corporation's current officers: President: Andrew Nickerson
Vice Pres: Director: Robert Hinderliter
~~Secretary:~~ Director: Lloyd de Llamas
Treasurer: _____

Is your firm a publicly traded corporation? Yes No

If Yes, name those who own five percent (5%) or more of the corporation's stocks:

Limited Liability Company Date formed: ___/___/___ State of formation: _____

List names of members who own five percent (5%) or more of the company:

Partnership Date formed: ___/___/___ State of formation: _____

List names of all firm partners:

Sole Proprietorship Date started: ___/___/___

List all firms you have been an owner, partner or officer with during the past five (5) years. Do not include ownership of stock in a publicly traded company:

Joint Venture Date formed: ___/___/___

List each firm in the joint venture and its percentage of ownership:

Note: Each member of a Joint Venture must complete a separate *Contractor Standards Pledge of Compliance* for a Joint Venture's submission to be considered responsive.

E. FINANCIAL RESOURCES AND RESPONSIBILITY:

1. Is your firm in preparation for, in the process of, or in negotiations toward being sold?

Yes No

If **Yes**, use *Pledge of Compliance Attachment "A"* to explain specific circumstances, including name of the buyer and principal contact information.

2. In the past five (5) years, has your firm been denied bonding?

Yes No

If **Yes**, use *Pledge of Compliance Attachment "A"* to explain specific circumstances; include bonding company name.

3. In the past five (5) years, has a bonding company made any payments to satisfy claims made against a bond issued on your firm's behalf or a firm where you were the principal?

Yes No

If **Yes**, use *Pledge of Compliance Attachment "A"* to explain specific circumstances.

F. PERFORMANCE HISTORY:

1. In the past five (5) years, has your firm been found civilly liable, either in a court of law or pursuant to the terms of a settlement agreement, for defaulting or breaching a contract with a government agency?

Yes No

If **Yes**, use *Pledge of Compliance Attachment "A"* to explain specific circumstances.

2. In the past five (5) years, has a government agency terminated your firm's contract prior to completion?

Yes No

If **Yes**, use *Pledge of Compliance Attachment "A"* to explain specific circumstances and provide principal contact information.

3. In the past five (5) years, has your firm entered into any settlement agreement for any lawsuit that alleged default, breach of contract, or fraud with or against a government agency?

Yes No

If **Yes**, use *Pledge of Compliance Attachment "A"* to explain specific circumstances.

4. Is your firm currently involved in any lawsuit with a government agency in which it is alleged that your firm has defaulted, breached a contract, or committed fraud?

Yes No

If **Yes**, use *Pledge of Compliance Attachment "A"* to explain specific circumstances.

G. COMPLIANCE:

1. In the past five (5) years, has your firm or any firm owner, partner, officer, executives or management been criminally penalized or found civilly liable, either in a court of law or pursuant to the terms of a settlement agreement for violating any federal, state or local law in performance of a contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws which affect employees?

Yes No

If **Yes**, use *Pledge of Compliance Attachment "A"* to explain specific circumstances surrounding each instance; include name of entity involved, specific infraction(s) or violation(s), dates of instances, and outcome with current status.

2. In the past five (5) years, has your firm been debarred or determined to be non-responsible by a government agency?
 Yes **No**

If **Yes**, use *Pledge of Compliance Attachment "A"* to explain specific circumstances of each instance; include name of entity involved, specific infraction, dates, and outcome.

H. BUSINESS INTEGRITY:

1. In the past five (5) years, has your firm been convicted of or found liable in a civil suit for making a false claim or material misrepresentation to a private or governmental entity?
 Yes **No**

If **Yes**, use *Pledge of Compliance Attachment "A"* to explain specific circumstances of each instance; include the entity involved, specific infraction(s) or violation(s), dates, outcome and current status.

2. In the past five (5) years, has your firm or any of its executives, management personnel, or owners been convicted of a crime, including misdemeanors, or been found liable in a civil suit involving the bidding, awarding, or performance of a government contract?
 Yes **No**

If **Yes**, use *Pledge of Compliance Attachment "A"* to explain specific circumstances of each instance; include the entity involved, specific infraction(s), dates, outcome and current status.

I. TYPE OF SUBMISSION: This document is submitted as:

- Initial submission of *Contractor Standards Pledge of Compliance*.
 Update of prior *Contractor Standards Pledge of Compliance* dated ____/____/____.

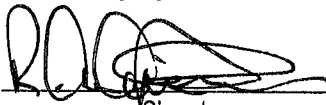
Complete all questions and sign below. Each *Pledge of Compliance Attachment "A"* page must be signed.

Under penalty of perjury under the laws of the State of California, I certify I have read and understand the questions contained in this *Pledge of Compliance* and that I am responsible for completeness and accuracy of responses and all information provided is true to the best of my knowledge and belief. I further certify my agreement to the following provisions of San Diego Municipal Code §22.3224:

- (a) To comply with all applicable local, State and Federal laws, including health and safety, labor and employment, and licensing laws that affect the employees, worksite or performance of the contract.
- (b) To notify the Purchasing Agent within fifteen (15) calendar days upon receiving notification that a government agency has begun an investigation of the Contractor that may result in a finding that the Contractor is or was not in compliance with laws stated in paragraph (a).
- (c) To notify the Purchasing Agent within fifteen (15) calendar days when there has been a finding by a government agency or court of competent jurisdiction of a violation by the Contractor of laws stated in paragraph (a).
- (d) To provide the Purchasing Agent updated responses to the *Contractor Standards Pledge of Compliance* within thirty (30) calendar days if a change occurs which would modify any response.

- (e) To notify the Purchasing Agent within fifteen (15) days of becoming aware of an investigation or finding by a government agency or court of competent jurisdiction of a violation by a subcontractor of laws stated in paragraph (a).
- (f) To cooperate fully with the Purchasing Agent and the City during any investigation and to respond to a request for information within ten (10) working days from the request date.

Failure to sign and submit this form with the bid/proposal shall make the bid/proposal non-responsive.

<u>Andrew Nickerson, President</u> Print Name, Title	 Signature	<u>10-17-13</u> Date
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City of San Diego Purchasing & Contracting Department
CONTRACTOR STANDARDS
Pledge of Compliance Attachment "A"

Provide additional information in space below. Use additional *Pledge of Compliance Attachment "A"* pages as needed; sign each page. Print in ink or type responses and indicate question being answered. Information provided will be available for public review, except if exempt from disclosure pursuant to applicable law.

"NOT APPLICABLE"

Under penalty of perjury under the laws of the State of California, I certify I have read and understand the questions contained in this *Contractor Standards Pledge of Compliance* and that I am responsible for completeness and accuracy of responses on this *Pledge of Compliance Attachment "A"* page and all information provided is true to the best of my knowledge.

Andrew Nickerson, President
Print Name, Title


Signature

10-17-13
Date

12. AMERICAN WITH DISABILITIES ACT (ADA) COMPLIANCE CERTIFICATION

I hereby certify that I am familiar with the requirements of San Diego City Council Policy No. 100-04 regarding the American With Disabilities Act (ADA) outlined in Section I "American with Disabilities Act Certification", of the Contract, and that;

Hinderliter, de Llamas & Associates

(Name under which business is conducted)

has in place workplace program that complies with said policy. I further certify that any subcontract agreement for this contract contains language which indicates the subcontractor's agreement to abide by the provisions of the policy as outlined.

Signed



Printed Name Andrew Nickerson

Title President

1. CONTRACTOR'S COVER SHEET

Legal Status of Contractor:

1. Name of Firm: HdL Coren & Cone

2. Type of Business: The bidder represents as part of its offer that it operates as (*Mark one with an 'X'*) An Individual ; A Corporation ; Partnership or Joint Venture . (If a Joint Venture, provide information for each party to the joint venture when answering items 3-7 below.)
 - a. If incorporated, existing under the laws of the State of: California.
 - b. Date of incorporation: 10/22/1992
 - c. The ID Number/Registration Number assigned to your Corporation or Limited Partnership by the State named above: 1714476. Data Universal Numbering System (DUN & BRADSTREET) Number: _____.
 - d. Office which will be responsible for providing the City of San Diego the specified services:


Address: 1340 Valley Vista Drive #200
Diamond Bar, CA 91765

Contact Person/Telephone Number: 909.861.4335 Fax Number: 909.861.7726
Email: pcone@hdlccpropertytax.com

5. Name, title, and signature of individual duly authorized as representative to execute contracts:

Name: Paula Cone

Title: President

Signature: 

6. The undersigned understands that the City of San Diego reserves the right to reject any and all solicitation and to waive informalities and irregularities if there's a mistake in the offer.

- 7a. The undersigned further understands that the contents within this solicitation will become a part of the contract when awarded to the above named Propose Firm.

- 7b. My signature below certifies that the proposal as submitted complies with all terms and conditions as set forth within the Request for Proposal.

7c. My signature also certifies that the accompanying solicitation is not the result of, or affected by, any unlawful act of collusion with another person or company engaged in the same line of business, or any act of fraud. Furthermore, I understand that fraud and unlawful collusion are crimes under Federal Law, and can result in fines and/or civil damage awards.

I, hereby certify that I am a duly authorized representative of the forenamed Firm and have the authority to enter an agreement if so awarded by the City of San Diego:

Authorized Representative Signature: Paula J. Cone

Printed Name: Paula Cone

Position: President

Dated this 7th day of October, 2013.

2. PRE-AWARD SURVEY DOCUMENTS

This statement is an integral part of a Contractor's proposal. All references and information shall be current and traceable. If the Contractor is a joint venture, each Contractor shall prepare a separate form.

SOLICITATION NUMBER: 10038642-14-W

NAME OF CONTRACTOR: HdL Coren & Cone

ADDRESS: 1340 Valley Vista Drive #200
Diamond Bar, CA 91765

TELEPHONE: 909.861.4335

1. Name your principal financial institution for financial reference:

Name of Bank: California Bank & Trust

Point of Contact: Dow H. Lee

Address: 1200 S Diamond Bar Blvd, #109
Diamond Bar, CA 91765

Telephone Number: 909.861.9664

I authorize the release of credit information for verification of financial responsibility.

Paula Cone
Contractor's Signature

10/7/2013
(Date)

Paula Cone
Name (typed or written)

2. State your firm's average receipts over the past 3 years: \$ 3,282,000.

Reference #2

Name of Entity: City of Huntington Beach

Contact Person: Lori Ann Farrell - Finance Director

Phone No: (714) 536-5511

Dollar Value of Contract: \$ 20,500 Contract Dates: 12/1991 - Present

Requirements of the Contract:
Property Tax Management and Audit Services

Reference #3

Name of Entity: City of Oakland

Contact Person: David McPherson, Revenue & Tax Administrator

Phone No: (510) 238-6650

Dollar Value of Contract: \$ 22,000 Contract Dates: 3/1994 - Present

Requirements of the Contract:
Property Tax Management and Audit Services

Company Name: N/A Contact Name:

Address: Phone Number:

Fax Number:

Dollar amount of sub-contract: \$ Contract Dates:

Contractor's License #:

Requirements of contract:

What portion of work will be assigned to this subcontractor:

Company Name: Contact Name:

Address: Phone Number:

Fax Number:

Dollar amount of sub-contract: \$ _____ **Contract Dates:** _____

Contractor's License #: _____

Requirements of contract: _____

What portion of work will be assigned to this subcontractor: _____

Company Name: _____ **Contact Name:** _____

Address: _____ **Phone Number:** _____

_____ **Fax Number:** _____

Dollar amount of sub-contract: \$ _____ **Contract Dates:** _____

Contractor's License #: _____

Requirements of contract: _____

What portion of work will be assigned to this subcontractor: _____

3. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, PROPOSED DEBARMENT, AND OTHER RESPONSIBILITY MATTERS

- A. The Contractor certifies, to the best of its knowledge and belief, that --
1. The Contractor and/or any of its Principals --
 - a. ARE ←checking this box means you are presently debarred, etc., ARE NOT presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any public (Federal, State, or Local) agency;
 - b. HAVE ←checking this box means you have been convicted, etc., HAVE NOT , within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public contract or subcontract; violation of Federal or State antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; and
 - c. ARE ←checking this box means you are presently indicted, etc., ARE NOT presently indicted for, or otherwise criminally or civilly charged by a public entity with, commission of any of the offenses enumerated in paragraph (a) (1) (ii) of this provision.
 2. The Contractor HAS ←checking this box means you have defaulted on contracts, HAS NOT , within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.
 3. "Principals," for the purposes of this certification, means officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity. This Certification Concerns a Matter Within the Jurisdiction of the City of San Diego and the Making of a False, Fictitious, or Fraudulent Certification May Render the Maker Subject to Prosecution.
- B. The Contractor shall provide immediate written notice to the Purchasing Agent if, at any time prior to contract award, the Contractor learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- C. A certification that any of the items in paragraph (a) of this provision exists will not necessarily result in withholding of an award under this solicitation. However, the certification will be considered in connection with a determination of the Contractor's responsibility. Failure of the Contractor to furnish a certification or provide such

additional information as requested by the Purchasing Agent may render the Contractor non-responsible.

- D. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an Contractor is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- E. The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the Contractor knowingly rendered an erroneous certification, in addition to other remedies available to the City of San Diego, the Purchasing Agent may terminate the contract resulting from this solicitation for default.

HdL Coren & Cone

Name of Firm

Paula J. Cone

Signature of Authorized Representative

Paula Cone, President

Printed/Typed Name

10/7/2013

Date

4. DECLARATION REGARDING INFORMATION REQUESTED UNDER THE CALIFORNIA PUBLIC RECORDS ACT

The undersigned duly authorized representative, on behalf of the named Contractor declares and acknowledges the following:

Any information submitted in response this Request for Proposal is a public record subject to disclosure unless a specific exemption in the California Public Records Act applies.

If a Contractor submits information **clearly marked** confidential or proprietary, the City of San Diego (City) may protect such information and treat it with confidentiality only to the extent permitted by law. However, it will be the **responsibility of the Contractor** to provide to the City the specific legal grounds on which the City can rely in withholding information requested under the California Public Records Act, should the City choose to withhold such information.

General references to sections of the California Public Records Act will not suffice. Rather, the Contractor must provide a **specific and detailed legal basis, including applicable case law that clearly establishes** the requested information is exempt from the disclosure requirements of the California Public Records Act.

If the Contractor does not provide a specific and detailed legal basis for withholding the requested information within a time specified by the City, the City will release the information as required by the California Public Records Act and the **Contractor will hold the City harmless** for release of this information.

It will be the **Contractor's obligation to defend**, at Contractor's expense, any legal actions or challenges seeking to obtain from the City any information requested under the California Public Records Act withheld by the City at the Contractor's request. Furthermore, the Contractor shall **indemnify** the City and **hold it harmless** for any claim or liability, and **defend any action** brought against the City, resulting from the City's refusal to release information requested under the Public Records Act withheld at Contractor's request.

Nothing in this Agreement creates any obligation for the City to notify the Contractor or obtain the Contractor's approval or consent before releasing information subject to disclosure under the California Public Records Act.

HdL Coren & Cone

Name of Firm



Signature of Authorized Representative

Paula Cone, President

Printed/Typed Name

10/2/2013

Date

5. PROOF OF INSURANCE

Contractor acknowledges that it has read and understands the City's insurance requirements and will comply. In addition, Contractor acknowledges that it has shared the insurance requirements with its agent and its agent has agreed to comply. Upon award, Contractor shall supply the city with a copy of your Workers' Compensation, Comprehensive Automobile, Comprehensive General Liability and Other declaration pages as specified herein, which illustrates the coverage and limits for this solicitation.

The undersigned duly authorized representative, on behalf of the named Contractor declares that the Contractor will comply.

HdL Coren & Cone
Name of Firm

Paula Cone
Signature of Authorized Representative

Paula Cone, President
Printed/Typed Name

10/2/2013
Date

6. CRIMINAL BACKGROUND CERTIFICATION

Contractor performing this Contract herein certifies that all employees working on this Contract has had a criminal background check and said employees are clear of any sexual and drug related convictions. All employees whether Contractor or Subcontractor shall be free from any felony convictions.

The undersigned duly authorized representative, on behalf of the named Contractor declares that this certification is true and correct.

HdL Coren & Cone

Name of Firm

Paula Cone

Signature of Authorized Representative

Paula Cone, President

Printed/Typed Name

10/2/2013

Date

7. AFFIDAVIT FOR CONTRACTOR/VENDOR

**PURCHASING & CONTRACTING DEPARTMENT
OFFICE OF EQUAL OPPORTUNITY CONTRACTING PROGRAM
1200 Third Avenue, Suite 200
San Diego, CA 92101
619-236-6000**

I, the undersigned, being first duly sworn, depose and say that I have read the STANDARDS RELATED TO CONFLICTS OF INTEREST INVOLVING COUNCIL MEMBERS OR EMPLOYEES OF THE CITY OF SAN DIEGO, understand them and that neither I, nor the owner/officers of the firm, nor any member of it, is involved, directly or indirectly, in a business relationship with any member or employee of the City of San Diego, and that, to the best of my knowledge, a conflict of interest situation, within the meaning of the STANDARDS RELATED TO CONFLICTS OF INTEREST INVOLVING COUNCIL MEMBERS OR EMPLOYEES OF THE CITY OF SAN DIEGO does not exist.

Name: Paula Cone
(type or print)

Signature: *Paula Cone*
(Must be signed by President or Vice President)

Social Security Number or Federal ID Number: 95-4398586

Position: President

Firm: HdL Coren & Cone

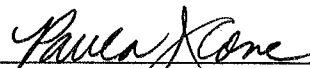
8. CONFLICT OF INTEREST DISCLOSURE STATEMENT

**PURCHASING & CONTRACTING DEPARTMENT
OFFICE OF EQUAL OPPORTUNITY CONTRACTING PROGRAM
1200 Third Avenue, Suite 200
San Diego, CA 92101
619-236-6000**

I, the undersigned, being first duly sworn, depose and say that I have read the standards related to Conflicts Of Interest involving council members or employees of the City of San Diego, understand them and make the following disclosures concerning myself, the owners/officers of the firm I represent, or any member of it. The statement prohibits public servants from directly or indirectly soliciting any contract between his or her public entity employer and any of the following:

1. Him or Herself.
2. Any firm, meaning a co-partnership or other unincorporated association, of which one is a partner, member or employee.
3. Any private corporation in which one is a stockholder owning more than one percent (1%) of the total outstanding stock of any class if the stock is not listed on a stock exchange, or stock with a present total market value in excess of \$25,000 if the stock is listed on a stock exchange or of which one is a director officer, or employee.
4. Any trust of which he or she is a beneficiary or trustee.
5. Do not take part in the negotiations for such a contract or the renegotiation or amendment of the contract, or the approval of the contract.
6. Represent either party in the transaction.
7. Promptly discloses any pecuniary interest in the contract to the official body that has power to approve the contract, which disclosure shall be made a matter of record in its official proceedings.

Name (type or print): Paula Cone

Signature: 
(Must be signed by President or Vice President)

Position: President

Firm: HdL Coren & Cone

9. DRUG-FREE WORKPLACE

A. GENERAL

All City projects are now subject to The City of San Diego Resolution No. R-277952 adopted on May 20, 1991. All bidders should be aware of the provisions of San Diego City Council Policy No. 100-17 which was established by the above numbered resolution. The policy applies equally to the Contractor and all Subcontractors. The elements of the policy are outlined below.

B. DEFINITIONS

- 1) "Drug-Free Workplace" means a site for the performance of work done in connection with a contract let by The City of San Diego for the construction, maintenance, or repair of any facility, or public work, or for professional, or nonprofessional services rendered on behalf of the City by an entity at which employees of the entity are prohibited from engaging in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance in accordance with the requirements of this section.
- 2) "Employee" means the employee of a Contractor directly engaged in the performance of work pursuant to a contract as described in Section C.
- 3) "Controlled Substance" means a controlled substance in Schedules I through V of Section 202 of the Controlled Substances Act (21 U.S.C. Sec. 812).
- 4) "Contractor" means the department, division, or other unit of a person or organization responsible to the Contractor for the performance of a portion of the work under the contract.

C. CITY CONTRACTOR REQUIREMENTS

- 1) Every person or organization awarded a contract or grant by the City of San Diego for the provision of services shall certify to the City that it will provide a Drug-Free Workplace by doing all of the following:
 - a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the person's organization's workplace and specifying the actions that will be taken against employees for violations of the prohibition.

- b) Establishing a Drug-Free Awareness Program to inform employees about all of the following:
 - (1) The dangers of drug abuse in the workplace.
 - (2) The person's or organization's policy of maintaining a Drug-Free Workplace.
 - (3) Any available drug counseling, rehabilitation, and employee assistance programs.
 - (4) The penalties that may be imposed upon employees for drug abuse violations.
 - c) Posting the statement required by subdivision (1) in a prominent place at Contractor's main office. For projects large enough to necessitate a construction trailer at the job site, the required signage would also be posted at the job site.
- 2) Contractors shall include in each subcontract agreement language which indicates the Subcontractor's agreement to abide by the provisions of subdivisions a) through c) inclusive of Section C1. Contractors and Subcontractors shall be individually responsible for their own Drug-Free Workplace programs.

NOTE: The requirements of a Drug-Free Awareness Program can be satisfied by periodic tailgate sessions covering the various aspects of drug-abuse education. Although an in-house employee assistance program is not required, Contractors should be able to provide a listing of drug rehabilitation and counseling programs available in the community at large.

Questions about the City's Drug-Free Workplace Policy should be referred to the Purchasing Agent.

**THIS DOCUMENT MUST BE COMPLETED,
SIGNED, AND SUBMITTED PRIOR TO CONTRACT AWARD
DRUG-FREE WORKPLACE
CONTRACTOR CERTIFICATION**

BID NUMBER: 10038642-14-W

PROJECT TITLE: Sales, Use Tax, Property Tax Audit & Recovery & Information Services

I hereby certify that I am familiar with the requirements of **San Diego City Council Policy No. 100-17** regarding Drug-Free Workplace as outlined in the request for proposals, and that,

HdL Coren & Cone

(Name under which business is conducted)

has in place a Drug-Free Workplace Program that complies with said policy. I further certify that each subcontract agreement for this project contains language which indicates the Subcontractor's agreement to abide by the provisions of subdivisions a) through c) of the policy as outlined.

SIGNED: *Paula Cone*

PRINTED NAME: Paula Cone

TITLE: President

COMPANY NAME: HdL Coren & Cone

ADDRESS: 1340 Valley Vista Drive #200

Diamond Bar, CA 91765

TELEPHONE: 909.861.4335 FAX: 909.861.7726

DATE: 10/7/2013

**10. EQUAL BENEFITS ORDINANCE
CERTIFICATION OF COMPLIANCE**



For additional information, contact:
CITY OF SAN DIEGO

EQUAL BENEFITS PROGRAM
202 C Street, MS 9A, San Diego, CA 92101

COMPANY INFORMATION

Company Name: HdL Coren & Cone	Contact Name: Paula Cone
Company Address: 1340 Valley Vista Drive #200 Diamond Bar, CA 91765	Contact Phone: 909.861.4335 Contact Email: pcone@hdlccpropertytax.com

CONTRACT INFORMATION

Contract Title:	Start Date:
Contract Number (if no number, state location):	End Date:

SUMMARY OF EQUAL BENEFITS ORDINANCE REQUIREMENTS

The Equal Benefits Ordinance [EBO] requires the City to enter into contracts only with contractors who certify they will provide and maintain equal benefits as defined in San Diego Municipal Code §22.4302 for the duration of the contract. To comply:

- Contractor shall offer equal benefits to employees with spouses and employees with domestic partners.
 - Benefits include health, dental, vision insurance; pension/401(k) plans; bereavement, family, parental leave; discounts, child care; travel/relocation expenses; employee assistance programs; credit union membership; or any other benefit.
 - Any benefit not offered to an employee with a spouse, is not required to be offered to an employee with a domestic partner.
- Contractor shall post notice of firm's equal benefits policy in the workplace and notify employees at time of hire and during open enrollment periods.
- () Contractor shall allow City access to records, when requested, to confirm compliance with EBO requirements.
- Contractor shall submit *EBO Certification of Compliance*, signed under penalty of perjury, prior to award of contract.

NOTE: This summary is provided for convenience. Full text of the EBO and its Rules are posted at www.sandiego.gov/administration.

CONTRACTOR EQUAL BENEFITS ORDINANCE CERTIFICATION

Please indicate your firm's compliance status with the EBO. The City may request supporting documentation.

- I affirm compliance with the EBO because my firm (*contractor must select one reason*):
 - Provides equal benefits to spouses and domestic partners.
 - Provides no benefits to spouses or domestic partners.
 - Has no employees.
 - Has collective bargaining agreement(s) in place prior to January 1, 2011, that has not been renewed or expired.

- I request the City's approval to pay affected employees a cash equivalent in lieu of equal benefits and verify my firm made a reasonable effort but is not able to provide equal benefits upon contract award. I agree to notify employees of the availability of a cash equivalent for benefits available to spouses but not domestic partners and to continue to make every reasonable effort to extend all available benefits to domestic partners.

It is unlawful for any contractor to knowingly submit any false information to the City regarding equal benefits or cash equivalent associated with the execution, award, amendment, or administration of any contract. [San Diego Municipal Code §22.4307(a)]

Under penalty of perjury under laws of the State of California, I certify the above information is true and correct. I further certify that my firm understands the requirements of the Equal Benefits Ordinance and will provide and maintain equal benefits for the duration of the contract or pay a cash equivalent if authorized by the City.

Paula Cone, President
Name/Title of Signatory

Paula Cone
Signature

10/17/2013
Date

FOR OFFICIAL CITY USE ONLY

Receipt Date:	EBO Analyst:	<input type="checkbox"/> Approved	<input type="checkbox"/> Not Approved – Reason:
---------------	--------------	-----------------------------------	---

City of San Diego Purchasing & Contracting Department

CONTRACTOR STANDARDS
Pledge of Compliance

Effective December 24, 2008, the Council of the City of San Diego adopted Ordinance No. O-19808 to extend the Contractor Standards Ordinance to all contracts greater than \$50,000. The intent of the Contractor Standards clause of San Diego Municipal Code §22.3224 is to ensure the City of San Diego conducts business with firms that have the necessary quality, fitness and capacity to perform the work set forth in the contract.

To assist the Purchasing Agent in making this determination and to fulfill the requirements of §22.3224(d), each bidder/proposer must complete and submit this *Pledge of Compliance* with the bid/proposal. If a non-competitive process is used to procure the contract, the proposed contractor must submit this completed *Pledge of Compliance* prior to execution of the contract. A submitted *Pledge of Compliance* is a public record and information contained within will be available for public review for at least ten (10) calendar days, except to the extent that such information is exempt from disclosure pursuant to applicable law.

All responses must be typewritten or printed in ink. If an explanation is requested or additional space is required, respondents must use the *Pledge of Compliance Attachment "A"* and sign each page. The signatory guarantees the truth and accuracy of all responses and statements. Failure to submit this completed *Pledge of Compliance* may make the bid/proposal non-responsive and disqualified from the bidding process. If a change occurs which would modify any response, Contractor must provide the Purchasing Agent an updated response within thirty (30) calendar days.

A. PROJECT TITLE:

Sales, Use Tax, Property Tax Audit and Recovery and Information Services

B. BIDDER/CONTRACTOR INFORMATION:

<u>HdL Coren & Cone</u>			
Legal Name		DBA	
<u>1340 Valley Vista Drive, #200</u>	<u>Diamond Bar</u>	<u>CA</u>	<u>91765</u>
Street Address	City	State	Zip
<u>Paula Cone, President</u>	<u>909.861.4335</u>	<u>909.861.7726</u>	
Contact Person, Title	Phone	Fax	

C. OWNERSHIP AND NAME CHANGES:

1. In the past five (5) years, has your firm changed its name?
 Yes No

If Yes, use *Pledge of Compliance Attachment "A"* to list all prior legal and DBA names, addresses and dates when used. Explain the specific reasons for each name change.

2. In the past five (5) years, has a firm owner, partner or officer operated a similar business?
 Yes No

If Yes, use *Pledge of Compliance Attachment "A"* to list names and addresses of all businesses and the person who operated the business. Include information about a similar business only if an owner, partner or officer of your firm holds or has held a similar position in another firm.

D. BUSINESS ORGANIZATION/STRUCTURE: Indicate the organizational structure of your firm. Check one only on this page. Use *Pledge of Compliance Attachment "A"* if more space is required.

Corporation Date incorporated: 10 / 22 / 92 State of incorporation: CALIFORNIA

List corporation's current officers: President: Paula Cone
Vice Pres: Nichole Cone
Secretary: Martin Coren
Treasurer: Martin Coren

Is your firm a publicly traded corporation? Yes No

If Yes, name those who own five percent (5%) or more of the corporation's stocks:

Limited Liability Company Date formed: ___/___/___ State of formation: _____

List names of members who own five percent (5%) or more of the company:

Partnership Date formed: ___/___/___ State of formation: _____

List names of all firm partners:

Sole Proprietorship Date started: ___/___/___

List all firms you have been an owner, partner or officer with during the past five (5) years. Do not include ownership of stock in a publicly traded company:

Joint Venture Date formed: ___/___/___

List each firm in the joint venture and its percentage of ownership:

Note: Each member of a Joint Venture must complete a separate *Contractor Standards Pledge of Compliance* for a Joint Venture's submission to be considered responsive.

E. FINANCIAL RESOURCES AND RESPONSIBILITY:

1. Is your firm in preparation for, in the process of, or in negotiations toward being sold?

Yes No

If **Yes**, use *Pledge of Compliance Attachment "A"* to explain specific circumstances, including name of the buyer and principal contact information.

2. In the past five (5) years, has your firm been denied bonding?

Yes No

If **Yes**, use *Pledge of Compliance Attachment "A"* to explain specific circumstances; include bonding company name.

3. In the past five (5) years, has a bonding company made any payments to satisfy claims made against a bond issued on your firm's behalf or a firm where you were the principal?

Yes No

If **Yes**, use *Pledge of Compliance Attachment "A"* to explain specific circumstances.

F. PERFORMANCE HISTORY:

1. In the past five (5) years, has your firm been found civilly liable, either in a court of law or pursuant to the terms of a settlement agreement, for defaulting or breaching a contract with a government agency?

Yes No

If **Yes**, use *Pledge of Compliance Attachment "A"* to explain specific circumstances.

2. In the past five (5) years, has a government agency terminated your firm's contract prior to completion?

Yes No

If **Yes**, use *Pledge of Compliance Attachment "A"* to explain specific circumstances and provide principal contact information.

3. In the past five (5) years, has your firm entered into any settlement agreement for any lawsuit that alleged default, breach of contract, or fraud with or against a government agency?

Yes No

If **Yes**, use *Pledge of Compliance Attachment "A"* to explain specific circumstances.

4. Is your firm currently involved in any lawsuit with a government agency in which it is alleged that your firm has defaulted, breached a contract, or committed fraud?

Yes No

If **Yes**, use *Pledge of Compliance Attachment "A"* to explain specific circumstances.

G. COMPLIANCE:

1. In the past five (5) years, has your firm or any firm owner, partner, officer, executives or management been criminally penalized or found civilly liable, either in a court of law or pursuant to the terms of a settlement agreement for violating any federal, state or local law in performance of a contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws which affect employees?

Yes No

If **Yes**, use *Pledge of Compliance Attachment "A"* to explain specific circumstances surrounding each instance; include name of entity involved, specific infraction(s) or violation(s), dates of instances, and outcome with current status.

2. In the past five (5) years, has your firm been debarred or determined to be non-responsible by a government agency?

Yes **No**

If **Yes**, use *Pledge of Compliance Attachment "A"* to explain specific circumstances of each instance; include name of entity involved, specific infraction, dates, and outcome.

H. BUSINESS INTEGRITY:

1. In the past five (5) years, has your firm been convicted of or found liable in a civil suit for making a false claim or material misrepresentation to a private or governmental entity?

Yes **No**

If **Yes**, use *Pledge of Compliance Attachment "A"* to explain specific circumstances of each instance; include the entity involved, specific infraction(s) or violation(s), dates, outcome and current status.

2. In the past five (5) years, has your firm or any of its executives, management personnel, or owners been convicted of a crime, including misdemeanors, or been found liable in a civil suit involving the bidding, awarding, or performance of a government contract?

Yes **No**

If **Yes**, use *Pledge of Compliance Attachment "A"* to explain specific circumstances of each instance; include the entity involved, specific infraction(s), dates, outcome and current status.

I. TYPE OF SUBMISSION: This document is submitted as:

Initial submission of *Contractor Standards Pledge of Compliance*.

Update of prior *Contractor Standards Pledge of Compliance* dated ____/____/____.

Complete all questions and sign below. Each *Pledge of Compliance Attachment "A"* page must be signed.

Under penalty of perjury under the laws of the State of California, I certify I have read and understand the questions contained in this *Pledge of Compliance* and that I am responsible for completeness and accuracy of responses and all information provided is true to the best of my knowledge and belief. I further certify my agreement to the following provisions of San Diego Municipal Code §22.3224:

- (a) To comply with all applicable local, State and Federal laws, including health and safety, labor and employment, and licensing laws that affect the employees, worksite or performance of the contract.
- (b) To notify the Purchasing Agent within fifteen (15) calendar days upon receiving notification that a government agency has begun an investigation of the Contractor that may result in a finding that the Contractor is or was not in compliance with laws stated in paragraph (a).
- (c) To notify the Purchasing Agent within fifteen (15) calendar days when there has been a finding by a government agency or court of competent jurisdiction of a violation by the Contractor of laws stated in paragraph (a).
- (d) To provide the Purchasing Agent updated responses to the *Contractor Standards Pledge of Compliance* within thirty (30) calendar days if a change occurs which would modify any response.

- (e) To notify the Purchasing Agent within fifteen (15) days of becoming aware of an investigation or finding by a government agency or court of competent jurisdiction of a violation by a subcontractor of laws stated in paragraph (a).
- (f) To cooperate fully with the Purchasing Agent and the City during any investigation and to respond to a request for information within ten (10) working days from the request date.

Failure to sign and submit this form with the bid/proposal shall make the bid/proposal non-responsive.

Paula Cone, President
Print Name, Title

Paula Cone
Signature

10/7/2013
Date

City of San Diego Purchasing & Contracting Department
CONTRACTOR STANDARDS
Pledge of Compliance Attachment "A"

Provide additional information in space below. Use additional *Pledge of Compliance Attachment "A"* pages as needed; sign each page. Print in ink or type responses and indicate question being answered. Information provided will be available for public review, except if exempt from disclosure pursuant to applicable law.

"NOT APPLICABLE"

Under penalty of perjury under the laws of the State of California, I certify I have read and understand the questions contained in this *Contractor Standards Pledge of Compliance* and that I am responsible for completeness and accuracy of responses on this *Pledge of Compliance Attachment "A"* page and all information provided is true to the best of my knowledge.

Paula Cone, President
Print Name, Title

Paula J. Cone
Signature

10/7/2013
Date

**12. AMERICAN WITH DISABILITIES ACT (ADA) COMPLIANCE
CERTIFICATION**

I hereby certify that I am familiar with the requirements of San Diego City Council Policy No. 100-04 regarding the American With Disabilities Act (ADA) outlined in Section I "American with Disabilities Act Certification", of the Contract, and that;

HdL Coren & Cone

(Name under which business is conducted)

has in place workplace program that complies with said policy. I further certify that any subcontract agreement for this contract contains language which indicates the subcontractor's agreement to abide by the provisions of the policy as outlined.

Signed *Paula Cone*
Printed Name Paula Cone
Title President

City of San Diego

RFP NO. 10038642-14-W

**Proposal for Sales, Use Tax,
Property Tax Audit and Recovery,
Information Services**

October 24, 2013

COPY

Submitted by:

HdL Companies

1340 Valley Vista Dr., Suite 200

Diamond Bar, CA 91765

www.hdlcompanies.com

Contact:

Andy Nickerson

909.861.4335

anickerson@hdlcompanies.com





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A. EXECUTIVE SUMMARY

Thank you for the opportunity to present this proposal for Sales, Use Tax, Property Tax Audit and Recovery and Information Services to the City of San Diego. HdL Companies consist of Hinderliter, de Llamas & Associates and HdL Coren & Cone.

HdL Companies has the personnel, expertise, technology and databases to meet and exceed the City's stated needs. HdL has been recovering revenues and providing comprehensive and accurate sales and property tax reports, budget estimates to local governments since 1983 and currently serves over 385 cities, counties and districts in California. The advantages that HdL offers San Diego include:

- HdL's service team is comprised of individuals with extensive experience in sales and property tax administration, business development, financial management and economic development. Most of the key personnel that would be serving San Diego have worked in or with public agencies and all key personnel thoroughly understand their needs and problems of public agencies. This ensures prompt and knowledgeable response to inquiries and provides for relevant and timely information on issues impacting the City's revenues.
- HdL maintains sales and use tax data on all active businesses in the State of California that are registered with the State Board of Equalization, sales tax allocation information for 508 specific California jurisdictions, property tax data for 43 counties including all cities within those counties, telephone directory data for the entire State of California and hundreds of business contacts developed through years of audits. The proprietary software, size of the database plus a sophisticated computer system allows HdL to provide the most comprehensive audits and trends analyses available in California.
- HdL's Sales Tax software and databases can be integrated with HdL's property tax and business license data and is network compatible. HdL's coordinated approach to data management allows the City to further maximize related revenue collections and economic analysis.
- All audit staff are selected and trained for their abilities to maintain positive relations with the business community. The Company's dealings with local businesses are strictly positive and educational in nature, with complete emphasis on protection of confidentiality, cooperation and assistance rather than enforcement. This produces the desired gain in City revenues while maintaining positive relations with San Diego's businesses.
- HdL's audit submittals are solidly documented and the Company performs continuous follow-up to ensure that the State Board of Equalization is pursuing corrections. As a result, HdL's clients do not pay excessive retroactive fees that occur because of poor documentation and monitoring.
- HdL provides management reports and trending data that provide insight into real estate value changes between tax years and the implications on budget forecasting for the City general fund, Successor Agency tax increment and potential residual revenue after enforceable obligations are met relative to the former redevelopment agency.
- The history of property tax data available from the HdL as archived from county assessor data places the company in a unique position to develop specialized City defined data sets necessary for economic planning and forecasting.

B. EXCEPTIONS

We do not have any exceptions to this proposal.

C. SPECIFICATIONS

Sales, Use Tax and Information Services - Hinderliter, de Llamas & Associates

The California Board of Equalization is responsible each quarter for collecting and monitoring sales tax revenues from 1,725,000 active accounts, some having 200 to 300 sub outlets each. Due to the sheer number of accounts, the complexity of the state's "point-of-sale" regulations, and the number of out-of-state corporations that file quarterly sales tax returns, taxpayers often make factual errors that impact where the local portion of the tax is allocated. Confusion over "use tax" regulations and the allocation of "points of sale" for e-commerce further compound the problem. The volume of fieldwork and depth of analysis needed to identify and correct these errors make it impractical for the State Board of Equalization to identify all misallocations on its own.

An additional problem is the minimal data provided by the State Board of Equalization to support management decisions. The information is not organized to identify sales tax voids and opportunities, monitor economic performance, allow evaluation of alternate economic strategies or facilitate accurate budget projections.

Some of the more common types of errors that HdL identifies and corrects include:

- Sales misreported as "use tax" transactions that are distributed to state and county pools rather than to "point of sale" for the City;
- "Points of sale" misreported to administrative offices or other locations outside the City rather than to the location within the City where principal negotiations or orders are initiated;
- E-Commerce orders allocated to billing or switching equipment sites rather than the location of human intervention;
- Misallocations occurring because sales from multiple retail outlets, order desks, or offices are credited to a single location outside the incorporated area rather than to sub outlets located within the City boundaries;
- New registrations, accounting adjustments and additional state sales tax assessments that is miscoded to other jurisdictions or to allocation pools;
- Individual "use tax" transactions exceeding \$500,000 that are reported to the pools rather than "point-of-use;"
- Erroneous distribution of the sales of construction material and fixtures to allocation pools because the sales are misidentified as installation rather than "over-the-counter" sale;
- Failure to designate in-state warehouses as "point of sale" for orders placed or negotiated outside of California;
- Misallocations that occur due to zip code, boundary or other jurisdictional inconsistencies or because of failure of new addresses to be picked up in the State Board of Equalization registration rolls; and
- Misallocations by companies that self impose "use tax" for materials taken out of inventory and misreport the usage as taking place at locations other than the City.

1. CORE REQUIREMENTS, DELIVERABLES AND TIMELINE

a. Identification of Improperly Registered Permits

HdL inventories the City to identify businesses from which the City is not receiving its share of sales tax revenue. In performing that inventory, HdL uses a variety of methods to ensure maximum recovery of misallocations. These include:

1. Field Surveys:

Field inventories of the City's commercial and industrial areas are conducted every 10-12 months to identify businesses located within the City of San Diego that appear to be under-reporting revenues or are not on the BOE allocation rolls. Specially trained and locally based field auditors, using the latest in mapping, GPS, and digital recording technology, document not only the existence of sales tax producing businesses but also any relevant factors such as size, presence of a large stock of goods, will-call windows and any specific references to sales activity.

2. Computer Analysis:

Utilizing a proprietary program HdL performs quarterly reviews of every active account on the BOE's state-wide allocation rolls reporting \$50 or more in local tax to ensure proper tax area code (TAC) assignment. Government and private sector mapping, GIS and property tax databases are used extensively in this process. This program is an important supplement to the routine field reviews since physical canvassing will not reveal businesses with missing or incomplete signage, or those that are home-based.

Experienced HdL specialists also apply proprietary queries and analysis to its virtually complete statewide allocation database to identify all accounts for which there has been a substantial change in allocation pattern. The deviation reviews are performed every three months, and are far more sophisticated and thorough than a review of the BOE's published Quarterly Distribution Report. In addition to direct allocations the reviews are also applied to the county pools to uncover potential use tax errors and opportunities. Well founded leads are quickly culled from this process, often without the need for time-consuming manual reviews of taxpayer files. This allows for faster processing times which in turn lowers recovery fees by reducing the amount of prior quarter revenue requiring redistribution.

3. Permit Reviews:

BOE Regulation 1699 controls when and where a permit should be issued to a given business location. Wholesalers, contractors, processors, manufacturers, and other non-retail businesses that do not normally sell merchandise often conduct occasional sales, self-accrue use tax or are levied deficiency assessments by the State. HdL uses a proprietary process for identifying opportunities for direct allocation to the City of the local tax generated by these occasional sales or adjustments.

4. Quarterly Analysis:

Each quarter, HdL analyzes both City point-of-sale payments and county pool data in detail to identify potential reporting errors indicated by missing payments; substantially lower reporting trends for specific businesses and errors in coding of new business registrations to other jurisdictions or to countywide allocation pools. This is supported by periodic field survey updates.

As part of this process, HdL also analyzes any significant taxpayer assessments or reporting adjustments imposed by the state to ensure that such adjustments are correctly allocated to the City.

b. Detection and Correction of Deficiency Assessment Misallocations

1. Development of Correction Data

Preliminary lead lists developed through any of the aforementioned audit programs are further culled using a variety of programs and databases to reduce the need for taxpayer contact. Companies remaining in the audit database are then contacted by our audit unit whose members are specifically selected and trained to interview tax preparers and marketing, warehouse and management staff. Taxpayer interviews are always conducted in a professional, non-intrusive manner that emphasizes cooperation and protection of confidentiality.

2. Documentation

Telephone contacts are often accompanied by a written follow-up questionnaire concerning business activities, a specific one-time transaction or a written confirmation of our findings. This documentation is always filed with the petition to minimize BOE processing time.

3. City Reviews

To avoid potential conflicts with a City's in-house audit efforts, HdL prepares a list of misallocated or under-reporting businesses for City officials to review and authorize prior to any invoicing. This line item, account-level approval process is an important step in eliminating any misunderstandings or disagreements regarding what may be considered a valid audit "find."

4. Preparation and Submittal of Corrections

Petitions are prepared (BOE Form 549-S or 549-L) that notify and describe to the BOE the existence and nature of the misallocation. All relevant and available supporting documentation is included. Copies of all transmittal forms and correspondence with the BOE and taxpayers are provided to City staff.

5. Continuous Follow-up

HdL employs a full-time case manager whose responsibility is to monitor and follow-up on case inventory. An aging report is updated and reviewed on a monthly basis and the appropriate follow-up is initiated on cases that are taking an inordinate amount of time to correct. This follow-up emphasizes partnership and cooperation with BOE Allocation Group staff. HdL's continuous efforts to check on the status of submittals are made to ensure that corrections are being pursued. Timely follow-up on cases reduces the time it takes for the City to recover its revenue.

6. Appeals

HdL cases are thoroughly researched, vetted and documented *prior to* submittal. This ensures the fastest possible processing times, and reduces the number of cases that are initially disclaimed and must be further researched and defended through a very lengthy BOE appeals process. Nearly all HdL cases are resolved favorably at either the first or second levels of the BOE petition process described in Regulation 1807. HdL has cultivated close working relationships with the BOE Appeals Division and with each of the elected Board Members. When an appeal is required, HdL has the necessary expertise and access to competently and aggressively represent client interests. Having a large number of cases on appeal may be presented by some vendors as evidence of a more sophisticated and aggressive audit program. It should be viewed, however, as an indication that inadequate supporting documentation tends to require more case appeals and lead to otherwise unnecessary procedural delays. These delays lead to higher audit fees.

c. Audit of Out-of-State Purchases

HdL will conduct audits of purchases of tangible personal property from out-of-state retailers for transactions exceeding \$500,000. These audits will identify sales tax misreported as use tax transactions that are being distributed to state and county pools rather than point-of-sale to the City. The audits will also identify sales of construction materials and fixtures that are erroneously distributed to county distribution pools rather than point-of-use.

Since its initiation in 1955, approximately 10%-14% of the Bradley-Burns Uniform local sales and use tax that cannot be easily tied to a permanent point of sale has been allocated via countywide "use tax" pools. Distribution of these pooled revenues is based on a prorata share of countywide taxable sales. The City of San Diego generated 48.2% of the total taxable sales in all of San Diego County in FY 2012-13 and therefore received 48.2% of the pool revenues. The use tax pool generates approximately \$25 million per year to the City of San Diego.

The major contributors to the pool have been primarily private party vehicle sales, equipment leases, contractors who consume material used in the improvement of real property when a sales tax has not been paid, itinerant vendors and out-of-state purchases from vendors who do not have a California sales tax permit.

Beginning in 1995, the State Board of Equalization and the State Legislature made numerous modifications that allow more of the revenues previously allocated via the pool to be allocated back to either "place of use" or "point of sale." These include:

- Allowing contractors with construction contracts exceeding \$5 million or more, to allocate the "use tax" to the jurisdiction where the construction site is located;
- Allocating use tax on new car leases back to the jurisdiction where the car is originally purchased;
- Directing use tax from auction events of \$500,000 or more to the locality where the auction is held;
- Allocating use tax from transactions over \$500,000 to the place of use; and

- Allowing taxpayers to self report the tax via a "Direct Payment Permit" if they have \$500,000 or more in aggregate use tax transactions during the previous twelve month period. The City purchasing department may also take out a direct payment permit and is exempt from the \$500,000 threshold.

d. Identification of Possible New Revenues for the City

When properly refined and organized, sales tax data analysis is an important tool for strengthening and expanding local economies. The data shows companies that are growing and may need expansion space and should be contacted as part of an agency's business retention program. When segregated geographically, the data produces patterns of industries that potentially share common customers, suppliers, technology and labor and therefore offer opportunities for attracting new businesses. The data further exposes retail areas that may be over saturated in some retail segments while also identifying voids and opportunities for additional retail development

Although numerous companies and agencies use the BOE's published data as a basis for analysis, the results are usually inaccurate and misleading due to address and business categorization errors in the data. To correct those deficiencies, HdL scrubs the data on an ongoing basis, correcting business addresses and re-categorizing merchants to differentiate brick and mortar retailers from "business to business" suppliers and on-line retailers.

HdL further creates and groups businesses into additional categories not provided by the BOE to better track new and emerging economic trends. Samples include the breaking out of biotech/medical suppliers, on-line fulfillment centers, alternate energy and utility providers, wineries and marijuana clinics. This focused approach to data management allows agencies to more accurately compare the impact of trends in their jurisdiction with state and regional trends. On a regional basis, it also allows for the identification of true economic voids and opportunities that are not just parts of neighboring tax bases.

Accurate addressing allows for improved performance monitoring and comparison of specific economic areas such as shopping centers, downtown districts and auto malls with similar projects throughout Southern California.

In addition to a comprehensive database, HdL's Principals use the intelligence gleaned from quarterly sales tax meetings with 281 other California cities to identify new trends and developments that might help other clients. The sales tax program includes an annual surplus/gap analyses to identify retail voids and opportunities and annual distribution of retailers seeking expansion in the region and California. A bi-monthly Headlines e-news service is included to keep clients informed of trends and developments that may impact individual and regional economic strategies and goals.

HdL has developed materials on maximizing sales and use tax revenues and provides training for staff on utilizing the material as part of an ongoing business retention program. There is no additional charge for this service. If internal staff resources are not available, HdL will, for its audit percentage fee on revenues generated:

- Work with developers to maximize “use tax” from construction projects,
- Contact potential candidates for a Direct Payment Permit or Purchasing Corporations,
- Contact taxpayers regarding the use tax reporting options and encourage and assist companies in exercising this allocation option, and
- Review new business startups as they come into the City to determine potential eligibility for self assessed use tax.

HdL also maintains close and positive relationships with members of the State Board of Equalization and staff to cordially and quickly resolve policy issues unique to individual clients. The firm advocates regulation and legislative changes when they are of benefit to all clients. Examples are HdL’s work in the change of allocation of “use tax” for major construction projects, securing an Executive Order from the Governor to allow publishing of top taxpayers in public documents and the introduction of the problem of “point of sale” for warehouses to the Board of Equalization.

e. Geo-Coding

HdL’s database facilitates the development of comprehensive reports that can illustrate specified areas of the City, such as community plan areas, Business Improvement Districts, and project areas. These areas can be created by City staff or HdL personnel, as desired by the City. Reports and data exports can then be generated by Geo-area in numerous configurations, such as by quarter, fiscal year, major industry group and business type, address, and/or allocation amount. The reports provide information that is essential to many strategic decisions, including future annexation or planning efforts. HdL’s Geo-area feature supports use of address ranges, which ensures the inclusion of all appropriate BOE registrations and also allows City staff to create and modify Geo-areas without a separate GIS system. HdL also supports interfacing with the City’s GIS by including accurately geocoded latitude and longitude for each business. This data can include all data fields including historical allocation information, and can be quickly exported by City staff on demand using HdL’s Sales Tax Web Application. Additionally, City created shape files can be used to define a Geo-area, which would identify related businesses by latitude and longitude.

f. Business Types

The State Board of Equalization’s business classification code system is comprised of 73 business types. HdL’s database also includes 10 additional business types. These 83 business types are divided into 7 major industry groups, as follows:

- Autos & Transportation
- Building & Construction
- Business & Industry
- Food & Drugs
- Fuel & Service Stations
- General Consumer Goods
- Restaurants & Hotels

HdL's database has the capability of providing reports that illustrate receipts from businesses within a specified major industry group or the individual business types. For example, the software can generate a report that illustrates the quarterly, annual, or fiscal year results for the Business & Industry group and each individual business type within that major industry group.

Although specific business type codes do not exist for business classes such as biotechnology or biomedical, the vast capability of HdL's database facilitates development of geographic reports that will illustrate the results being generated by these types of businesses. HdL can also further refine the "business to business" grouping into the subclasses desired by the City of San Diego by overlaying the classifications used in the City's business license system.

g. Sales Tax Management Program

HdL also provides an ongoing program of quarterly sales tax analysis, staff support and custom reports to assist with business retention and economic strategies, monitoring of revenue sharing agreements, analysis of new projects and/or annexation proposals and projection and monitoring of revenue trends for budget purposes. These services include:

- Detailed quarterly analysis and in-person meetings to review City's Sales and Use Tax receipts by geographic area, business and business type including state and county allocation pools. All reports are in context with regional and state-wide trends to better identify emerging changes that impact budget projections and economic voids and opportunities.
- Custom non-confidential newsletter that can be publically used by City and its economic and development organizations to monitor sales tax trends and provide more coordinated information on the importance and effectiveness of the city's economic efforts.
- Custom quarterly reports to monitor the City's various sales tax and direct payment incentive sharing agreements.
- Detailed preparation and quarterly monitoring of sales and use tax projections for the City's budget staff, including 5 year revenue projections.
- On call staff support to prepare sales and use tax projections for proposed economic and annexation proposals, respond to technical questions relating to sales and use tax processes and procedures, to conduct training and workshops on sales tax related budget and economic issues, and to help identify economic voids and opportunities and business retention programs for specific economic areas.

Our key personnel team of Luci Romero Serlet, Denise Ovrom and Brice Russell are available to answer any questions the City may have concerning sales tax. You will always get a live person when you call our office during regular business hours and we respond to your requests immediately. Client presentations are scheduled so that we have someone from your key personnel team in the office and available to answer questions. With a staff of 55+ professionals in our corporate office, our team will answer all requests in a timely manner. There is no additional charge for this service.

2. USE OF STANDARDS

There are no adopted audit standards for the types of research and discovery methods employed by HdL. However, the State has codified in Regulation 1807 the minimum requirements for all claims submitted and HdL is diligent in meeting them. The State's requirements include providing the taxpayer's name, seller's permit number, complete business address, a description of the specific business activity, the name, title and telephone number of the contact person and the tax reporting periods involved. HdL also includes detailed supporting documentation as evidence of boundary or other errors.

3. LICENSING

a. Licensing

Hosted Application – The City will receive a login to the HdL Sales Tax Web Application for those who are authorized on the City's resolution and approved by the Board of Equalization. The City will be granted a "site license" for the application which allows for an unlimited number of authorized users.

b. Software and Data Standards/Compatibility

The built in reporting functionality of the HdL Sales Tax Web Application is able to export reports in a number of formats including .xls, .csv, and .pdf.

The web application includes all sellers permit registrations within the City's boundaries including street address, owner name and address and reported sales tax. It allows the City's designated staff to search businesses by street address, account number, business name, business type and by key word in the business name. It also allows staff to arrange the data by geographic area and print a variety of reports by business type, business volume and geographic area. The system can be integrated with the City's property and business license data using optional HdL Software products. The system utilizes a password program to protect the confidentiality of the information.

c. Hosting

The HdL Sales Tax Web Application is a SAAS application which is securely hosted on HdL servers. The disaster recovery plan includes daily, weekly, and monthly backups, maintained both onsite and in secure offsite locations. HdL will be responsible for all system maintenance and support.

d. Support

HdL provides support for general questions/information, and technical support 8:00 a.m. through 5:00 p.m. Pacific Time, Monday through Friday. Support can be reached through HdL's toll free number at 888-861-0220 or by email at support@hdlcompanies.com. HdL employs a remote support tool that allows us to see the client's desktop, greatly increasing knowledge of the situation and efficiency in addressing any questions/issues. Also, the HdL website at www.hdlcompanies.com provides useful resources and reference materials.

e. System Performance

The HdL Sales Tax Web Application will be generally available 24 hours per day, 7 days per week, with full availability from 7:00 a.m. through 6:00 p.m. Pacific Time, Monday through Friday. All regularly schedule system maintenance will occur during the off hours of 7pm to 7am. The City will be notified in advance prior to any planned extended maintenance.

4. DATA OWNERSHIP

The City's sales and use tax data from the State Board of Equalization data will be available to the City on the HdL Sales Tax Web Application. The City will retain ownership and rights to the data. However, it should be noted that Section 7056 of the Revenue and Taxation Code specifies that sales, use and transaction tax data are confidential any may not be accessed by firms or individuals that have not been previously designated by resolution of the City Council as authorized to have access to that confidential information. In addition, Section 7056 prohibits any person or firm performing consulting services for a retailer from accessing confidential sales, use and transactions tax data. All employees of HdL Companies abide by our corporate confidentiality agreement and would sign an additional confidentiality agreement for the City of San Diego.

5. INTELLECTUAL PROPERTY

a. Ownership of Application Reporting System

HdL retains ownership of the all applicable patents, trademarks, copyrights, trade secrets and other proprietary rights that pertain to the services specified in Proposal No. 10038642-14-W.

b. Works for Hire

HdL understands and agrees that any and all materials and deliverables that are subject to copyright protection are developed as stand alone custom applications, enhancements, or plug-ins to the underlying software solution specifically related to HdL's performance of the services specified herein or subsequent contract work constitutes a "work-for-hire".

c. Intellectual Property Warranty and Indemnification

HdL represents and warrants that any materials or deliverables, including all works, provided pursuant to Proposal No 10038642-14-W or subsequent contract are either original, not encumbered and do not infringe upon the copyright, trademark, patent or other intellectual property rights of any third party, or are in the public domain.

HdL agrees to indemnify and hold harmless the City, its officers, employees and agents from and against any and all claims, actions, costs, judgments, or damages of any type alleging or threatening that any materials, deliverables, supplies, equipment, services, or works provided pursuant to Proposal No. 10038642-14-W infringe the copyright, trademark, patent or other intellectual property or proprietary rights of any third party.

6. INSTALLATION, TESTING AND ACCEPTANCE

HdL will work with City staff to plan times, dates and facility access as needed to perform the services specified in Proposal No. 10038642-14-W. HdL will also work with City staff to schedule meetings as required during the term of the contract. The City will be provided access to the HdL Sales Tax Web Application for those that are listed on the City's resolution and approved by the Board of Equalization. The identified employees will be provided login information for access to the database. All other work regarding installing the application or quarterly data updates will be performed by HdL staff.

7. SAFETY AND ACCIDENT PREVENTION

HdL ensures compliance with all applicable federal, state, county or municipal safety and accident prevention requirements. HdL also has an adopted Safety and Health Policy that provides for a safe and healthful workplace for its employees. The Policy includes a Code of Safe Practices.

8. DOCUMENTATION AND REPORTS

HdL's quarterly updated web-based sales tax system is designed to facilitate "in-house" analysis and printing of reports. The system allows City staff to search, print and export their sales tax data for a variety of financial, management and planning functions. The software provides the ability to search all sales tax producers in the City by business name, address, BOE account number and current and historical sales tax allocations. The City's archived quarterly sales tax reports can also be accessed through the web based sales tax application. Training on use of the software and ongoing upgrades is provided at no additional charge.

Quarterly sales tax reports are provided on both a cash and adjusted basis. HdL will provide reports on major sales tax producers in the City and total sales tax receipts as requested. The data will be presented in reports for major sales tax producers, by both rank and category, analysis of sales tax activity by category and business, district or specific areas that the City has specified, analysis of reporting aberrations, per capita and by number of outlet comparisons with statewide sales.

Additional quarterly reports will include reports by major retail outlets, business category, geo area growth and decline comparisons, historical revenue tables and top 100 taxpayer listings.

HdL's analytical and support services go beyond providing bound stacks of raw data printouts. The firm's quarterly analysis is done in context with regional market, countywide and statewide trends to better monitor and compare the City's economic performance by business category and geographical area to identify voids and opportunities. A non-confidential newsletter is included to support management's efforts to inform and engage the public.

Analysis of sales and use tax data and quarterly presentations to City staff are led by seasoned professionals, whose experience and knowledge adds value by identifying emerging retail trends, business retention needs, leveraging of economic clusters and

reviewing successes in client jurisdictions with similar characteristics. HdL staff also prepares sales and use tax projections for proposed development projects, responds to technical questions relating to sales and use tax processes, procedures and regulations, and monitors revenue sharing agreements.

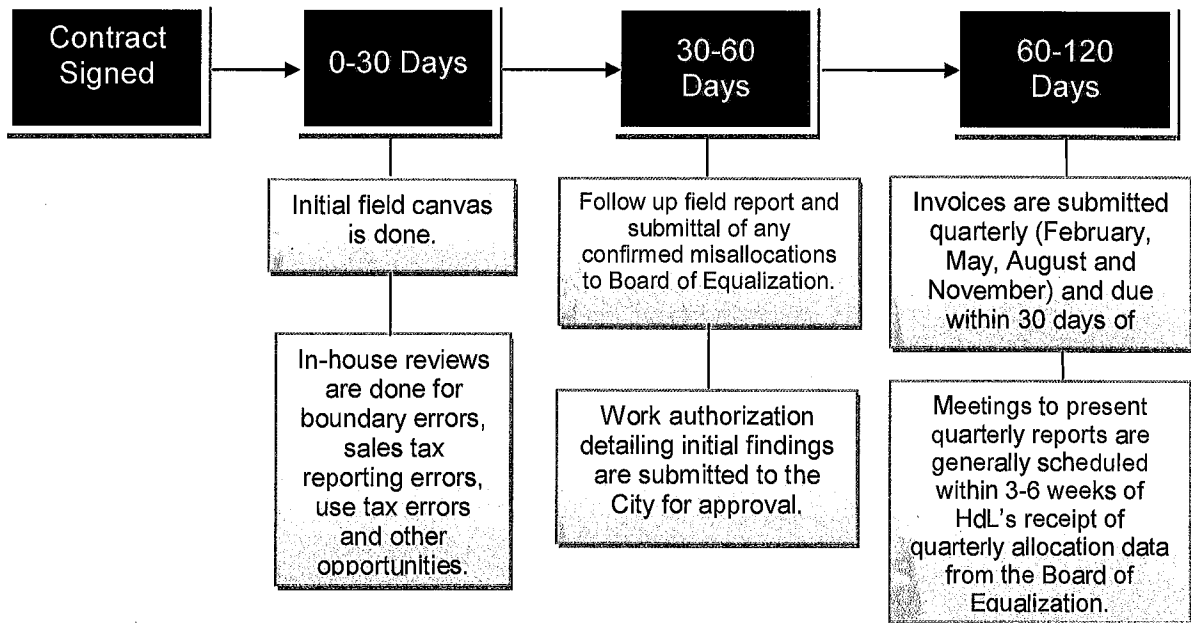
A sample reports package is available for your review in Appendix A.

9. PROPOSER IMPLEMENTATION PLAN

Services under the proposed contract would commence immediately upon receipt of the executed contract. HdL's services, unless specified otherwise, will be on a quarterly schedule and completed within ninety (90) days of receipt of quarterly data from the State Board of Equalization. Audit activities will be promptly conducted on each new quarter's data to identify those accounts requiring further research. Potential allocation errors and supporting documentation will be filed with the State Board of Equalization in time to meet the state's statutory time limits to ensure that the City does not lose any revenue to which it is entitled.

Training on use of the HdL software used to access the sales and use tax database will be scheduled at a time convenient to the City staff that are authorized access to the confidential information.

A typical timeline for implementation would be:



10. QUALIFICATIONS AND EXPERIENCE

a. Organizational Structure

Founded in 1983, HdL Companies is a consortium of three companies established to maximize local government revenues by providing a variety of audits, analytical services and software products. Hinderliter, de Llamas and Associates provide audit and consulting services for sales, use and transaction taxes. HdL Coren & Cone provides services related to property taxes, tax increment revenues and successor agencies. The third affiliated company, HdL Software, provides a variety of enterprise software processing tools for business licensing, code enforcement, animal control, building permits and tracking/billing of false alarms. HdL's systematic and coordinated approach to revenue management and economic data analysis is currently being utilized by over 385 agencies in six states.

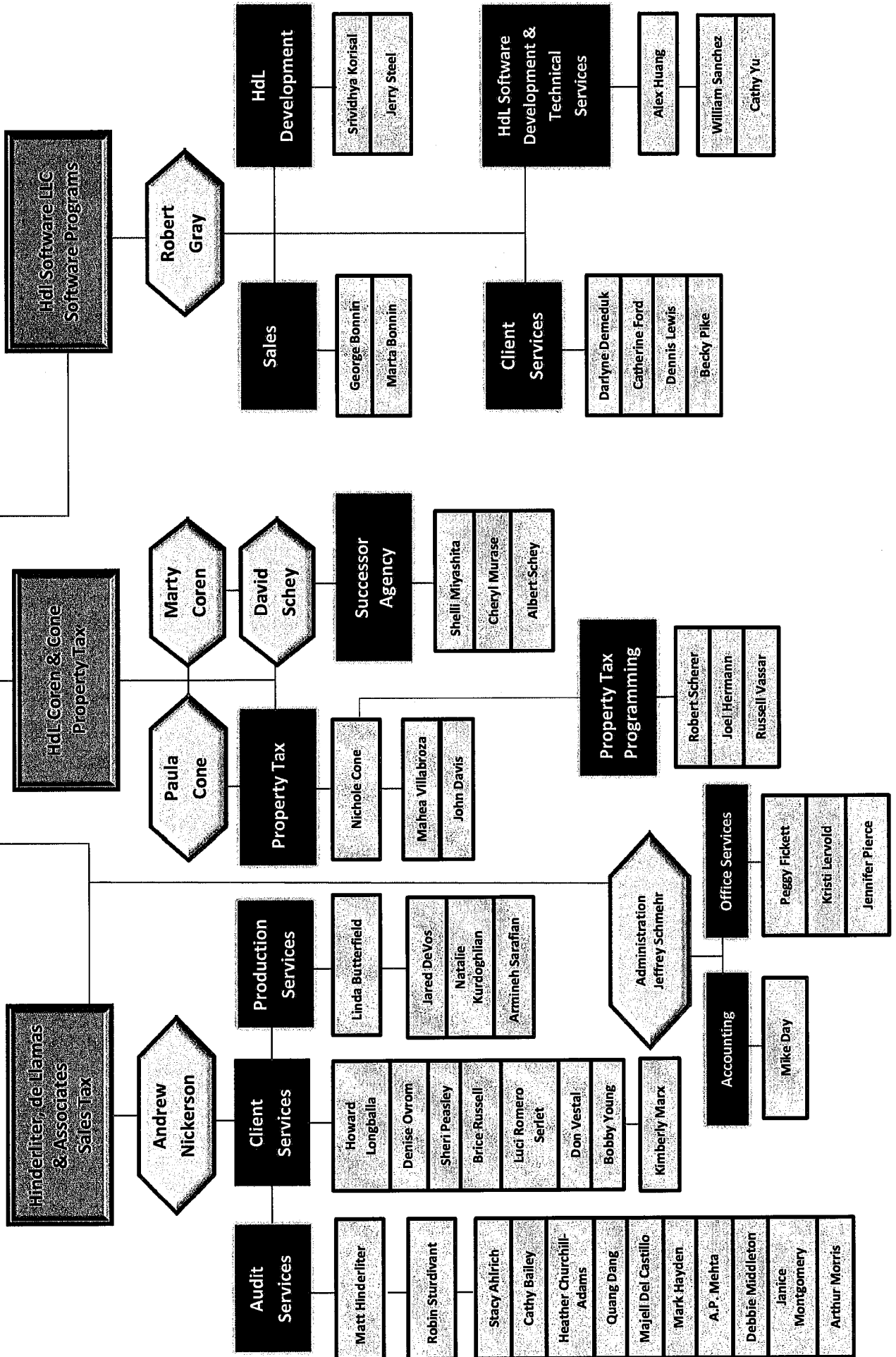
Most of HdL's key staff has extensive local government experience having previously held positions in municipal management, finance, planning, economic development or revenue collection. The team that would serve San Diego possesses decades of experience in managing budgets, developing and implementing economic strategies and tracking sales and property tax revenues.

HdL maintains the largest privately held sales, property and business tax database in California. It constantly improves and enhances the Board of Equalization's (BOE) raw registration data by correcting addresses and business names, differentiating brick and mortar retailers from business to business and online taxpayers and adding new business classifications to better identify emerging trends and economic opportunities. This highly enhanced database includes over 20 years of the City of San Diego's sales tax history and serves as the base for identifying emerging economic trends and developing budget projections that take those trends into account.

HdL is a Corporate Partner of the League of California Cities and California State Association of Counties, and works extensively with the County Auditor's Association of California, California Society of Municipal Finance Officers (CSMFO) and California Municipal Revenue and Tax Association (CMRTA) on development of programs to strengthen local government revenues.

HdL retains a staff of 55+ trained and experienced specialists for performing audits, analysis and software support in our headquarters at 1340 Valley Vista Dr., Suite 200, Diamond Bar, CA 91765.

The OIL Companies



b. Key Staff

HdL's service team is comprised of individuals with extensive experience in sales and use tax administration, business development, financial management and economic development.

Hinderliter, de Llamas & Associates

Andy Nickerson – President

21 years of Relevant Experience with HdL

Mr. Nickerson is responsible for the day-to-day management of the sales tax programs and services and would serve as the liaison for the Sales and Use Tax Management Team, the Audit Division and the Production Services team for the City of San Diego.

Sales and Use Tax Management Team

Three sales and use tax principals and a management analyst will provide the City of San Diego with sales tax, budget and revenue management services, support and information. The team will advise the City on economic development opportunities, including analyzing the City's sales tax data for presentations and preparing sales and use tax revenue estimates of various terms up to five years. They will also prepare detailed analyses of sales, use and transactions tax, allocation and revenue projection. A principal will also meet with the City each quarter to deliver the City's quarterly reports and address any issues or concerns. Providing these services to the City are:

Luci Romero Serlet – Principal

28 Years of Relevant Experience with 6 Years of Experience at HdL

Denise Ovrom – Principal

30 Years of Relevant Experience with 11 Years of Experience at HdL

Brice Russell – Principal

36 Years of Relevant Experience with 16 Years of Experience at HdL

Kimberly Marx – Management Analyst

1 Year of Relevant Experience at HdL

Audit Services Team

Our Audit Services Director and Local Government Advocate have over 40 years combined experience with auditing local tax, place of sale and BOE administrative issues. The firm has continually adapted to legislative changes, BOE regulation changes, and technology advances and will utilize these tools for the City of San Diego. HdL has an audit team in place that is very well trained and familiar with the state regulations and guidelines concerning tax reporting for the City.

Matt Hinderliter – Director of Audit Services

23 Years of Relevant Experience at HdL

Robin Sturdivant – Local Government Advocate

18 Years of Relevant Experience at HdL

Production Services Team

Our Production Team insures that the data from the State Board of Equalization is processed in an accurate and timely manner and is available to the City on our sales tax web application. The team is responsible for running the reports that are delivered at the quarterly meetings with the City staff, as well as processing any special report requests.

Robert Gray – President, HdL Software LLC
17 Years of Relevant Experience at HdL

Linda Butterfield – Director of Production Services
24 Years of Relevant Experience at HdL

Administrative Services Team for HdL Companies

The administrative services team will be the contact point for the City of San Diego on issues pertaining to invoicing, accounting and other administrative tasks.

Jeffrey Schmehr – Chief Financial and Administrative Officer
18 Years of Relevant Experience with 8 years at HdL

Mike Day – Controller
8 Years of Relevant Experience at HdL

Jennifer Pierce – Administrative Assistant
2 Years of Relevant Experience at HdL

c. Resumes/Experience

As requested, one page information sheets of our key personnel follow this page.

Andrew Nickerson

Experience

Hinderliter, de Llamas & Associates - President:

2011 - Present

- Lead the strategic planning, sales and management operation of this market leader in sales tax, audit and information services. Led the development of a web-based sales tax application that offers HdL clients immediate access to the latest Board of Equalization sales, use and transactions tax data and quarterly reports. Forged business affiliation with Beacon Economics, Equity Recovery Solutions and Cost Control Associates to expand service offerings to local government agencies. Initiated HeadLines, a bi-weekly e-news service that provides up-to-date information on trends affecting California's economy. HeadLines is currently being circulated to over 1,400 subscribers.

HdL Coren & Cone - Vice President of Sales and Operations:

2002 - 2010

- Lead the product development and sales activities for this provider of government tax consulting services and related software products. Manage major accounts that generate over \$2.5 million in annual revenues. Prepare marketing proposals and deliver sales presentations to prospective clients. Meet annually with clients to review and discuss management reports and assist with budget projections. Enhanced revenues by identifying and developing complimentary products and services that were marketed to existing clients. Forged a strategic partnership with ESRI, a California based technology firm, enabling HdL to rapidly expand the utility of existing software applications. Streamlined a manual process for auditing real estate transfer tax revenues, significantly reducing staffing requirements and increasing revenue recovery. Spearheaded the in-house conversion of a 15 year old business critical database and software application increasing the companies' capabilities and enabling the firm to expand services to additional clients without adding extra staff.

HdL Coren & Cone - Production Manager:

1997 - 2007

- Managed the team responsible for producing semiannual property tax reports and executive summaries for over 100 California cities. Guided IT staff in expanding the capabilities of the firms' proprietary software applications. Designed systems for importing and maintaining property tax records from 35 California counties into a customized database format. Provided on-site software training and technical support to client agencies. Facilitated special projects and requests from strategic business partners.

HdL Coren & Cone - Associate:

1992 - 1997

- Conducted database research of tax records and contacted business owners to verify sales tax information. Performed sales tax and property tax revenue audits for client agencies. Coordinated audit recovery with local, county and state agencies. Analyzed tax receipts for development projects and tax sharing agreements.

Education

- **Bachelor of Science, Business Administration (Concentration in Finance, Real Estate, and Law)**
California State Polytechnic University, Pomona

Luci Romero Serlet

Experience

Hinderliter, de Llamas & Associates – Principal:

2008 – Present

- Provides sales tax, budget and revenue management services, support and information to over 200 California cities and counties. Specializing in advising city and county clients on economic development opportunities, analyzing client sales tax data for presentations at client meetings and preparing sales and use tax revenue estimates of various terms up to five years. Prepares detailed analyses of sales, use and transactions tax, allocation and revenue projections for clients statewide. Provides transactions tax projections for both existing and potential districts. Prepares and delivers quarterly reports.

City of Los Alamitos – City Manager:

May 2006 – September 2007

- Implementation of City Council policies and goals including, economic development, outreach to business community, military base strategic plan; regional and state issues.

City of Goleta – Assistant City Manager:

December 2002 – April 2006

- Finance, Budget, Treasury, Human Resources, Employee Benefits, Employee Relations, Risk Management, Lease Agreements, Mixed-Use Commercial/Residential Development, Shoreline Preservation.

City of Solana Beach – Assistant City Manager:

February 1999 – November 2002

- Special Projects (Joint Use Library, Mixed Use Commercial/Residential Development); Cable Television Franchise and Solid Waste Franchise Administration; Capital Improvement Program; Human Resources, Employee Benefits, Employee Relations; Risk Management, Workers Compensation; Information Systems.

City of Newport Beach – Administrative Manager:

February 1995 – February 1999

- Departmental operating budget; City-wide Capital Improvement Program budget; Performance evaluation system development; Development and implementation of budgetary internal controls; Strategic plan development; Public Works contract administration; Underground utility assessment district administration; Coordination of FEMA claims.

City of Temecula – Financial Services/Human Resources Manager:

September 1991 – February 1995

- Administration of Human Resources; City-wide operating and Capital Improvement Program budgets; Risk Management administration; Centralized purchasing administration; Community Development Block Grant

City of Carlsbad – Senior Management Analyst:

February 1990 – September 1991

- Preparation, analysis and administration of capital and operating budgets; Administration of cable television franchise; Solid waste program administration; Federal and state grant application preparation.

City of Encinitas – Management Analyst:

July 1987– February 1990

- Operating and capital budgets; Preparation of city newsletters; Information System administration; Solid waste and parking enforcement administration.

City of Coronado –Administrative Assistant:

July 1985 – July 1987

- Legislative research and analysis; Preparation of policies and procedures; Employee Suggestion Program coordination; Preparation of reports, research and analysis pertaining to organizational issues.

San Diego State University –Administrative Assistant:

June 1982 – July 1985

- Administrative support for Education Administration Masters Degree Program.

Education

- **Master of Public Administration – San Diego State University**
- **Bachelor of Science, Health Science – San Diego State University**

Denise Ovrom

Experience

- Hinderliter, de Llamas & Associates – Principal:** **2002 – Present**
- Provides sales tax, budget and revenue management services, support and information to over 200 California cities and counties. Specializing in advising city and county clients on economic development opportunities, analyzing client sales tax data for presentations at client meetings and preparing sales and use tax revenue estimates of various terms up to five years. Prepares detailed analyses of sales, use and transactions tax, allocation and revenue projections for clients statewide. Provides transactions tax projections for both existing and potential districts. Prepares and delivers quarterly reports.
- City of Beverly Hills – Assistant City Manager:** **1995 – 2001**
- As Chief of Staff/Operations Officer responsible for coordination of day-to-day operations and interdepartmental programs/projects providing exceptional customer service to a sophisticated community. Direct oversight of several line divisions including Information Technology, Emergency Services, Marketing and Communications. Responsible for policy development, operational coordination, project management, City Council and community relations, special projects and trouble shooting.
- San Gabriel Valley Commerce and Cities Consortium – Manager, Business Development:** **1994 – 1995**
- Responsible for business retention and attraction activities and management of a permit streamlining and communication system to facilitate business development.
- City of Temple City – City Manager:** **1990 – 1994**
- Managed and directed city operations and implemented City Council polices. Served as Executive Director of the Redevelopment Agency. Developed a comprehensive commercial revitalization and economic development program including a ten-point action for downtown revitalization and adoption of a Specific Plan. Initiated and implemented refinancing of Agency debt.
- City of Brea – Assistant City Manager:** **1984 – 1990**
- Responsible for all internal operations including supervision of Financial Services, Personnel Relations, Information Services, Public Safety Communications and Community (Art, Culture and Recreation) Services. Responsible for the preparation of the annual budget, and served as staff representative to the City Council Finance Committee. Developed and implemented an Information Services Concept to centrally manage all information systems.
- City of Claremont – Assistant:** **1980 – 1984**
- As Assistant to the City Manager, Finance Director and Administrative Assistant responsible for ongoing line responsibilities and special projects including accounting, finance, purchasing, data processing, risk management, business license, annual budget and auditing and budget analysis. Represented the city as Chief Financial Officer on the Municipal Data Systems Board (data processing consortium), League of California Cities finance and legislative meetings, and city representative to the Joint Powers Insurance Authority (multi-city consortium). Coordinated a citywide data processing needs assessment evaluation resulting in the implementation of microcomputers and word processing.
- California Institute of Technology – Conference Coordinator:** **1978 – 1980**
- Handled details for conference and special functions which involved interface with faculty, alumni, administration and staff.
- City of Simi Valley – Administrative:** **1972 – 1975**
- In various administrative capacities coordinated the annual budget, the City's 1974 general municipal election, special projects and the intern program.

Education

- **Master of Public Administration – University of Southern California**
- **Bachelor of Science, Public Administration – University of Southern California**

Brice Russell

Experience

Hinderliter, de Llamas & Associates - Principal:

1997 - Present

- Specializing in advising city and county clients on economic development opportunities, analyzing client sales tax data for presentations at client meetings and preparing sales and use tax revenue estimates of various terms up to five years. Prepares detailed quarterly analyses of sales, use and transactions tax revenues for clients statewide. Provides transactions tax projections for both existing and proposed districts. Prepares and delivers quarterly reports. Mr. Russell is also responsible for research for and preparation of the firm's annual California Retail Analytics publication, writes articles for HeadLines, a bi-weekly e-newsletter focusing on events or trends affecting California retail sales and designed a sales tax leakage analysis and report for presentation to clients annually.

GRC Redevelopment Consultants - Owner and CEO:

1986 - 1996

- With a staff of five, assisted city and county clients in the formation or amendment of over 125 redevelopment projects following strict timing and procedural guidelines set forth in the California Health and Safety Code. Each contract covered a service period of nine months to a year. Attention to detail was critical as one missed document due date could have an opportunity cost of tens of millions of dollars in future tax increment revenues. At one point GRC Redevelopment Consultants was processing thirty projects concurrently. Throughout Mr. Russell's tenure, deliverables to the client were never late and all required deadlines were met in accordance with Health and Safety Code requirements synchronized with the meeting dates of each client's governing board and planning commission.

Rod Gunn & Associates - Partner:

1981 - 1986

- Providing redevelopment planning, financing and implementation services to client redevelopment agencies in California.

Municipal Services, Inc. - Analyst:

1979 - 1981

- Providing redevelopment planning and financing services to city clients in California.

City of Redondo Beach - Community Development Block Grant Manager:

March 1977 - 1979

- Prepared fiscal year CDBG application and Housing Assistance Plan. Supervised the City's Below Market Interest rate housing Rehabilitation program, implemented a Deferred Payment Loan Program and arranged for the offering of Section 312 Rehabilitation Loans in the City.

Knoxville Community Development Corporation - Residential Rehabilitation Specialist:

June 1974 - August 1975

- Worked with the Section 312 Rehabilitation Loan Program and Section 115 Rehabilitation Grant Programs. Responsible for inspections, cost estimates, work orders and contractor negotiations..

Education

- **ABD Ph.D, Cultural Anthropology - University of Massachusetts, Amherst**
Research Emphasis: Impact of federal aid programs in Southern Appalachian communities
- **Master of Arts, Cultural Anthropology - California State University, Los Angeles**
- **Bachelor of Arts, Cultural Anthropology - University of California, Davis**

Kimberly Marx

Experience

Hinderliter, de Llamas & Associates - Management Analyst: **September 2012 - Present**

- Analyze sales, use, and transactions tax data for counties and cities across the state of California. Generate budget projections. Analyze pending legislation. Draft and edit white papers and issue updates. Respond to client inquiries on a broad range of topics and projects.

Youth Mentoring Connection, Nonprofit - Analyst (pro bono): **August 2011 - September 2012**

- Designed and led project to revamp system for data collection and analysis, including training staff on new procedures. Make recommendations on program evaluation and statistical analysis. Compiled and analyzed statistical data comparing YMC's outcomes with local and national outcomes. Produced new and updated reports, presentations, and marketing materials. Assisted with creating materials for grant proposals.

Los Angeles County - Intern/Volunteer: **October 2009 - May 2011**

- Administered surveys regarding disproportionate minority contact (DMC) in the juvenile justice system, as part of the 3-year L.A. County DMC Technical Assistance Project. Led and completed complex coding and statistical analysis of data from 165 surveys, wrote final report with recommendations, and presented findings at community meetings. Interfaced and fostered relationships with a diverse group of community stakeholders and L.A. County employees.

Hispanas Organized for Political Equality [HOPE], Los Angeles (project): **2010**

- Collaborated as part of a team to conduct a comprehensive evaluation of HOPE's Youth Leadership Through Literacy Program. Incorporated qualitative data collection (interviews) and analysis, and comprehensive research on similar nonprofit organizations. Included findings, conclusions, recommendations, and suggestions for implementation in final report.

Gender and Inanimate Objects: An Analysis of Deodorant Arrangement on Store Shelves (thesis): **2005 - 2007**

- Examined the cognitive representations of gender as applied to inanimate objects, demonstrating how gender is constructed and conceptualized. Independently conducted extensive data collection and market research in the field. Completed statistical analysis (OLS regression). Researched a comprehensive literature review bringing together marketing, gender, and rational choice studies. Wrote a final thesis reporting unique findings and conclusions. Gave a dynamic presentation to colleagues and faculty.

Education

- **Master of Public Administration - University of Southern California**
- **Master of Arts, Sociology - University of California, Irvine**
- **Bachelor of Arts, Sociology - California State University, Dominguez Hills**

Service

- **Disproportionate Minority Contact Workgroup** - March 2011
Los Angeles County Department of Children and Family Services, Chatsworth, CA
- **Los Angeles River Clean-up Events** - May 2011 and September 2011
Friends of the Los Angeles River (FoLAR): "River School Day" and "Coastal Clean-up," Los Angeles, CA

Matt Hinderliter

Experience

Hinderliter, de Llamas & Associates – Director of Audit Services:

1990 – Present

- Developed current HdL field audit methodology, has performed literally hundreds of field canvasses throughout California, including the City of San Francisco and over 80% (based on square miles) of Alameda and Contra Costa Counties. Authored and routinely updates extensive training manual for the audit staff, including information regarding complex point of sale issues and proposed changes in legislation and regulations. Created multi-level audit process which combines field review with extensive in-house data mining and analysis. Developed proprietary systems and processes for performing district tax audits using the most comprehensive California sales tax database available within the private sector. Meets regularly with Board Management, including the Supervisor of the Board's Allocation Group, to discuss and refine procedures for presenting, tracking, and resolving over 4,500 local tax inquiries currently being processed each year. Has directly managed and supervised local tax audit activity that has generated in excess of \$1.3 billion for HdL clients over the past 23 years.

Education

- Bachelor of Arts, Sociology – *California State University, Fullerton*

Robin Sturdivant

Experience

Hinderliter de Llamas & Associates - Local Government Advocate:

December 2009 - Present

- Responsible for higher level appeal cases including research and preparing briefs. Represents HdL clients at Legal Department Appeals Conferences. Point of contact between HdL and the elected members of the Board of Equalization, BOE Legal Department and the State Controller's office. Represents HdL clients at local tax appeal hearings before the Board Members. Primary point of contact between HdL and clients for audit, place of sale inquiries and invoice requires. Represents HdL clients for proposed Board of Equalization regulatory changes. Works with HdL lobbyist to monitor proposed legislative changes.

Hinderliter de Llamas & Associates - Auditor Supervisor:

May 2001 - December 2009

- Supervised field and in house audit staff. Scheduled and monitored assignments. Hired and trained audit staff. Provided on-going technical support to lower-level staff. Reviewed, approved and submitted petitions to the Board of Equalization. Responsible for research and audit of complex use tax cases, local tax aberrations and large countywide pool allocations. Performed review of petitions disclaimed by Board of Equalization and prepared appeals. Primary point of contact between HdL and Board of Equalization. Primary contact between HdL and clients for audit and invoice inquires.

Hinderliter de Llamas & Associates - Level II Auditor:

September 1998 - May 2001

- Research and prepare petitions for complex use tax cases. Engage in written and phone contact with tax preparers on high profile, high dollar cases. Primary contact with Board of Equalization staff. Responsible for reviewing taxpayer files with Board of Equalization staff in Sacramento. Research and prepare cases for appeal.

Hinderliter de Llamas & Associates - Level I Auditor:

January 1995 - September 1999

- Engaged in telephone, written and personal contact with the business community to confirm Board of Equalization records. Researched registration errors, local tax misallocation errors and boundary errors. Prepared petitions to submit to Board of Equalization for Claimed Misallocations of Local Tax.

Robert Gray

Experience

HdL Software - President:

2007 - Present

- Lead all aspects of the HdL Software team including planning, sales, projects, and software development. The software team is responsible for ongoing development, implementation, and support of six systems which serve over 150 local government agencies in California.

Hinderliter de Llamas & Associates - Director of IT:

2000 - Present

- Direct all aspects of technical operations team including networking, systems, telecommunications, software development, and research and development.

Education

- **Master of Business Administration - Azusa Pacific University**
- **Bachelor of Science, Computer Science - Azusa Pacific University**

Linda Butterfield

Experience

- Hinderliter, de Llamas & Associates - Data Department Manager:*** **1995 - Present**
- Handle data conversion, verification, processing and resulting sales tax reports. Client software training and technical support. Supervise data department staff. Participate in the development and testing of new software systems and reports.
- HdL Companies (Sales tax) - Audit Manager:*** **1990 - 1995**
- Performed detailed sales tax audits, established audit procedures, hired and trained auditors, coordinated with client agencies and the California State Board of Equalization. Assisted with the original design and implementation of the sales tax audit system.
- HdL Companies (Sales tax) - Office Manager:*** **1989 - 1992**
- Supervised clerical staff, handled purchasing, client contracts, maintenance contract oversight.
- National Business Institute - Office Manager:*** **1982 - 1989**
- Managed information systems, supervised clerical staff, performed billing, purchasing, accounts receivable and payroll as well as coordinated programs with students, counselors, faculty, administrators, public officials and representatives of various government agencies.

Education

- Bachelor of Science, Business Administration - *California State University Los Angeles/Woodbury University*

Jeffrey Schmehr

Experience

Hinderliter, de Llamas & Associates – Chief Financial and Administrative Officer: **2005 – Present**

- Manage office operations which include the company's finances, financial reporting, accounting and budget preparation, contract and facilities management, human relations, risk management. Trustee of HdL 401(k) Plan, and the Plan Administrator of HdL ESOP Plan. Supervises controller along with all financial and administrative staff.

PCM, Inc. – Management Analyst Supervisor: **2002 – 2005**

- Managed Maintenance Division Analyst Team in areas that include coordination and performance of management audits and operations analyses, policy issues, inspection of community facilities, and preparation of subject reports; directly supervised four employees. Created weekly, monthly and quarterly forecasting labor distribution and productivity reports for Program Manager and Division Director. Interacted with HOA Board of Directors as the primary communication liaison regarding maintenance, resale and permit matters. Advised and assisted in enforcement of resident adherence to Community policies and procedures. Initiated work orders to outside contractors for repairs to community housing assets. Approve and reconcile monthly billing associated with assigned work. Evaluated specific issues and summarized findings and conclusions. Developed specific recommendations to committees, boards or others as directed.

Coca Cola Enterprises, Inc. – Branch Business Manager: **1999 – 2001**

- Managed branch office operations and daily administrative issues in areas that include human relations, accounts payable and receivable, and billing; directly supervised eight employees. Created weekly, monthly and quarterly forecasting, labor distribution and productivity reports for Area Vice President and Branch Manager.

AA LO Promotional Partners – Operations Manager: **1997 – 1999**

- Managed branch office operations in areas that included human relations, accounts payable and receivable, and billing; directly supervised thirteen employees.

IDC Communications, Inc. – Operations Manager: **1994 – 1997**

- Managed all day-to-day operations including billing, collections/receivables, payables and human relations.

Education

- Bachelor of Science, Business Administration – *University of Southern California*

Michael Day

Experience

Hinderliter, de Llamas & Associates - Controller:

2002 - Present

- Responsible for the accounting function and employee benefits administration. Client invoicing, cash receipts, collections, accounts payable, general ledger maintenance, financial statement preparation, bank statement reconciliations, employee payroll processing, health insurance administration (medical, dental, vision, disability, supplemental, Flexible Spending Account), and employee retirement plan administration (Profit Sharing Plan, 401(k), Employee Stock Ownership Plan).

South Bay Credit Union - Controller:

1999 - 2002

- Providing leadership and direction for all accounting, investment and asset/liability management functions for a \$50 million full-service financial institution. Developed optimal solution for a Year 2000 liquidity crisis. Implemented asset/liability management financial modeling utilizing IPS-Sendero CUPlan Software. Responsible for overseeing \$22 million investment portfolio. Planned for and implemented successful conversion to state-of-the-art Premier Systems Inc. (Ultradata) data processing system.

Yamaha Employees Federal Credit Union - Manager:

1995 - 1999

- Directed all facets of operations for a \$3 million full-service financial institution. Planned and led the successful turnaround of this troubled organization. Developed and implemented a solid business plan to provide for profitable operation and provided leadership for the changes necessary to achieve plan while improving customer service and quality levels. Managed finance (accounting, financial statement preparation, budgeting, and cash management), lending VISA card administration, branch operations, ACH electronic processing, and information systems. Ensured regulatory compliance in all areas. Maintained strong auditor/examiner relations.

Riverside County Federal Credit Union - Vice President/Controller:

1987 - 1994

- Provided leadership and director fall accounting and data processing functions for this \$80 million financial institution. Managed staff of nine employees responsible for accounting, income statement preparation, cash flow analysis, capital expenditures/acquisitions and budgets. Monitored financial performance and provided critical analysis and recommendations. Developed policies, implemented procedures and controls to ensure sound financial management and regulatory compliance. Functioned as executive liaison for NCUA (federal regulator) examiners, auditors and the Supervisory Committee.

Xerxes Corporation - Plant Controller:

1984 - 1987

- Managed the accounting, order processing, traffic and purchasing departments of an underground fuel storage tank manufacturer. Directed a staff of four responsible for accounts payable, employee payroll, order processing, standard/job accounting and general ledger reconciliations. Developed operating and capital expenditure budgets, analyzed operating results and prepared financial and statistical reports to provide a basis for management planning. Installed cost and inventory control procedures. Initiated cost effective accounting polices incorporating timely scheduling of functions. Designed a customized timekeeping/labor distribution system reducing clerical work by 50%.

Education

- **Bachelor of Arts, Business Administration (Concentration in Accounting) - California State University, Fullerton**

Jennifer Pierce

Experience

Hinderliter, de Llamas & Associates – Administrative Assistant:

July 2011 – Present

- Assist with marketing activities including writing, proofreading and designing brochures, white papers and press releases. Responsible for article selection, layout and distribution of bi-monthly e-newsletter to existing clients. Set up and monitor social medial marketing campaigns on Facebook, Linked In. Coordinate government proposals for accurate response and submissions. Assist principals with five year budget projections and analytics to meet client requests. Organize marketing activities for tradeshows. Plan and implement new website and program all elements for successful rollout. Process payroll and design and publish employee newsletter.

Walnut Valley Unified School District – Instructional Aide II:

December 2008 – August 2011

- Worked with Kindergarten, First and Second Graders on early reading intervention. Monitored classes and assisted teachers as needed. Work both 1-on-1 with students and in groups to ensure success and improvement in state testing scores for school.

Bruel & Kjaer – Seminar Coordinator:

July 2000 – July 2009

- Planned, organized and executed Continuing Education Program for U.S., Mexico, and Canada. Coordinated all dates, registration, logistics, internal communication, marketing activities, and event executions. Implemented process to facilitate electronic registration and database management. Oversaw web-based training program for successful inclusion in North American Seminar Program. Managed over 200 training classes per year. Planned and executed two major conferences each year, offering 19 courses in 3 days and attracting over 300 registrants. Worked with venues throughout North America to negotiate contracts and set up all events. Responsible for yearly seminar budget.

Bruel & Kjaer – Seminar Project Manager:

March 1998 – July 2000

- Planned and implemented regional training courses for the Western U.S. and Canada which consisted of 80 seminars a year. Executed complete budgeting, scheduling and marketing activities to insure a successful outcome. Wrote and updated seminar procedure guide which was drafted into company policy for all of NAFTA. Coordinated all dates for listing on Website, brochures and mailing pieces through national marketing center.

Bruel & Kjaer North America, Inc. – Marketing Coordinator:

February 1992 – February 1998

- Implemented and executed all Environmental Division marketing activities within North America for worldwide sound and vibration instrumentation company. Coordinated all advertising, direct mail, press releases, and trade shows. Managed time lines, budgeting, and project execution. Launched new products from world headquarters in Denmark to U.S. and Canadian marketplace. Introduced complete lead tracking/database management system to measure results. Generated reports on leads by cost, sales territory, and marketing activity, track all follow-up actions, tracked sales increases. Organized sales training, product updates, proposals, and pricing index. Created product presentations via PowerPoint for sales force to demo to customers. Wrote, designed, and published supporting literature and product information.

Capitol-EMI Music – Assistant to Director of Public Relations:

November 1989 – October 1991

- Assistant Editor for "TRACKS", a bi-monthly worldwide corporate magazine. Wrote, reviewed and copy edited articles. Implemented project management system to increase productivity. Worked with all levels of management to organize media events, industry campaigns, and charity fundraisers. Deigned and updated all company overviews and executive biographies. Assisted in worldwide press release writing and dissemination which produced articles in such publications as The Wall Street Journal, Los Angeles Times, and Billboard.

Education

- **Bachelor of Arts, Communication (Concentration in Public Relations) – California State University, Fullerton**

11. REFERENCES

Sales Tax References

City of Glendale – Client Since 1989

Sales and Use Tax, Audit and Revenue Management Services

633 E. Broadway Suite 101, Glendale, CA 91206

Bob Elliott, Director of Finance, 818.548.2085, belliott@ci.glendale.ca.us

Contract Amount: \$9,000 with a fixed percentage of 15% for audit recovery for sales tax revenue recovered.

Contract Result: On November 14, 1989, the City of Glendale engaged HdL to continuously monitor its sales and use tax allocations to insure that the City receives all the revenues it is due. HdL also works with City staff to make maximum use of sales and use tax data to support the City's long term economic development strategies. In addition, HdL provides the data, software, and staff services to support budget projections, evaluate economic strategies, estimate sales tax revenue from new development proposals, maximize collection of resulting revenues and to analyze legislative/regulatory proposals that could impact the City's sales and use tax revenues. HdL also provides full staff support to capture use tax from large construction projects as permitted by Revenue and Taxation Code 7051.3 and counsels City staff in the acquisition and use to Direct Payment Permits as described in Regulation 1699.6. Audit recovery total of \$9,309.134.

City of Oakland – Client Since 1998

Sales and Use Tax Audit and Revenue Management Services

150 Frank Ogawa Plaza, 5th Floor, Oakland, CA 94612

Dave McPherson, Revenue and Tax Administrator, 510.238.6650,

dmcpherson@oaklandnet.com

Contract Amount: \$9,000 with a fixed percentage of 15% for audit recovery for sales tax revenue recovered.

Contract Result: On December 22, 1998, the City of Oakland engaged HdL to continuously monitor its sales and use tax allocations to insure that the City receives all the revenues it is due. HdL also works with City staff to make maximum use of sales and use tax data to support the City's long term economic development strategies. In addition, HdL provides the data, software, and staff services to support budget projections, evaluate economic strategies, estimate sales tax revenue from new development proposals, maximize collection of resulting revenues and to analyze legislative/regulatory proposals that could impact the City's sales and use tax revenues. HdL also provides full staff support to capture use tax from large construction projects as permitted by Revenue and Taxation Code 7051.3 and counsels City staff in the acquisition and use to Direct Payment Permits as described in Regulation 1699.6. Audit recovery total of \$12,376.960.

City of Riverside – Client Since 2001

Sales and Use Tax Audit and Revenue Management Services

3900 Main Street, Riverside, CA 92522

Joanne Snowden, Principal Accountant, 951.826.5312, jsnowden@riversideca.gov

Contract Amount: \$7,800 with a fixed percentage of 15% for audit recovery for sales tax revenue.

Contract Result: On August 1, 2001, the City of Riverside engaged HdL to continuously monitor its sales and use tax allocations to insure that the City receives all the revenues it is

due. HdL also works with City staff to make maximum use of sales and use tax data to support the City's long term economic development strategies. In addition, HdL provides the data, software, and staff services to support budget projections, evaluate economic strategies, estimate sales tax revenue from new development proposals, maximize collection of resulting revenues and to analyze legislative/regulatory proposals that could impact the City's sales and use tax revenues. HdL also provides full staff support to capture use tax from large construction projects as permitted by Revenue and Taxation Code 7051.3 and counsels City staff in the acquisition and use to Direct Payment Permits as described in Regulation 1699.6. Audit recovery total of \$7,776,849.

County of San Diego – Client Since 1999

Sales and Use Tax Audit and Revenue Management Services

1685 Main Street, Room 104, Santa Monica, CA 90401

Ebony Shelton, Director Financial Planning, 619.531.5177, ebony.shelton@sdcounty.ca.gov

Contract Amount: A fixed percentage of 15% for audit recovery for sales tax revenue recovered.

Contract Result: On July 1, 1999, the County of San Diego engaged HdL to continuously monitor its sales and use tax allocations to insure that the County receives all the revenues it is due. HdL also works with County staff to make maximum use of sales and use tax data to support the County's long term economic development strategies. In addition, HdL provides the data, software, and staff services to support budget projections, evaluate economic strategies, estimate sales tax revenue from new development proposals, maximize collection of resulting revenues and to analyze legislative/regulatory proposals that could impact the County's sales and use tax revenues. HdL also provides full staff support to capture use tax from large construction projects as permitted by Revenue and Taxation Code 7051.3 and counsels County staff in the acquisition and use to Direct Payment Permits as described in Regulation 1699.6. Audit recovery total of \$38,989,882.

City of Santa Monica – Client Since 2001

Sales and Use Tax Audit and Revenue Management Services

1685 Main Street, Room 104, Santa Monica, CA 90401

David Carr, Principal Budget Analyst-Investments, 310.458.8775, david.carr@smgov.net

Contract Amount: \$9,000 with a fixed percentage of 15% for audit recovery for sales tax revenue recovered.

Contract Result: On May 23, 2001, the City of Santa Monica engaged HdL to continuously monitor its sales and use tax allocations to insure that the City receives all the revenues it is due. HdL also works with City staff to make maximum use of sales and use tax data to support the City's long term economic development strategies. In addition, HdL provides the data, software, and staff services to support budget projections, evaluate economic strategies, estimate sales tax revenue from new development proposals, maximize collection of resulting revenues and to analyze legislative/regulatory proposals that could impact the City's sales and use tax revenues. HdL also provides full staff support to capture use tax from large construction projects as permitted by Revenue and Taxation Code 7051.3 and counsels City staff in the acquisition and use to Direct Payment Permits as described in Regulation 1699.6. Audit recovery total of \$5,864,848.

12. OPTIONAL SERVICES

Additional services beyond the scope of this proposal are priced separately depending on the complexity of tasks involved. Such fees can either be fixed or time and materials. Our current hourly rates are listed below:

Principal	\$225 per hour
Programmer	\$195 per hour
Senior Associate	\$150 per hour
Analyst	\$ 75 per hour

Property Tax Information Services, Audit and Recovery - HdL Coren & Cone

1. GENERAL STRATEGY

Property taxes in California have evolved into an extremely complex system that requires experience and expertise to fully monitor. There are two broad categories of property (real and personal); three tax rolls (secured, unsecured and state assessed), and numerous peculiarities such as possessory interests, mines & mineral rights and the distribution of tax revenue from private aircraft. The revenues generated by the property tax system need to be distributed to a myriad of taxing entities including cities, counties, schools, special districts and successor agencies both directly and as pooled allocations. The subtleties of the apportionment of revenues in Teeter or non-Teeter cities are often challenging and confusing. HdL Coren & Cone (HdLCC) property tax information systems allow us to provide information and analysis from a City's property tax data set to City staff quickly and accurately.

HdLCC's historical data (21 years in San Diego County) provide critical data for trending, analysis and economic planning. We have developed reports that assist cities in better understanding the significance of the Proposition 8 reductions over the past 5 years and the overall impact of those declines and potential recovery patterns as the real estate environment improves. Our revenue modeling for the General Fund and Successor Agencies give cities tools to better forecast revenue based on data collected from transfers of ownership, successful appeals and Proposition 8 reductions and how those elements fit together in the overall picture of revenue forecasting.

With the adoption of SB 1096 in 2004, revenues formerly identified as Vehicle License Fees (VLF) and Sales Taxes are in part being paid from the County Educational Revenue Augmentation Fund (ERAF). The year-to-year growth of VLF in Lieu from ERAF is now tied to gross property value growth between tax years. The monitoring of this new revenue source for budget projections is a feature of our property tax services.

HdLCC utilizes maps provided by the City with street names and that delineate City/Successor Agency boundaries for use in auditing the secured property database. In addition any City annexations which have been approved within the previous 2 fiscal years need to be reviewed to ensure that the County has correctly coded the parcels with City tax rate areas.

HdLCC annually purchases secured, unsecured and Board of Equalization (BOE) tax roll data from San Diego County and BOE respectively. This data is then updated quarterly with real estate sales data to reflect the most current owner of record, sale prices, deed information and, if necessary, is used to complete the City parcel record with current situs and mailing addresses. Sale transaction history and current and historical appeal data are additional datasets purchased to augment the Assessor's released data and made available on our web-based property tax software. These additional datasets also provide reports for better understanding changes to the property tax roll between release dates. All data necessary to update the original lien date data from the Assessor and the procurement of the lien date rolls is purchased by HdLCC and provided to the City as a part of this service.

2. OBJECTIVES AND METHODOLOGY

The methodology that HdLCC follows in identifying, correcting and recovering property tax errors includes the following:

- Task I Establishment of county data set and reconcile the annual auditor-controller assessed valuation report to the assessor's lien date rolls and identify discrepancies
- Task II Identify and correct errors through the performance of secured parcel audit and unsecured review.
- Task III Prepare reports, review and analyze the data in preparation to meet with City staff to discuss year to year changes and trending.
- Task IV Ongoing analysis, appeal updates, transfer of ownership updates, remittance advice review, budget projections.

HdLCC has ample staff to devote to the tasks required in this request for qualifications. Our knowledgeable staff will be assigned as necessary to ensure that the deadlines for deliverables are met and that requests placed by City staff are handled expeditiously.

3. TIMELINE FOR IMPLEMENTATION

- County assessment rolls are purchased annually in July.
- The property data program will be available for access via the internet within 30 days of the execution of the agreement. Parcel data will be updated monthly to include the most current ownership information due to parcel transfers.
- The secured audits for the City will be completed and submitted to the County Assessor for corrective action within 90 days of receipt of county rolls. The audit and timing is contingent upon City providing the requested map(s). The City will receive file copies of submittals simultaneous with submissions to the County Assessor.
- Data collection from the County Assessor's and Auditor Controller's offices for reports is performed in August and September each year and preliminary reports will be delivered to the City prior to the end of November annually. Preliminary reports will include estimates of general fund and tax increment revenue for the fiscal year that is estimated as being available for the January 2 and June 1 RPTTF allocations to the Successor Agency by the Auditor Controller.
- The final tax ratio percentages are available from the Auditor Controller's office annually in February/March. Final reports will be prepared and delivered prior to the end of April annually.
- Preparation of a General Fund Revenue Spreadsheet to assist the City in its budgeting process will be provided annually in February. Reviews of Successor Agency revenue allocations and residual revenue distributions will be conducted as requested by the City/Successor Agency.

4. PROPERTY TAX REPORTING SERVICES

HdLCC furnishes a variety of reports detailing property and revenue trends for the entire City and for custom defined geographic areas. These reports can be used for budgeting purposes, planning, economic development and public information. Among the reports available are top 25, 50, 100-property owner/taxpayer listings, multiple ownership properties, non-owner occupied parcels, identification of property ownership transfers and completed construction projects for tracking of reassessments. We also provide the City with quarterly reports of pending assessment appeals and quarterly sales transaction and trending analyses.

The secured and unsecured roll data is available annually from the County Assessor in July/August. The lien date rolls are reconciled to the certified value reports received by the City from the Auditor Controller in August and after verifying that the data reconciles, HdLCC processes the property data. Discrepancies between the Assessor's and Auditor Controller's data are researched and reported to the City.

The San Diego County Auditor Controller's website has a comprehensive battery of reports that detail the remittances received by the City with each apportionment. Upon request, HdLCC will reconcile property tax receipts to the levy (calculated taxes to be received) and point out areas of deviation of receipts between tax years. This analysis will assist the City with budgeting by identifying specific tax revenues may not recur or where receipts in one year may be inflated or under-reported due to one-time aberrations.

The identification of escaping revenue through the use of property tax data has been a targeted focus for HdLCC during the past 10 years. With the reduction of tax revenues through legislated ERAF, cities, counties, agencies and special districts have been focusing on ways to increase the limited resources that are already stretched thin. The unsecured roll contains property owners which, when matched with a business license data set can be used to identify escaping revenues. For instance, property leased to businesses in your jurisdiction is taxed to the lessor of the property. We find that frequently, the lessors are not properly registered with a City business license. When notified and properly licensed, these businesses will generate additional revenue for the City.

The use of the secured roll will assist in identifying owners of rented residential, commercial, or industrial properties that do not have a business license with the City should one be required.

HdLCC will provide the following reports based on the 2013-14 lien date rolls and will provide the reports annually, quarterly or monthly as appropriate. Reports are also available from prior years if needed.

Reports in the portfolio of deliverables include but are not limited to:

- City/Agency Roll Summary Graph – 5 year history
- Top 40 Net Taxable Change History – summary
- Top 40 Value Change Listing – detailed history
- Category Summary Year to Year Growth- 2 year comparison
- Transfer of Ownership Summary

- Transfer of Ownership Listing
- Negative Value Change Parcels
- Median/Average Sales Price of Property Sales
- Comparison of Peak Sale Price to Current Sale Price
- Proposition 8 Historical Reductions & Recaptured Value Analysis
- City/Agency Roll Summary
- Tax Dollar Breakdown Graph
- Top Secured/Unsecured Property Owner/Taxpayer Summary Reports (Top 10, 25, 50, 100 available)
- Use Category Summary
- Revenue Calculation for City, Special Districts, Successor Agency
- General Fund Spreadsheet, General Fund and Special Districts
- Residual Revenue Spreadsheet, Successor Agency
- Non-Residential New Construction- Gann Limit -Proposition 111
- Foreclosure Data Reports
- REO Report

SUCCESSOR AGENCY SERVICES include but are not limited to:

- Assistance with Recognized Obligation Payment Schedules (ROPS)
- Assistance in providing property tax information for the taxing agencies receiving property tax revenues from former Project Areas
- Monitor the County distribution of Redevelopment Property Tax Trust Fund (RPTTF) revenues, tax-sharing amounts to the City and taxing entities of the former redevelopment agency and allocation of residual and other revenues
- Coordinate with the Auditor-Controller the relationship between the tax-sharing, debt service and other obligations of former redevelopment agency
- Prepare as needed an assessment of resources available to the Successor Agency to meet the long term obligations of the former redevelopment agency.

5. PROPERTY TAX AUDIT SERVICES

HdLCC has been auditing and monitoring property taxes for cities for 23 years. During that time, the firm recovered more than \$85 million of net property tax revenue for our client agencies. Our ability to provide this service relies on information provided by county assessors, auditor-controllers and tax collectors.

Secured Audits

Upon approval of the contract, HdLCC will perform an analysis of the Secured Roll to identify all parcels on the secured tax roll and verify that parcel assessed valuations and the resulting taxes are correctly allocated to the City or Successor Agency. This analysis is accomplished through the use of specialized computer software, assessor maps, city maps, GIS maps, city records, other pertinent documents, and field investigations. The review will include the lien date secured data for the 2013-14 tax year as well as historical data back to the 2010-11 tax year after excluding previous audit misallocations identified by the City or its current contractor.

HdLCC has the technology, methodology and trained staff to analyze all secured parcels within the City to identify costly errors resulting in the misallocation of property taxes. HdLCC audits the secured and property records two ways: first reviewing the entire county to find parcels miscoded to other jurisdictions; and second, reviewing the parcels within the city, county or agency to ensure that each is coded to the appropriate taxing entity. Our advanced technology, accuracy and track record have placed us in a unique position to be hired by cities to find additional revenues after audits have been performed by prior consultants. In addition, by filing audit results with the County Assessor in a timely manner, we can assure that the repetitive errors from previous years will not re-occur.

Unsecured Audits

HdLCC's software uses the addresses connected with each unsecured tax bill to cross reference this tax bill data to secured parcels. By this cross referencing, we can determine if a business property has been properly assigned to a secured parcel. We will perform an annual unsecured review for misallocations and also check for previous year errors the first year of the contract.

6. WEB-BASED PROPERTY TAX SOFTWARE APPLICATION

The HdLCC web-based software application provides clients with a user-friendly tool to access the City's property tax data. HdLCC provides monthly updates to reflect changes in ownership and deed recordings. Assessment appeals data is updated quarterly. As modifications and enhancements are made to the program, clients receive the enhanced version of the software updated seamlessly at no additional cost. The City will be granted a "site license" for the application, which allows for an unlimited number of users. As part of the property tax service, HdLCC grants use of the property tax web application to all city employees and any additional persons designated by City staff. The software can be used to access secured, unsecured, cross reference, possessory interest, mineral rights and SBE non-operating unitary tax rolls. Access to this information can be useful not only to the Finance Department but Building and Safety, Fire, Police, Planning, Code Enforcement and other departments as well.

The application is compatible with the current and prior versions of Internet Explorer, Microsoft Office Suite and Adobe Acrobat Reader. The application is hosted on a secure server maintained by HdLCC. Data is backed up nightly and replicated to an offsite storage location to be used in case of an emergency. Property transfer information is updated monthly and the prior sales transactions are stored for all parcels for reference.

Filtering is available for tax exempt, Pre-Prop 13 owned properties, non-owner occupied properties (absentee owners), specific focused uses, targeted values, and selection of various other property characteristics. The database can be sorted by parcel number, owner, situs address, county use code designation net assessed value, and tax rate area. Data can be exported from the database to Excel, CSV, Text or Html to allow for further analysis through easy to use export features. Custom exports are also available that contain the data necessary to link or integrate with GIS, city building or code enforcement products.

The HdLCC web-based software also includes a user friendly GIS tool for identifying geo areas. Users can create geo areas by selecting parcels or by drawing shapes on the map. Parcel searches by proximity for the notification of property owners and printing mailing labels are available. Filtered parcels can be viewed visually on a map.

Training is provided annually at no additional cost to the client and HdLCC's staff is available to answer questions, provide phone assistance or trouble shoot issues that arise between scheduled training events free of charge.

Delivering Revenue,
Insight and Efficiency
to Local Government

The City Of San Diego

381,263 parcels

Logout

Parcel 340-081-02-00

Use 21 Commercial 1 to 3 Story Misc. Store Buildings

Owner QUALCOMM INC

Situs 10555 SORRENTO VALLEY RD
SAN DIEGO CA 92101

DBA:

Mail Name: QUALCOMM INC

Mail Address: 5775 MOREHOUSE DR SAN DIEGO CA 92121

This Parcel Is: Absentee Owned Pre Prop 13

Values Sales General Appeals Unsecured SBE Utilities

TRA: 008-118 The City Of San Diego

Agency: San Diego General Fund

Parcel Type: TG Page: 1208-C7

Zoning: Region: (unknown)

Census Tract: 0083.391 Lot # 9 Tract # 00483

Net Total AV: \$12,850,265 -8.97% Change from prior fiscal year

Revenue: <input checked="" type="radio"/> General Fund <input type="radio"/> Project Area	
Secured: \$22,207.89	0.1728%
Unsecured: \$8,483.39	Tax Bill: \$0.00
Cross-Ref: \$0.00	Last Sale: 6/14/1995
Total Rev: \$30,691.28	Last Sale Amount: \$0

Current Year Values		
Land	954,830	Exemptions
Improvements	7,522,053	
Fixtures		
Personal Property	4,373,382	
Totals	12,850,265	
Net Total AV	12,850,265	

Prior Year Values		
Land	936,108	Exemptions
Improvements	7,391,933	
Fixtures		
Personal Property	5,787,760	
Totals	14,115,801	
Net Total AV	14,115,801	

2005	2006	2007	2008	2009	2010	2011	2012	2013
------	------	------	------	------	------	------	------	------

Summary of Features

- | | |
|---|--|
| <ul style="list-style-type: none"> Search by Parcel, Use, Owner or Site Address Calculate City/RDA Revenue For Each Parcel Build User-Defined Custom Data Sub-Sets (Geos) Print Custom User-Defined Reports Display Parcel on Microsoft Visual Earth (Web) Filter Database on Any One of Combination of Fields Print Mailing Labels with Postal Bar Codes Export Data and Link to Other Data Sets | <ul style="list-style-type: none"> View Sales History (Seller, Date, Price & Document) View Building/Land Characteristic Data Link to Assessor Parcel Maps (Web) Link to County Parcel Tax Bill Information (Web) Easy Access to User Help Section View/Search Unsecured Property Tax Records Monitor Assessment Appeals Activity View At Least 5 Years of Historical Information on Each Unsecured Property |
|---|--|

7. REVENUE QUERY DATABASE

The HdL Revenue Query Service will allow the City to query a variety of revenue sources from one database. Results will be provided by revenue source showing quarterly or annual revenues as appropriate. HdL will process, standardize and cross-reference the City's business tax, sales tax and property tax data, then load the results into the HdL Revenue Query Database. This data will be updated quarterly, and can be imported into City GIS or queried directly as desired.

HdL can optionally provide the HdL Revenue Query System, which is a web-based SAAS application and is securely hosted on HdL servers. The City will be granted a "site license" for the application which allows for an unlimited number of authorized users. The City will receive a login to the application for appropriately authorized individuals.

8. QUALIFICATIONS AND EXPERIENCE

a. Organizational Structure

Please see previous section (Page 16) for corporate structure of HdL Companies.

b. Key Staff

HdL Coren & Cone's Property Tax Service team is comprised of individuals with extensive experience in property tax administration, business development, financial management and economic development.

HdL Coren & Cone

Paula Cone – President

47 Years of Relevant Experience with 23 years at HdL Coren & Cone

Ms. Cone is responsible for the day-to-day management of the property tax programs and services and would serve as the liaison for the Property Tax Management Team for the City of San Diego. The Property Tax team includes:

Audit and Production Team

Our Audit and Production Team insures that the data from the San Diego County Assessor is processed in an accurate and timely manner and is available to the City on our property tax web application. The team has been performing audits of assessments and an allocation for over 30 years combined and has the skills and expertise to navigate new and potential changes that may impact allocations. The team is also responsible for running the reports that are delivered at the annual meetings with the City staff, as well as processing any special report requests.

Nichole Cone – Vice President/Principal

21 Years of Relevant Experience with HdL Coren & Cone

Robert Scherer – IT Manager

9 Years of Relevant Experience with HdL Coren & Cone

Successor Agency Services Team

The dissolution of redevelopment agencies has been a complicated and confusing process for City and Successor Agency staff. Our associates are experienced and up to date on the legislation dissolving redevelopment agencies and on the most current rule changes and interpretations. Our associates are extremely qualified to assist City staff with navigating these complex issues.

David Schey – Vice President/Principal

35 Years of Relevant Experience with 19 years at HdL Coren & Cone

Cheryl Murase – Principal

21 Years of Relevant Experience with 16 years at HdL Coren & Cone

Technical Support and Training

Robert Scherer – IT Manager

9 Years of Relevant Experience with HdL Coren & Cone

Joel Hermann – Programmer/Analyst

17 Years of Relevant Experience with 12 years at HdL Coren & Cone

c. **Resumes/Experience**

As requested, one page information sheets of our key personnel follow this page.

Paula Cone

Experience

HdL Coren & Cone - President/Partner:

April 1990 - Present

- Founding partner of HdL Coren & Cone the property tax company aligned with the HdL Companies. Completed the development of the first cost-effective and accurate program for identifying, monitoring, auditing and correcting property tax misallocations. Instrumental in the development and creation of the analytical and management report that have become the standard in the industry of trending and forecasting revenue and property value changes. Oversees the company's property tax management service and client interface. Over the past 23 years the company has grown to serving 190 local agencies in 40 counties in California.

City of Lawndale - Assistant City Manager:

January 1981 - March 1990

- Served as the Assistant City Manager responsible for the departments of Finance, Personnel, Risk Management, Emergency Management, Animal Control and Parking Enforcement, and Cable Television. Served as the staff to various commissions, committees and the city council for projects and support. Responsible for both the program development and staff supervision of departments and projects assigned.

City of Lawndale - Director of Parks and Recreation

July 1970 - January 1989

- Responsible for the staffing and programming of recreation facilities. Major responsibilities included coordination of adult and youth sport leagues, senior citizen programming, pre-school/tiny tot programming, planning of after school and vacation special events, and the development of junior high school special events. The position also included application and securing of grant funds for facility expansion, joint powers coordination with local school sites for after school programs, and involvement in the development and construction of new facilities.

Education

- **Bachelor of Science, Kinesology/Physical Education - California State University Long Beach**

Nichole Cone

Experience

HdL Coren & Cone - Principal/Vice President:

January 2011 - Present

- Delivery of annual property tax reports to client. Oversee the acquisition and processing of county assessor and auditor-controller data into HdL Coren & Cone's database. Manage the preparation and production of property tax reports. Serve as the main point of contact for special projects requested by clients. Oversee staff responsible for all secured and unsecured audit submittals. Respond to general day to day client inquiries. Work closely with IT staff to redesign reports and databases.

HdL Coren & Cone - Production Manager:

December 2000 - December 2010

- Requested assessor and auditor controller data. Read and assembled data from multiple sources for use in property tax reports. Imported quarterly sale data. Printed and assembled delivery materials. Created client install disks for HdL Coren & Cone desktop application. Served as the main point of contact for HdL CC's CAFR product and redesigned to implement GASB 44. Client geo creation, special projects and general questions as needed.

HdL Coren & Cone - Data Entry/Production Assistant:

January 1992 - November 2000

- Entered property tax data into HdL CC's property tax system. Printed, collated and assembled reports and delivery materials. Created mailing lists and general support to HdL CC principals.

Education

- **Bachelor of Arts, Art History - Loyola Marymount University**

Robert Scherer

Experience

HdL Coren & Cone - IT Manager:

May 2004 - Present

- Plans, Designs, and Manages the integration and preparation of County data into the HdL CC property tax system. Designer and programmer of HdL CC's property tax analytical reports system. Supervises all programming and IT support staff. Maintains organization's effectiveness and efficiency by defining, delivering, and supporting strategic plans for implementing information technologies. Maintains quality service by establishing and enforcing organization standards. Maintains organization's effectiveness and efficiency by defining, delivering, and supporting strategic plans for implementing information technologies.

Education

- **Bachelor in Business Administration, Computer Information Systems - *Cal Poly Pomona***

David Schey

Experience

HdL Coren & Cone - Principal/Vice President:

October 1994 - Present

- Manages analytical staff in connection with redevelopment and dissolution related issues. Provides fiscal consulting services in connection with tax allocation bonds and refunding bonds. Provides analysis to clients in the area redevelopment tax sharing and tax increment allocation. Provides analytical services for clients in relation to issues arising from allocation of property tax revenues. Has provided expert witness testimony in connection with property taxation and allocation.

Schey and Associates - Owner:

January 1989 - October 1994

- Provided project management and consulting services in connection with municipal golf course development. Directed the planning, design and construction of an 18-hole expansion of the Palm Springs Municipal Golf Course.

The Benchmark Group - Project Manager:

January 1986 - December 1988

- Provided project management services for implementation of redevelopment agency projects. Managed construction of the Irwindale Senior Center, Azusa Senior Center and single family homes within the City of Irwindale development as affordable housing.

City of Indian Wells - Community Development Director:

January 1978 - December 1985

- Worked in various planning capacities leading to appointment as Community Development Director and Deputy Executive Director of the Indian Well Redevelopment Agency. Managed the planning, public works and redevelopment activities of the City. Developed the plan to construct the 36-hole Indian Wells Golf Resort. Managed financing, land acquisition, design and construction of the facility. Negotiated development agreements for construction of two destination resort hotels on the golf course site. Managed construction of major flood control and municipal infrastructure projects.

Education

- **Master of Public Administration - University of Southern California**
- **Bachelor of Arts, Political Science - California State University, Long Beach**
- **Bachelor of Arts, Psychology - University of California, Los Angeles**

Service

- **Planning Commission - City of Diamond Bar**
Served on and chaired the City's first planning commission after incorporation in 1987. Oversaw the development of the City's first zoning ordinance and General Plan.
- **Parks and Recreation Commission - City of Diamond Bar**

Cheryl Murase

Experience

Hdl. Coren & Cone - Principal:

May 1997 - Present

- Analysis of property tax data for clients as required. Preparation of Recognized Obligation Payment Schedules and other documentation necessary for Successor Agency operations. Fiscal Consulting in connection with tax allocation bonds and refunding bonds. Preparation of continuing disclosure reports and revenue sufficiency tests in conformance with requirements of bond indentures. Development of tax increment projections and analysis of property tax collections. Assists clients with calculation of payments required as a result of Disposition and Development Agreements and Owner Participation Agreements.

O'Conner & Company Securities - Senior Vice President:

1992 - 1997

- Designed and led project to revamp system for data collection and analysis, including training staff on new procedures. Make recommendations on program evaluation and statistical analysis. Compiled and analyzed statistical data comparing YMC's outcomes with local and national outcomes. Produced new and updated reports, presentations, and marketing materials. Assisted with creating materials for grant proposals.

Rod Gunn Associates - Associate:

1987 - 1992

- Provided consulting services to city and redevelopment agency clients in connection with a wide variety of tax allocation, certificate of participation, Marks-Roos and Mello-Roos financings.

Municipal Accounting:

Prior to 1987

- Worked in a variety of capacities within the finance departments of the cities of Commerce and Montebello.

Education

- Bachelor of Arts, Accounting - *California State University, Long Beach*

Joel Hermann

Experience

HdL Coren & Cone - Programmer/Analyst:

October 2001 - Present

- In collaboration with other programming staff, designs, implements, and maintains several of HdL CC's data entry, processing and mining applications. Utilizes extensive experience in preparation of City and Special District direct assessments. Works closely with client City and Special District staff and provides technical support and training for our client applications. Project coordinator for design and development of the current HdL Companies web site. Shares responsibility for administration of HdL CC's network.

Hinderliter de Llamas & Associates - Production Services:

October 1996 - October 2001

- Reviewed, researched and improved the accuracy of Sales Tax data supplied by the State Board of Equalization. Generated reports for Analyst and Principal staff. Developed data structures and procedures to simplify and automate common data tasks.

Service

▪ ***Primary Database Application Repair and Enhancement***

Immigration Center for Women and Children (ICWC), San Francisco, CA

May - June 2011

9. REFERENCES

Property Tax References

City of Huntington Beach

Property Tax Audit and Information Services
2000 Main Street, Huntington Beach, CA 92648
Client Since 1991
Lori Ann Farrell, Finance Director, 714.536.5511

Contract Amount: \$20,500

Contract Result: Provide client with ongoing property tax services for analysis and budgeting purposes. Audit recovery total of \$262,118.

City of Long Beach

Property Tax Audit and Information Services
333 W. Ocean Blvd., 6th Floor, Long Beach, CA 90802
Client Since 2006
Julissa Jose-Murray, Revenue and Budget, 562.570.6869

Contract Amount: \$18,750

Contract Result: Provide client with ongoing property tax services for analysis and budgeting purposes. Audit recovery total of \$37.7 million.

City of Oakland

Property Tax Audit and Information Services
150 Frank Ogawa Plaza, 5th Floor, Oakland, CA 94612
Client Since 1994
David McPherson, Revenue and Tax Administrator, 510.238.6650

Contract Amount: \$22,000 plus 25% of net recovered revenue

Contract Result: Provide client with ongoing property tax services for analysis and budgeting purposes. Audit recovery total of \$10 million.

City of Santa Monica

1717 4th Street, Suite 250, Santa Monica, CA 90401
Client Since 1997
David Carr, Principal Budget Analyst, 310.458.8775

Contract Amount: \$18,250 plus 25% of net recovered revenue

Contract Result: Provide client with ongoing property tax services for analysis and budgeting purposes. Audit recovery total of \$8,500,000.

City of Santee

Property Tax Audit and Information Services
10601 Magnolia Avenue, Santee, CA 92701
Client Since 2007
Tim McDermott, Finance Director, 619.258.4100

Contract Amount: \$18,500 plus 25% of net recovered audit revenue

Contract Result: Provide client with ongoing property tax services for analysis and budgeting purposes. Audit recovery total of \$3,700,000.

10. OPTIONAL SERVICES

HdL Coren & Cone provides property tax services, including developing the City/Agency database, analytical reports and staff assistance, for an annual retainer fee.

Optional services are priced separately depending on the complexity of the tasks involved. Such fees can either be fixed or time and materials. Our hourly fees are listed below:

Partner	\$225 per hour
Principal	\$195 per hour
Programmer	\$150 per hour
Associate	\$150 per hour
Senior Analyst	\$100 per hour
Analyst	\$ 65 per hour
Administrative	\$ 45 per hour

Hourly rates exclude out-of-pocket expenses which are billed at 1.15 times actual costs.

APPENDIX 1

Sample Sales Tax Reports

- A. Trends by Major Groups
 - 1. Quarterly
 - 2. Annually

- B. Quarterly analyses of sales by designated geographic area, including reports to comply with any sales tax sharing agreements with other agencies or private developers. Used to monitor effectiveness of existing development efforts as well as establishing future priorities.
 - 1. Sample of Detailed Geo Analysis
 - 2. Sample of Trends Comparison

- C. Quarterly printouts of Top 100 and Top 20 sales tax generators listed in descending order. Used by top management to track trends and identify companies who should be contacted as part of a business retention program and who might identify customers and suppliers who might be interested in relocating to the City.
 - 1. Top 100 Sales Tax Generators
 - 2. Top 20 Sales Tax Generators

- D. Quarterly analysis of sales by business type, including comparisons with state and county averages.
 - 1. Allocations by Business Type Including Pools
 - 2. Per Capita/Account Economic Comparisons

- E. Reports and analysis to support budget projections.
 - 1. Quarterly Deviation Analysis
 - 2. Sale Tax Allocation Summary
 - 3. Budget Projection
 - 4. 5 Year Forecast
 - 5. *Consensus Forecast* - Quarterly Economic Update
 - 6. Triple Flip Calculations

- F. Quarterly customized newsletter summarizing sales tax highlights presented in a manner to protect community businesses' confidentiality. Allows sales tax trends to be generally distributed to support economic development.

- G. Special reports as needed for economic development and other purposes.
 - 1. Market Competition Comparisons
 - 2. Countywide Trends
 - 3. Samples of Ongoing Issue Papers: *Legislative Update - December 2012*
Issue Update - December 2012
 - 4. *HeadLines* - Trends Affecting California's Economy (Bi-Monthly Newsletter)
 - 5. *2013 Retail Analytics*



Sales Tax by Major Industry Group

General Consumer Goods
Count: 21,935

Restaurants And Hotels
Count: 4,641

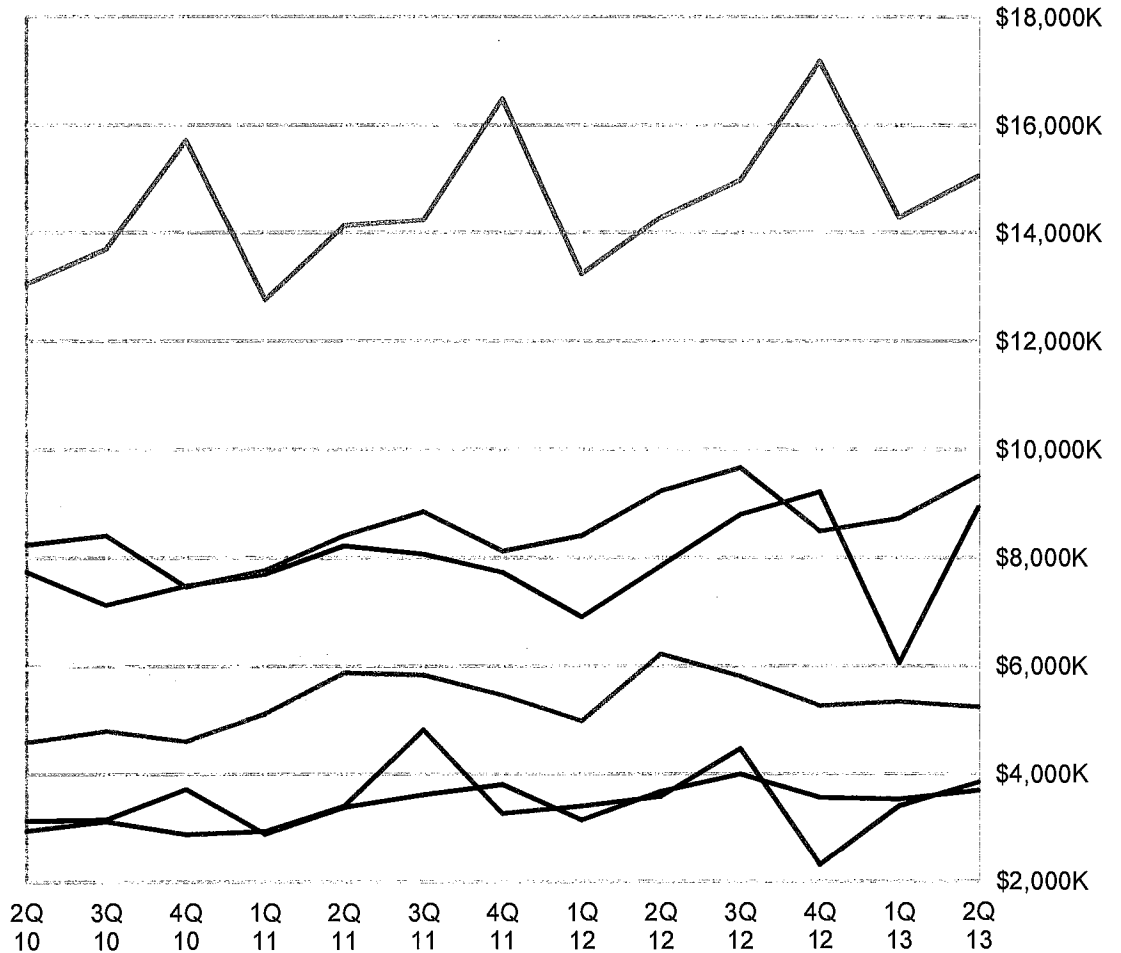
Business And Industry
Count: 11,274

Autos And Transportation
Count: 2,795

Fuel And Service Stations
Count: 371

Building And Construction
Count: 1,167

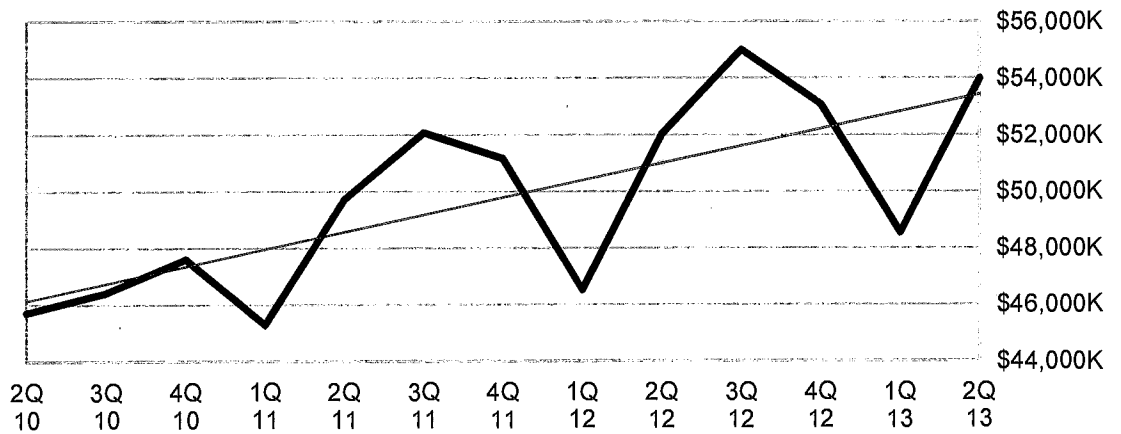
Food And Drugs
Count: 1,594



Agency Trend

San Diego

13 Quarter Trend: +15.8%

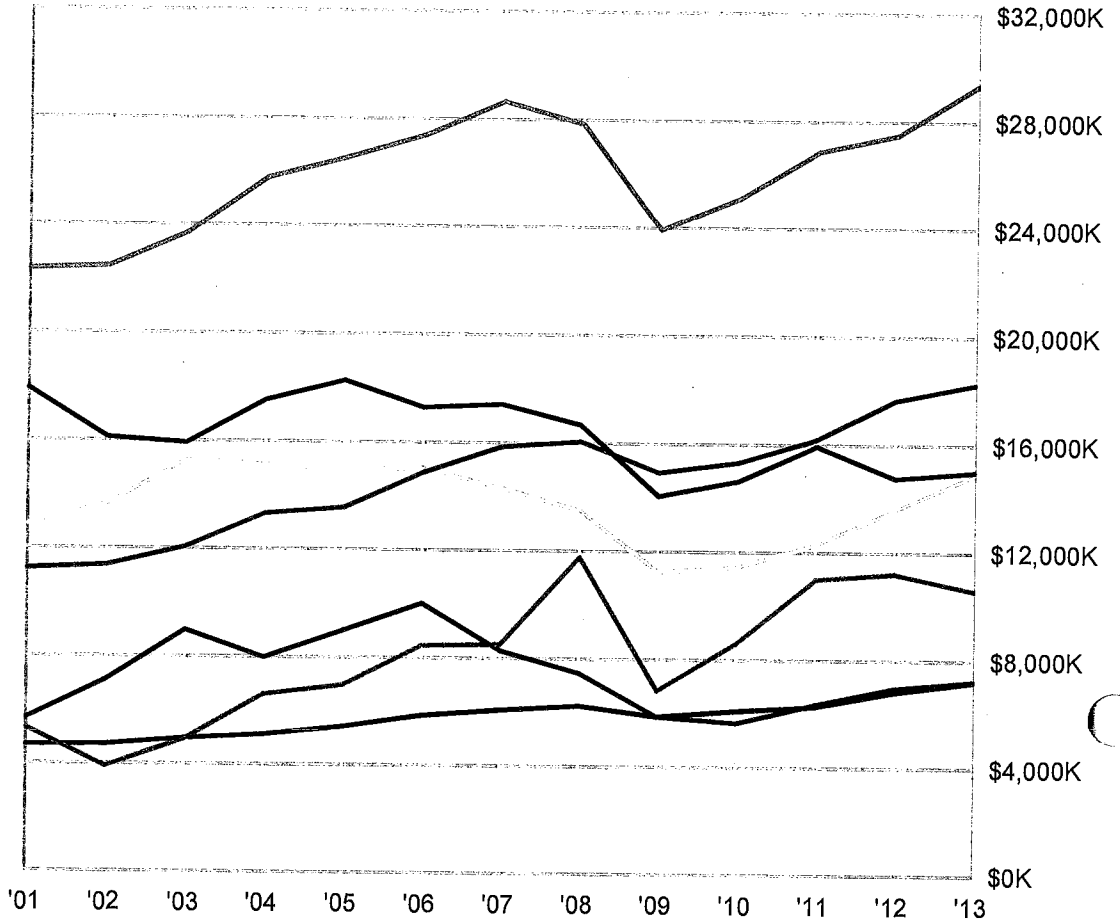


Periods shown reflect the period in which the sales occurred - Point of Sale

CONFIDENTIAL INFORMATION - DO NOT COPY OR DISTRIBUTE WITHOUT AUTHORIZATION

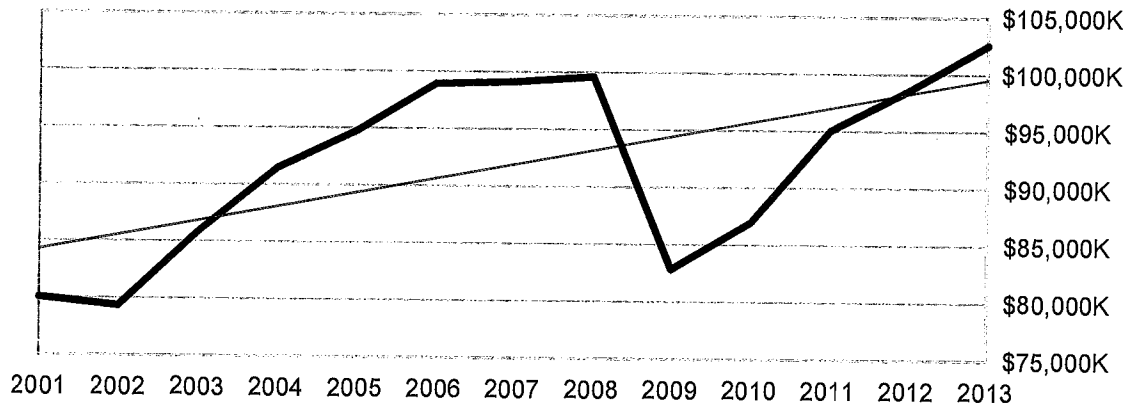
Sales Tax by Major Industry Group

- General Consumer Goods
Count: 21,935
- Restaurants And Hotels
Count: 4,641
- Business And Industry
Count: 11,274
- Autos And Transportation
Count: 2,795
- Fuel And Service Stations
Count: 371
- Building And Construction
Count: 1,167
- Food And Drugs
Count: 1,594



Agency Trend

San Diego
13 Year Trend: +18.2%



Periods shown reflect the period in which the sales occurred - Point of Sale



CITY OF SAN DIEGO
LAS AMERICAS AT SAN YSIDRO (0001)

ALLOCATIONS BY BUSINESS TYPE - IN BUSINESS TYPE & FIRM NAME ORDER

Quarters shown reflect the period in which the sales occurred - Point of Sale

Firm Name	Business Address	Account Number	FY 2012-13				FY 2013-14	Fiscal YTD Total
			2Q	3Q	4Q	1Q	2Q	
01 - WOMEN'S APPAREL								
Ann Klein	4155 Camino De La Plz	SRY OH 100179960	25%					
Ann Taylor	4155 Camino De La Plz Ste 4	SRZ OH 097633804	14%					
Ann Taylor	4211 Camino De La Plz Ste 1	SRZ OH 097633804	14%					
BCBG	4155 Camino De La Plz Ste 4	SRY AA 018733983	25%					
Bcbg Max Azria	4345 Camino De La Plz Ste 2	SRY AA 018733983	25%					
Bebe	4211 Camino De La Plz	SRZ BH 019646581	17%					
Charlotte Russe	4345 Camino De La Plz # M-	SRY FH 025671240	17%					
Charlotte Russe Rampage	4345 Camino De La Plz Ste 2	SRY FH 025671240	17%					
Chicos	4125 Camino De La Plz	SRZ OH 030699892	17%					
Coach	4155 Camino De La Plz	SRZ OH 097733863	25%					
Foreign Exchange	4265 Camino De La Plz Ste 2	SRY AA 100869929	50%					
Forever XXI	4265 Camino De La Plz	SRY AA 099805974	17%					
Lane Bryant Outlet	4211 Camino De La Plz	SR OH 101100965						
Liz Claiborne	4201 Camino De La Plz Ste C	SRZ OH 030691690	33%					
Maidenform	4201 Camino De La Plz # G-	SRZ OH 017110469						
Motherhood Maternity	4201 Camino De La Plz	SRY OH 019734366	20%					
New York & Company Outlet	4211 Camino De La Plz Ste 1	SRY OH 102177062						
Papaya	4265 Camino De La Plz # I20	SRY AA 097582369	33%					
Princesa Gown And Gridal Shop	4345 Camino De La Plz # M	SR FH 101251226						
Reference Clothing Company Inc	4265 Camino De La Plz #1-2/	SRY AA 097201044	x					
Steven Madden	4345 Camino De La Plz	SRZ OH 097129829	50%					
Victoria's Secret	4321 Camino De La Plz Spc /	SRY OH 100624659	17%					
Wilsons Leather Outlet	4265 Camino De La Plz Ste 2	SRZ OH 101136026	50%					
Businesses For Type 01 = 23		Subtotals For Type 01						
02 - MEN'S APPAREL								
Haggar Direct	4345 Camino De La Plz # M2	SRY OH 097018143						
Paolo Giardini	4201 Camino De La Plz Ste 1	SRY AA 097811232						
Zumiez	4211 Camino De La Plz Spc /	SRY OH 099733223	50%					
Businesses For Type 02 = 3		Subtotals For Type 02						
03 - FAMILY APPAREL								
Adidas	4201 Camino De La Plz Ste 1	SRZ OH 101562583	50%					
Aeropostale	4141 Camino De La Plz	SRZ OH 097999857	33%					
American Eagle	4211 Camino De La Plz	SRY OH 097896854	25%					
Banana Republic	4345 Camino De La Plz	SRZ BH 100372120	14%					
Brooks Brothers	4265 Camino De La Plz	SRZ OH 099793870	50%					
Calvin Klein	4125 Camino De La Plz Ste 4	SRZ OH 100284331	x 33%					
Calvin Klein	4265 Camino De La Plz Ste 1	SRZ OH 102355796	25%					
Childrens Place	4155 Camino De La Plz Ste 4	SRZ OH 097681492	25%					
Cotton On	4211 Camino De La Plz Spc (SRY AA 101300817	33%					
Designer Studio	4345 Camino De La Plz # M-	SR FH 100543462						
Dir Club Inc	4211 Camino De La Plz Unit /	SRY OH 097151437						
Ecko Direct	4201 Camino De La Plz Ste 6	SRY OH 100538514	50%					
Ecko Direct	4211 Camino De La Plz Spc /	SRY OH 100538514	50%					
Gap Outlet	4265 Camino De La Plz	SRZ BH 100488217	14%					
Geoffrey Beene	4321 Camino De La Plz Ste 2	SRZ OH 098038335	50%					

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CITY OF SAN DIEGO

LAS AMERICAS AT SAN YSIDRO (0001)

ALLOCATIONS BY BUSINESS TYPE - IN BUSINESS TYPE & FIRM NAME ORDER

Quarters shown reflect the period in which the sales occurred - Point of Sale

Firm Name	Business Address	Account Number	FY 2012-13				FY 2013-14	Fiscal YTD Total
			2Q	3Q	4Q	1Q	2Q	
03 - FAMILY APPAREL (Continued)								
Guess	4265 Camino De La Plz Ste 2	SRY AA 097540918	20%					
Guess	4061 Camino De La Plz Ste 4	SRY AA 097540918	20%					
Gymboree Outlet	4211 Camino De La Plz	SRY BH 099566578	17%					
Hot Topic	4211 Camino De La Plz #462	SRY AP 017779439	25%					
Hugo Boss	4061 Camino De La Plz Ste 4	SRY OH 097862610	33%					
Hurley	4155 Camino De La Plz Ste 4	SRZ EA 100008099						
Izod	4345 Camino De La Plz Ste 3	SRZ OH 098038335	50%					
Izod	4345 Camino De La Plz Ste 3	SRZ OH 100284331	x 33%					
Izod	4061 Camino De La Plz Ste 4	SRZ OH 100284331	x 33%					
Izod	4345 Camino De La Plz Ste 3	SRZ OH 102355796	25%					
J Crew	4155 Camino De La Plz	SRY OH 099560274	50%					
Janie & Jack Outlet 2834	4265 Camino De La Plz Ste 2	SRY BH 099566578	17%					
Jockey	4061 Camino De La Plz Ste 4	SRY OH 099172272	x					
Kenneth Cole Consumer Direct L	4125 Camino De La Plz	SRZ OH 101594532						
Kids Supercenter	4211 Camino De La Plz	SR AA 100959898	x 50%					
Kipling	4155 Camino De La Plz Ste 4	SRZ OH 100393003	50%					
Lids 6157	4211 Camino De La Plz Spc 4	SRY OH 097689722	20%					
Lucky Brand Dungarees	4125 Camino De La Plz Ste 4	SRZ OH 097684744	20%					
Macondo	4211 Camino De La Plz	SR FH 102051414						
Michael Kors Stores Calif Inc	4125 Camino De La Plz Ste 4	SRY OH 100452003	50%					
My Savvy Dog	4211 Camino De La Plz	SR FH 101300722						
Nautica	4345 Camino De La Plz #290	SRZ OH 100393003	50%					
Old Navy Outlet	4201 Camino De La Plz	SRZ BH 100372796	25%					
O'Neill	4201 Camino De La Plz	SRY EA 101031337						
P S From Aeropostale	4211 Camino De La Plz	SRZ OH 101302498	50%					
P S From Aeropostale	4141 Camino De La Plz	SRZ OH 101302498	50%					
Pac Sun	4321 Camino De La Plz Ste 2	SRZ EA 097287678	25%					
Perry Ellis	4125 Camino De La Plz #420	SRZ GH 100561193						
Puma	4211 Camino De La Plz	SRZ FH 097583356	50%					
Ralph Lauren	4125 Camino De La Plz Ste 4	SRY OH 101620879						
Ryderz Compound Inc	4245 Camino De La Plz #280	SRY FH 102107151						
San Diego Outlet	4211 Camino De La Plz	SRY AS 100595401						
Sports Town Usa Las Americas C	4211 Camino De La Plz #119	SR EH 102298078						
Tillys	4051 Camino De La Plz Ste C	SRY EA 024809209	25%					
Tommy Bahama	4061 Camino De La Plz Ste 4	SRZ OH 100624836	33%					
Tommy Hilfiger	4061 Camino De La Plz Ste 4	SRZ OH 102355796	25%					
True Religion	4211 Camino De La Plz #041	SRY AA 101238747	50%					
Under Armour Ret Of Calif Lic	4201 Camino De La Plz Ste 1	SRY OH 101548067						
Us Polo Association	4211 Camino De La Plz Ste 1	SR OH 101561064						
Businesses For Type 03 = 54			Subtotals For Type 03					
04 - SHOE STORES								
Aerosoles	4155 Camino De La Plz Bldg	SRZ OH 099911271						
Aldo	4155 Camino De La Plz	SRZ OH 097203761	20%					
Best Shoes	4509 Camino De La Plz Ste 3	SR FH 101032440						
Clarks Bostonian	4155 Camino De La Plz	SRZ OH 030636385	33%					
Converse Outlet Store	4445 Camino De La Plz Ste 4	SRZ OH 100039962						
Cross	4211 Camino De La Plz	SRZ OH 100675496	50%					

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CITY OF SAN DIEGO

LAS AMERICAS AT SAN YSIDRO (0001)

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				2Q	3Q	4Q	1Q	2Q	
04 - SHOE STORES (Continued)									
Famous Footwear	4265 Camino De La Plz	SRZ OH 030691272	50%						
Finish Line	4211 Camino De La Plz	SRZ OH 097319073							
Journeys	4051 Camino De La Plz Ste 1	SRZ OH 030603857	20%						
New Balance Factory Store	4211 Camino De La Plz Bldg	SRZ OH 097854432							
Nike Outlet Store	4445 Camino De La Plz	SRZ OH 030683249	50%						
Payless Shoes	4265 Camino De La Plz	SRZ OH 030631930	8%						
Reebok International Ltd	4061 Camino De La Plz Ste 4	SRZ OH 030698722	25%						
Shoe Studio	4201 Camino De La Plz Ste 1	SRY FH 100312156							
Skechers	4155 Camino De La Plz	SRY AS 099216430	14%						
Skechers	4155 Camino De La Plz	SRY AS 099216430	14%						
Stride Rite Childrens Group Llc	4201 Camino De La Plz Ste 1	SRY OH 102423220	50%						
Stride Rite Outlet	4201 Camino De La Plz Ste 1	SRY OH 030620127	x 50%						
Vans	4211 Camino De La Plz Ste 1	SRZ OH 099514756	20%						
Businesses For Type 04 = 19				Subtotals For Type 04					
05 - VARIETY STORES									
Lior Inc	4211 Camino De La Plz	SR FH 101615282	x						
Shlomo Ben Moshe	4211 Camino De La Plz	SR FH 102126671							
Businesses For Type 05 = 2				Subtotals For Type 05					
ART/GIFT/NOVELTY STORES									
Foto Fantasy Inc	4211 Camino De La Plz	SRY OH 099765000	8%						
Sanrio	4265 Camino De La Plz Ste 1	SRY FH 025893973							
Businesses For Type 11 = 2				Subtotals For Type 11					
12 - SPORTING GOODS/BIKE STORES									
Active Ride Shop	4321 Camino De La Plz Ste 2	SRY EH 099914985	x 50%						
Businesses For Type 12 = 1				Subtotals For Type 12					
17 - JEWELRY STORES									
2939	4265 Camino De La Plz Ste 1	SRY OH 030703133	17%						
Daniels Jewelers	4265 Camino De La Plz Ste 1	SRY AS 014668322	33%						
Daniels Jewelers	4265 Camino De La Plz Ste 1	SRY AS 025126964	x 33%						
Fossil Stores I	4155 Camino De La Plz Ste 4	SRY OH 099675706							
Swarovski 229	4211 Camino De La Plz Ste 1	SRZ OH 097765803	33%						
Swarovski Retail Ventures Ltd	4211 Camino De La Plz	SRZ OH 097765803	33%						
Time Factory Inc	4155 Camino De La Plz Ste 4	SRY OH 100825440							
Ultra Jewelers	4125 Camino De La Plz Ste 4	SRY OH 100130293	50%						
Zales Outlet	4345 Camino De La Plz	SRY OH 030671368	25%						
Businesses For Type 17 = 9				Subtotals For Type 17					
19 - SPECIALTY STORES									
As Seen On T V	4201 Camino De La Plz # G-	SR FH 097945849	x						
Build A Bear Workshop	4321 Camino De La Plz Ste 2	SRY OH 097730439	50%						
Chaires Accessories	4321 Camino De La Plz Spc 1	SRZ OH 025800813	14%						
Cosmetics Company Store	4125 Camino De La Plz Ste 4	SRZ OH 097911164	33%						
Disney Store	4321 Camino De La Plz	SRY OH 101063655	50%						
GNC	4155 Camino De La Plz	SRY OH 027627816	8%						

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CITY OF SAN DIEGO

LAS AMERICAS AT SAN YSIDRO (0001)

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Firm Name	Business Address	Account Number	FY 2012-13				FY 2013-14	Fiscal YTD Total
			2Q	3Q	4Q	1Q	2Q	
19 - SPECIALTY STORES (Continued)								
Imdde Perfumes Lic	4265 Camino De La Plz Ste 1	SRX FH 101546551	25%					
Imdde Perfumes Lic	4345 Camino De La Plz Ste 3	SRX FH 101546551	25%					
Leon Max	4125 Camino De La Plz Ste 4	SRZ AP 011689641						
Perfumania Store 346	4125 Camino De La Plz	SRY OH 030693272						
R S D Enterprises	4321 Camino De La Plz Ste 2	SRX FH 097295494	50%					
Sally Beauty Supply	4345 Camino De La Plz	SRY JH 100999672	11%					
Samsonite	4345 Camino De La Plz #282	SRY OH 101511778						
Sunglass Hut	4345 Camino De La Plz Spc 1	SRY OH 101041189	10%					
Sunglass Hut	4201 Camino De La Plz Ste 1	SRY OH 101041189	10%					
Sunglass Plus	4211 Camino De La Plz # C-3	SRY EH 100593732	x 50%					
Sunglass Plus	4211 Camino De La Plz	SRY EH 102296588	50%					
Toy Time	4211 Camino De La Plz	SR FH 100706803						
Toys Toys Toys	4211 Camino De La Plz	SR FH 102256837						
Toytown	4345 Camino De La Plz Ste 3	SR FH 102203821	x					
Ueta Inc	4509 Camino De La Plz Ste 3	SRY OH 100522080	25%					
Businesses For Type 19 = 21			Subtotals For Type 19					
21 - FOOD STORES/NON-GROCERY								
Vitamin World	4229 Camino De La Plz Ste 1	SRY OH 099576387	50%					
Businesses For Type 21 = 1			Subtotals For Type 21					
24 - RESTAURANTS/NO ALCOHOL								
Achiote	4419 Camino De La Plz	SR FH 100801871						
Chicken Ribs And Dogs	4211 Camino De La Plz Ste 1	SRX FH 100392729	x 50%					
Chickenow	4211 Camino De La Plz #158	SR OH 101635356						
Eyebrow Excellence	4211 Camino De La Plz Ste 1	SRY FH 101062977						
Fresh Wok	4191 Camino De La Plz	SR FH 102126340	x					
Great Steak & Potato	4211 Camino De La Plz # G1	SR FH 100575625						
Imagine Lic	4449 Camino De La Plz	SRY FH 100287381	17%					
Int House Of Pancakes	4291 Camino De La Plz	SR FH 097990847						
McDonalds	4449 Camino De La Plz # O	SRY KH 097797624	x 20%					
McDonalds	4449 Camino De La Plz	SRX EH 100101219	x 25%					
Mongus Grill	4211 Camino De La Plz Ste 1	SR FH 100712802	x					
Rice Garden Inc	4211 Camino De La Plz Ste 1	SRY AP 100923952						
San Diego Teriyaki & Roll	4211 Camino De La Plz Ste 1	SR FH 102212451						
Starbucks	4201 Camino De La Plz Ste 1	SRZ OH 030699061	1%					
Subway 24849	4211 Camino De La Plz Ste 1	SRY FH 101718816	50%					
Subway Sandwich	4211 Camino De La Plz # H-1	SR FH 097957256	x					
Villa Fik	4211 Camino De La Plz #158	SR OH 101631088						
Weitzels Pretzels	4211 Camino De La Plz	SRY FH 100889101						
Businesses For Type 24 = 18			Subtotals For Type 24					
31 - ELECTRONICS/APPLIANCE STORES								
Gamestop	4141 Camino De La Plz	SRZ OH 099901839	5%					
Sony Style	4051 Camino De La Plz	SRZ OH 100043683	20%					
Sprint	4509 Camino De La Plz	SRZ OH 097020795	13%					
Sprint	4509 Camino De La Plz	SRY OH 101057806	x 33%					
Businesses For Type 31 = 4			Subtotals For Type 31					

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CITY OF SAN DIEGO

LAS AMERICAS AT SAN YSIDRO (0001)

ALLOCATIONS BY BUSINESS TYPE - IN BUSINESS TYPE & FIRM NAME ORDER

Quarters shown reflect the period in which the sales occurred - Point of Sale

Firm Name	Business Address	Account Number	FY 2012-13				FY 2013-14	Fiscal
			2Q	3Q	4Q	1Q	2Q	YTD Total
36 - RESTAURANTS LIQUOR								
Mongus Grill	4211 Camino De La Plz Ste 1	SR FH 102318515						
<i>Businesses For Type 36 = 1</i>			<i>Subtotals For Type 36</i>					
51 - HARDWARE STORES								
Techtronic Industries Fctry Otlls	4211 Camino De La Plz	SR OH 101143376						
<i>Businesses For Type 51 = 1</i>			<i>Subtotals For Type 51</i>					
84 - MEDICAL/BIOTECH								
Pacific Eye Wear Llc	4345 Camino De La Plz Ste 3	SR FH 100748658 x						
<i>Businesses For Type 84 = 1</i>			<i>Subtotals For Type 84</i>					
89 - BUSINESS SERVICES								
H&R Block Enterprises Llc	4509 Camino De La Plz	SRY OH 101632724	2%					
<i>Businesses For Type 89 = 1</i>			<i>Subtotals For Type 89</i>					
95 - TRANSPORTATION-NON-AUTO								
Oakley	4211 Camino De La Plz Ste 1	SRY OH 097985315	33%					
<i>Businesses For Type 95 = 1</i>			<i>Subtotals For Type 95</i>					

REPORT TOTALS

Total Businesses in Agency:	244,124
Total Businesses Printed:	162
Total Active Businesses Printed:	150
Total Business Types Printed:	17

Quarters shown reflect the period in which the sales occurred - Point of Sale

	FY 2012-13				FY 2013-14	Fiscal
	2Q	3Q	4Q	1Q	2Q	YTD Total
Regular Payments	570,842	619,435	764,004	551,517	584,888	584,888
Adjustments	1,304	(77)	(8,928)	1,441	18,153	18,153
Grand Totals	572,145	619,358	755,077	552,958	603,040	603,040

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CITY OF CAMARILLO

FACTORY OUTLET CENTERS - 13 QUARTER HISTORY

Geo areas

Sales Tax by Geographic areas

Carlsbad Company Stores

Count: 113

Citadel Mall

Count: 143

Desert Hills Factory Center

Count: 184

Las Americas at San Ysidro

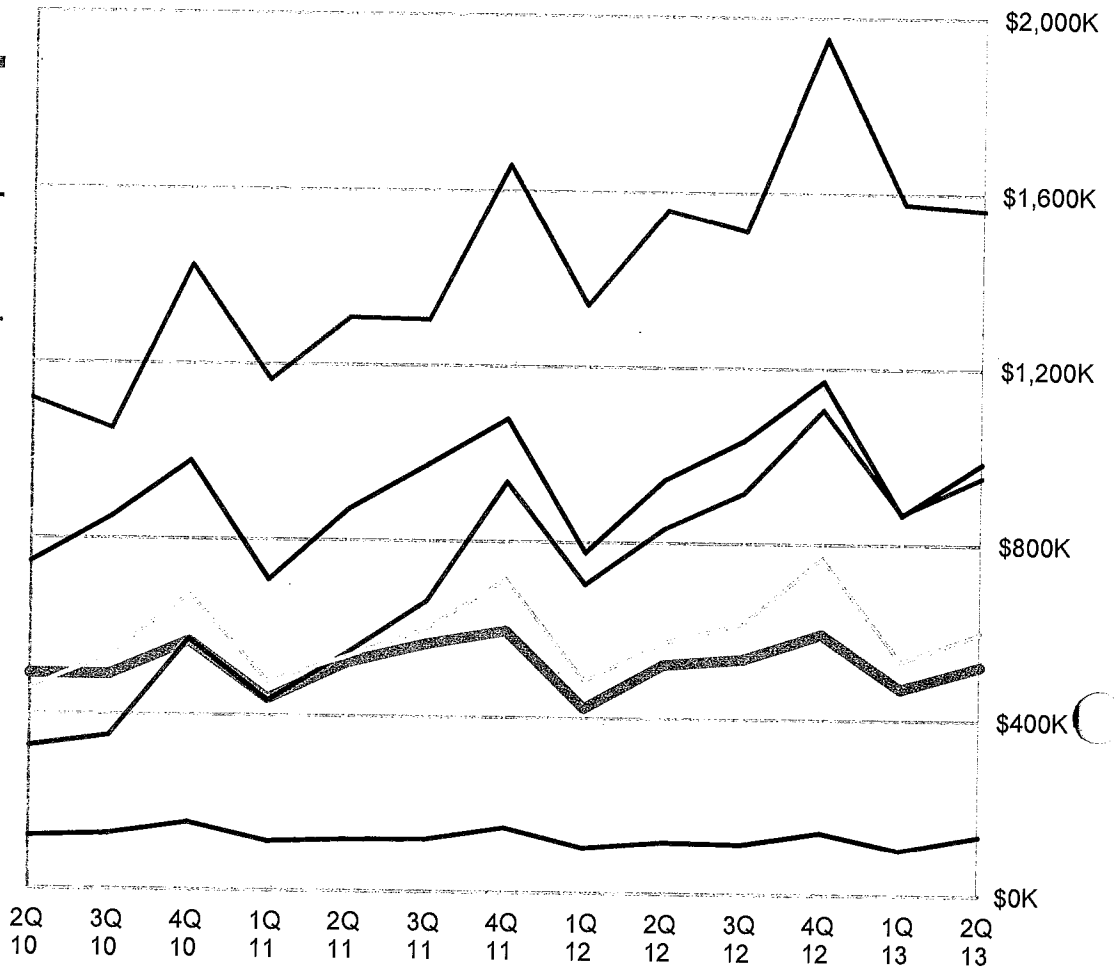
Count: 150

Lake Elsinore Factory Ctr

Count: 70

Camarillo Promenade/Premium Outlets

Count: 190



Periods shown reflect the period in which the sales occurred - Point of Sale

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Business		Business Address		2Q 2013	2Q 2012	Prior 4 Qtrs	Percent Change	Percent of Total	Cumulative Percent
Rank	Type	Firm Name	Business Address	2Q 2013	2Q 2012	Prior 4 Qtrs	Percent Change	Percent of Total	Cumulative Percent
1	08	Dougo Discount Dept Stores	2207 W Butler Ave	423,315	417,709	1,887,418	1.34%	14.33%	14%
2	60	Digraphic New Motor Vehicle Dealers	4 Locations	159,724	148,622	562,096	7.47%	5.41%	20%
3	60	Oothlala New Motor Vehicle Dealers	1139 W East St	147,919	150,293	720,190	-1.58%	5.01%	25%
4	60	Macnetworks New Motor Vehicle Dealers	2 Locations	147,241	130,912	541,929	12.47%	4.98%	30%
5	60	Facadecor New Motor Vehicle Dealers	726 E East St	120,847	85,030	347,207	42.12%	4.09%	34%
6	50	Giftprints Lumber/Building Materials	500 S East Ave	118,493	107,552	421,950	10.17%	4.01%	38%
7	08	Verdalee Discount Dept Stores	2120 W East St	116,823	111,943	484,417	4.36%	3.95%	42%
8	60	Silverstone New Motor Vehicle Dealers	3 Locations	98,716	98,123	467,210	0.60%	3.34%	45%
9	65	Kiaras Auto Lease	No Address In City	76,071	70,307	299,105	8.20%	2.57%	48%
10	62	Lidos Service Stations	1201 S Ingersoll Blvd	75,026	82,703	313,402	-9.28%	2.54%	50%
11	60	Bonega New Motor Vehicle Dealers	1247 W East St	66,204	0	136,020	n/a	2.24%	52%
12	60	Photoscapes New Motor Vehicle Dealers	1100 W East St	55,588	31,341	155,119	77.37%	1.88%	54%
13	60	Crepery New Motor Vehicle Dealers	1811 W East St	48,482	44,431	197,555	9.12%	1.64%	56%
14	62	Ravenous Service Stations	300 S Ingersoll Blvd	41,183	38,590	151,829	6.72%	1.39%	57%
15	60	Formerica New Motor Vehicle Dealers	1700 W East St	40,716	42,798	183,042	-4.86%	1.38%	59%
16	07	Asd Department Stores	1201 S Townsend Ave	37,855	35,878	155,312	5.51%	1.28%	60%
17	62	Survive Service Stations	600 N Gibson Ave	35,031	37,526	140,572	-6.65%	1.19%	61%
18	03	Socorros Family Apparel	201 E East St	33,909	30,814	129,318	10.04%	1.15%	62%
19	65	Eventos Auto Lease	No Address In City	28,759	26,154	110,027	9.96%	0.97%	63%
20	19	Keats Specialty Stores	2500 W Butler Ave	23,598	23,744	118,979	-0.62%	0.80%	64%
21	62	Capelli Service Stations	601 W Yukon Blvd	22,522	23,536	93,381	-4.31%	0.76%	65%
22	19	Maxies Specialty Stores	2568 W Butler Ave	21,827	21,579	86,217	1.15%	0.74%	66%
23	24	Awch Restaurants No Alcohol	2 Locations	21,481	20,079	82,719	6.98%	0.73%	66%
24	62	Metropoly Service Stations	3201 W Yukon Blvd	21,351	22,511	85,778	-5.15%	0.72%	67%
25	27	Kade Drug Stores	3 Locations	20,631	20,115	82,727	2.56%	0.70%	68%
26	62	Natuurlijk Service Stations	525 N Ingersoll Blvd	18,511	20,880	78,991	-11.34%	0.63%	68%
27	60	Kudos New Motor Vehicle Dealers	1200 W East St	18,357	15,677	63,895	17.10%	0.62%	69%
28	24	Chaunceys Restaurants No Alcohol	1210 N Ingersoll Blvd	17,368	16,177	64,129	7.36%	0.59%	70%
29	04	Neurina Shoe Stores	420 S Gibson Ave	17,283	1,355	6,083	1175.19%	0.58%	70%
30	34	Hoiddog Grocery Stores Liquor	2400 W Butler Ave	16,015	0	0	n/a	0.54%	71%
31	62	Lanimar Service Stations	848 S Gibson Ave	15,758	18,335	64,635	-14.06%	0.53%	71%
32	62	Citiva Service Stations	2601 W East St	14,668	12,020	51,793	21.95%	0.50%	72%
33	34	Mulkeyland Grocery Stores Liquor	725 E East St	13,931	10,381	43,041	34.20%	0.47%	72%
34	31	Profab Electronics/Appliance Stores	810 E Yukon Blvd Ste D	13,072	9,351	49,119	39.79%	0.44%	73%
35	34	Smartforce Grocery Stores Liquor	345 E East St	12,830	11,603	40,140	10.58%	0.43%	73%

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CITY OF GOTHAM

TOP 100 SALES TAX PRODUCERS - 2Q, 2013

Rank	Business Type	Firm Name	Business Address	2Q, 2013	2Q, 2012	Prior 4 Qtrs	Percent Change	Percent of Total	Cumulative Percent
36	85	Sankhya Transportation/Rentals	3 Locations	12,613	11,041	45,131	14.24%	0.43%	74%
37	35	Coopersoft Restaurants Beer And Wine	740 E Yukon Blvd	12,170	9,903	40,532	22.89%	0.41%	74%
38	62	Trails Service Stations	2600 W Yukon Blvd	11,431	15,016	47,526	-23.87%	0.39%	74%
39	12	Euphorbia Sporting Goods/Bike Stores	620 E Yukon Blvd	11,102	10,155	44,981	9.33%	0.38%	75%
40	31	Axon Electronics/Appliance Stores	2121 W East St Ste 100	10,988	11,000	47,363	-0.10%	0.37%	75%
41	65	Joyce Auto Lease	No Address In City	10,827	6,102	31,805	77.43%	0.37%	75%
42	66	Nuvarat Boats/Motorcycles	3001 W East St Ste A	10,696	5,226	21,059	104.65%	0.36%	76%
43	12	Primeco Sporting Goods/Bike Stores	2801 W Dunkirk Rd	10,631	0	28,000	n/a	0.36%	76%
44	27	Bondesign Drug Stores	2 Locations	10,197	10,498	41,814	-2.86%	0.35%	77%
45	35	Greenbrew Restaurants Beer And Wine	33 W East St	10,185	9,384	36,181	8.53%	0.34%	77%
46	35	Confeccion Restaurants Beer And Wine	68 W East St	9,977	0	7,045	n/a	0.34%	77%
47	36	Quality Restaurants Liquor	700 S Republic St	9,967	10,078	33,611	-1.10%	0.34%	78%
48	05	Antoinette Variety Stores	2810 W Republic Rd	9,962	10,021	40,999	-0.59%	0.34%	78%
49	35	Creativities Restaurants Beer And Wine	742 W Yukon Blvd	9,892	9,039	35,193	9.44%	0.33%	78%
50	35	Dataliner Restaurants Beer And Wine	2131 W Butler Ave	9,497	9,582	36,696	-0.89%	0.32%	79%
51	35	Heatherstone Restaurants Beer And Wine	700 W Yukon Blvd	9,142	8,533	34,152	7.14%	0.31%	79%
52	90	Bootz Food Mfg.	949 S Dupont Ave	9,121	7,796	34,510	17.00%	0.31%	79%
53	35	Christos Restaurants Beer And Wine	515 W East St	9,095	8,123	33,270	11.98%	0.31%	79%
54	27	Mandalay Drug Stores	2551 W East St	9,018	9,135	37,430	-1.28%	0.31%	80%
55	18	Waxworks Office Supplies/Furniture	1200 W Yukon Blvd	8,943	9,616	40,698	-7.00%	0.30%	80%
56	71	Frances Auto Repair Shops	328 S East Ave	8,873	7,359	32,270	20.58%	0.30%	80%
57	35	Foundry Restaurants Beer And Wine	245 W Yukon Blvd	8,634	7,103	28,135	21.56%	0.29%	81%
58	12	Chavas Sporting Goods/Bike Stores	2801 W Dunkirk Rd	8,557	0	14,956	n/a	0.29%	81%
59	30	Mtv Home Furnishings	700 S Hempstead Ave	8,413	7,543	32,787	11.54%	0.28%	81%
60	24	Eastwind Restaurants No Alcohol	138 E Yukon Blvd	7,520	7,145	27,323	5.25%	0.25%	82%
61	64	Khakis Used Automotive Dealers	400 W Yukon Blvd	7,510	6,655	28,585	12.84%	0.25%	82%
62	36	Alteryears Restaurants Liquor	2000 W East St	7,483	6,708	28,752	11.55%	0.25%	82%
63	90	Ferroll Food Mfg.	No Address In City	7,460	211	317	3427.72%	0.25%	82%
64	05	Warrior Variety Stores	600 E Yukon Blvd	7,117	7,145	31,972	-0.39%	0.24%	83%
65	35	Greenfield Restaurants Beer And Wine	1224 N Ingersoll Blvd	6,912	6,470	27,404	6.84%	0.23%	83%
66	65	Katana Auto Lease	No Address In City	6,401	5,916	33,304	8.20%	0.22%	83%
67	31	Fashionia Electronics/Appliance Stores	2115 W Butler Ave Ste A	6,393	6,702	27,103	-4.61%	0.22%	83%
68	36	Buckshot Restaurants Liquor	101 W East St Ste C	6,390	1,910	7,482	234.59%	0.22%	83%
69	91	Clearsight Textiles/Furnishings	321 S Clinton Ave	6,318	0	1,191	n/a	0.21%	84%
70	24	Travelsmith Restaurants No Alcohol	2528 W Butler Ave	6,226	5,602	22,074	11.14%	0.21%	84%

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CITY OF COTHAM

TOP 100 SALES TAX PRODUCERS - 2Q.2013

Rank	Business Type	Firm Name	Business Address	2Q.2013	2Q.2012	Prior 4 Qtrs	Percent Change	Percent of Total	Cumulative Percent	
71	82	Imt Contractors	3001 W Dunkirk Rd Ste B	6,166	3,319	16,575	85.78%	0.21%	84%	
72	35	Lockserv Restaurants Beer And Wine	2121 W East St Ste 210	6,153	6,310	24,224	-2.49%	0.21%	84%	
73	35	Sportaction Restaurants Beer And Wine	500 W East St Ste A	6,105	0	20,973	n/a	0.21%	84%	
74	36	Fye Restaurants Liquor	100 W East St	6,101	5,685	21,946	7.30%	0.21%	85%	
75	35	Dawsons Restaurants Beer And Wine	2234 W Yukon Blvd	5,744	5,760	22,084	-0.27%	0.19%	85%	
76	31	Lizzo Electronics/Appliance Stores	1127 S Townsend Ave	5,704	5,077	24,968	12.34%	0.19%	85%	
77	18	Machete Office Supplies/Furniture	610 E Yukon Blvd	5,382	6,211	28,262	-13.35%	0.18%	85%	
78	35	Childprotect Restaurants Beer And Wine	208 E Yukon Blvd	5,372	4,944	20,390	8.65%	0.18%	85%	
79	35	Gypsywick Restaurants Beer And Wine	1032 E Yukon Blvd	5,348	5,639	22,417	-5.17%	0.18%	86%	
80	36	Kellco Restaurants Liquor	910 E East St	5,107	5,057	19,772	1.00%	0.17%	86%	
81	24	Calmaka Restaurants No Alcohol	245 S Ingersoll Blvd	5,102	4,682	18,935	8.96%	0.17%	86%	
82	24	Envirotherm Restaurants No Alcohol	201 W East St	5,018	4,690	18,863	7.00%	0.17%	86%	
83	61	Pmi Automotive Supply Stores	800 E Yukon Blvd	4,930	4,701	20,107	4.88%	0.17%	86%	
84	24	Giulianos Restaurants No Alcohol	701 S Townsend Ave	4,842	4,783	19,449	1.22%	0.16%	86%	
85	98	Willoworks Heavy Industrial	1147 S Dupont Ave	4,810	5,255	21,087	-8.47%	0.16%	87%	
86	24	Awake Restaurants No Alcohol	228 W Yukon Blvd Ste 101	4,794	4,233	17,277	13.26%	0.16%	87%	
87	24	Trading Restaurants No Alcohol	511 W Yukon Blvd	4,763	0	4,511	n/a	0.16%	87%	
88	31	Solo Electronics/Appliance Stores	2 Locations	4,698	4,012	18,051	17.09%	0.16%	87%	
89	33	Caruso Grocery Stores Beer/Wine	2121 W East St Ste 300	4,690	2,384	10,647	96.72%	0.16%	87%	
90	19	Fryworks Specialty Stores	2115 W Butler Ave	4,559	4,211	18,721	8.28%	0.15%	87%	
91	36	Hsquare Restaurants Liquor	47 W East St	4,548	4,448	17,410	2.24%	0.15%	88%	
92	24	Godprint Restaurants No Alcohol	2621 W Butler Ave	4,537	4,501	18,246	0.81%	0.15%	88%	
93	78	Novelty Morticians And Undertakers	225 N Gibson Ave	4,283	4,378	17,873	-2.16%	0.14%	88%	
94	31	Ctm Electronics/Appliance Stores	2 Locations	4,264	5,357	26,455	-20.39%	0.14%	88%	
95	24	Sandeeds Restaurants No Alcohol	1 W Yukon Blvd	4,242	3,986	15,304	6.43%	0.14%	88%	
96	61	Lakshmi Automotive Supply Stores	1100 W Butler Ave	4,161	4,009	18,397	3.79%	0.14%	88%	
97	65	Metacraft Auto Lease	No Address In City	4,126	4,480	17,864	-7.91%	0.14%	88%	
98	33	Brovell Grocery Stores Beer/Wine	1200 S Gibson Ave	3,912	3,807	14,836	2.77%	0.13%	89%	
99	24	Zazie Restaurants No Alcohol	5 E East St	3,858	3,838	14,587	0.54%	0.13%	89%	
100	11	Aquascapes Art/Gift/Novelty Stores	1703 W Yukon Blvd	3,835	3,107	14,424	23.45%	0.13%	89%	
				Amount Paid By Top 100 Accounts	2,623,912	2,313,647	10,041,641	88.80%	89%	
				Percent Paid By Top 100 Accounts	88.80%	78.28%	83.28%			
				Total Paid By All Accounts	2,955,011	2,955,426	12,057,223			

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Firm Name	2Q 2012	% Chg	% of Total	Prior Year Comparison
Business Type	2Q 2013			■ 2Q 2012 ■ 2Q 2013
Dougco Discount Dept Stores	417,709	1%	14.3%	
Discount Dept Stores	423,315			
Djgraphic New Motor Vehicle Dealers	148,622	7%	5.4%	
New Motor Vehicle Dealers	159,724			
Oohlala New Motor Vehicle Dealers	150,293	-2%	5.0%	
New Motor Vehicle Dealers	147,919			
Macnetworks New Motor Vehicle Dealers	130,912	12%	5.0%	
New Motor Vehicle Dealers	147,241			
Facadecor New Motor Vehicle Dealers	85,030	42%	4.1%	
New Motor Vehicle Dealers	120,847			
Giftprints Lumber/Building Materials	107,552	10%	4.0%	
Lumber/Building Materials	118,493			
Verdalee Discount Dept Stores	111,943	4%	4.0%	
Discount Dept Stores	116,823			
Silverstone New Motor Vehicle Dealers	98,123	1%	3.3%	
New Motor Vehicle Dealers	98,716			
Kiaras Auto Lease	70,307	8%	2.6%	
Auto Lease (x)	76,071			
Lidos Service Stations	82,703	-9%	2.5%	
Service Stations	75,026			
Bonega New Motor Vehicle Dealers	0	-n/a-	2.2%	
New Motor Vehicle Dealers	66,204			
Photoscapes New Motor Vehicle Dealers	31,341	77%	1.9%	
New Motor Vehicle Dealers	55,588			
Crepery New Motor Vehicle Dealers	44,431	9%	1.6%	
New Motor Vehicle Dealers	48,482			
Ravenous Service Stations	38,590	7%	1.4%	
Service Stations	41,183			
Formerica New Motor Vehicle Dealers	42,798	-5%	1.4%	
New Motor Vehicle Dealers	40,716			
Asd Department Stores	35,878	6%	1.3%	
Department Stores	37,855			
Survive Service Stations	37,526	-7%	1.2%	
Service Stations	35,031			
Socorros Family Apparel	30,814	10%	1.1%	
Family Apparel	33,909			
Eventos Auto Lease	26,154	10%	1.0%	
Auto Lease (x)	28,759			
Keris Specialty Stores	23,744	-1%	0.8%	
Specialty Stores	23,598			
Top 20 Businesses	1,714,468	10.6%	64.1%	
	1,895,501			
Agency Total	2,955,426	0.0%	100.0%	
	2,955,011			

Code	Business Type Description (Count)	AGENCY			COUNTY		HdL STATE	
		2Q 2013	2Q 2012	Change	2Q 2013	Change	2Q 2013	Change
60	New Motor Vehicle Dealers (117)	4,371,706	3,855,710	13.4%	12,705,878	12.6%	130,412,479	11.1%
36	Restaurants Liquor (1196)	4,236,958	4,085,365	3.7%	6,612,934	4.8%	63,256,584	9.7%
62	Service Stations (300)	3,652,125	4,186,757	-12.8%	10,532,314	-9.5%	140,474,796	-5.7%
24	Restaurants No Alcohol (2878)	3,304,138	3,219,323	2.6%	6,745,265	1.9%	72,652,644	5.9%
08	Discount Dept Stores (33)	2,755,213	2,691,205	2.4%	8,225,044	2.0%	81,762,097	2.3%
03	Family Apparel (2675)	2,140,881	1,963,115	9.1%	3,742,526	4.9%	36,354,652	4.7%
19	Specialty Stores (6060)	1,682,026	1,595,062	5.5%	3,168,391	4.7%	32,890,812	5.2%
31	Electronics/Appliance Stores (654)	1,680,833	1,582,837	6.2%	3,076,335	6.3%	30,756,629	3.9%
07	Department Stores (256)	1,591,807	1,583,895	0.5%	2,943,849	-0.7%	32,156,828	0.2%
96	Petroleum Prod/Equipment (65)	1,567,036	2,022,281	-22.5%	1,724,808	-20.6%	34,942,902	-2.9%
50	Lumber/Building Materials (96)	1,544,819	1,541,452	0.2%	4,183,442	-3.8%	47,177,209	-4.5%
82	Contractors (762)	1,517,602	1,404,307	8.1%	2,750,875	5.5%	36,324,277	5.6%
34	Grocery Stores Liquor (299)	1,451,847	1,402,355	3.5%	3,216,110	4.0%	38,102,034	2.7%
99	Light Industrial/Printers (2334)	1,282,596	1,164,947	10.1%	2,144,232	6.3%	30,662,792	9.7%
89	Business Services (2842)	1,229,975	646,495	90.3%	1,632,112	77.3%	14,553,178	-2.3%
30	Home Furnishings (1022)	1,221,250	1,151,527	6.1%	2,451,026	5.4%	25,018,230	6.8%
86	Electrical Equipment (414)	1,194,530	1,461,148	-18.2%	2,202,412	-3.6%	20,601,620	10.6%
85	Transportation/Rentals (511)	1,128,270	1,086,984	3.8%	1,613,751	12.1%	19,058,388	40.5%
18	Office Supplies/Furniture (719)	1,108,039	1,152,224	-3.8%	1,489,702	-5.9%	23,317,517	-11.7%
35	Restaurants Beer And Wine (357)	842,280	909,675	-7.4%	1,816,067	-2.1%	23,490,552	-0.8%
75	Hotels-Liquor (132)	770,312	691,462	11.4%	1,110,585	10.9%	8,886,898	7.6%
33	Grocery Stores Beer/Wine (187)	763,950	803,867	-5.0%	1,433,383	-0.8%	12,342,925	-2.5%
92	Drugs/Chemicals (323)	741,723	646,453	14.7%	986,313	8.5%	12,172,534	8.7%
72	Repair Shop/Equip. Rentals (809)	735,269	401,351	83.2%	1,149,946	41.2%	11,047,887	8.8%
01	Women's Apparel (654)	682,082	691,343	-1.3%	1,366,252	5.3%	15,178,371	2.9%
	All Others (18089)	10,802,623	10,095,121	7.0%	22,883,305	7.7%	340,511,531	19.8%
	TOTAL ALL TYPES (43784)	53,999,889	52,036,261	3.8%	111,906,857	3.9%	1,334,106,365	7.0%
Major Industry Groups								
	Autos And Transportation (2795)	7,718,499	7,137,213	8.1%	19,917,009	10.2%	216,384,496	12.2%
	Building And Construction (1167)	3,839,596	3,584,498	7.1%	8,597,486	2.9%	107,479,903	2.8%
	Business And Industry (11274)	8,938,648	7,850,744	13.9%	15,183,213	10.5%	253,115,519	20.3%
	Food And Drugs (1594)	3,686,449	3,672,910	0.4%	7,326,701	2.0%	80,681,341	2.1%
	Fuel And Service Stations (371)	5,244,036	6,228,074	-15.8%	12,349,361	-10.9%	176,951,019	-4.9%
	General Consumer Goods (21935)	15,060,063	14,285,355	5.4%	31,410,175	4.9%	321,991,275	4.5%
	Restaurants And Hotels (4641)	9,512,474	9,235,254	3.0%	17,111,895	3.5%	177,407,670	7.2%
	Transfers & Unidentified (7)	125	42,212	-99.7%	11,015	-76.1%	95,143	-76.5%
	TOTAL ALL GROUPS (43784)	53,999,889	52,036,261	3.8%	111,906,857	3.9%	1,334,106,365	7.0%
TOTAL ALL BUSINESSES (43784)		53,999,889	52,036,261	3.8%	111,906,857	3.9%	1,334,106,365	7.0%
ALLOCATIONS FROM COUNTY POOL		6,496,689	6,201,421	4.8%				
ALLOCATIONS FROM STATE POOL		37,645	52,231	-27.9%				
GROSS RECEIPTS		60,534,222	58,289,912	3.9%				

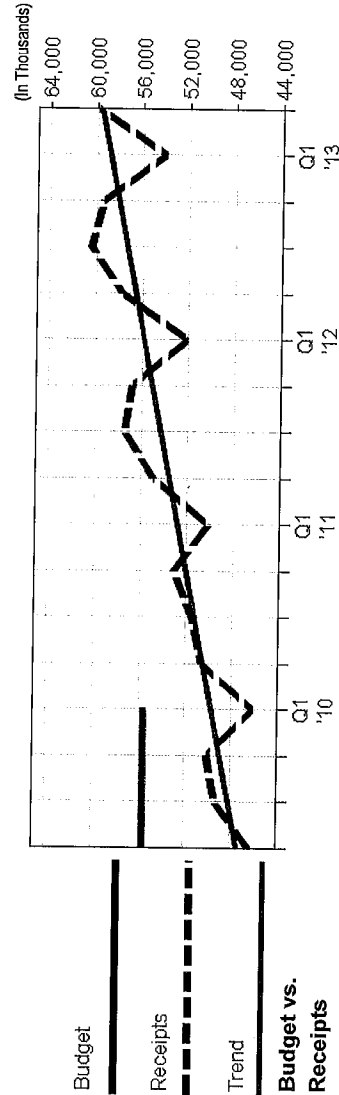
Code	Business Type Description (Count)	Sales \$ Per Account			Sales \$ Per Capita			% Of Total Sales		
		Agency	County	State	Agency	County	State	Agency	County	State
60	New Motor Vehicle Dealers (117)	3,736,501	4,411,763	4,507,361	330	403	350	8.2%	11.5%	10.1%
36	Restaurants Liquor (1,196)	353,003	306,728	230,105	318	209	169	7.9%	5.9%	4.9%
62	Service Stations (300)	1,215,133	1,294,405	1,245,962	275	334	376	6.8%	9.5%	10.8%
24	Restaurants No Alcohol (2,878)	114,792	114,864	105,966	249	214	195	6.2%	6.1%	5.6%
08	Discount Dept Stores (33)	8,349,132	8,940,265	8,661,239	208	261	220	5.2%	7.4%	6.4%
03	Family Apparel (2,675)	79,774	63,824	56,761	161	119	98	4.0%	3.4%	2.8%
19	Specialty Stores (6,060)	27,565	24,722	24,245	126	100	88	3.1%	2.8%	2.6%
31	Electronics/Appliance Stores (654)	254,510	208,589	183,239	126	97	83	3.1%	2.8%	2.4%
07	Department Stores (256)	621,799	478,675	404,590	120	93	87	3.0%	2.7%	2.5%
50	Lumber/Building Materials (96)	1,641,602	1,671,099	1,415,049	119	135	129	3.0%	3.8%	3.7%
34	Grocery Stores Liquor (299)	489,125	494,417	385,390	110	102	102	2.7%	2.9%	3.0%
96	Petroleum Prod/Equipment (65)	2,221,472	1,281,384	1,219,747	109	51	91	2.7%	1.4%	2.6%
82	Contractors (762)	180,906	115,068	133,562	104	79	95	2.6%	2.3%	2.7%
99	Light Industrial/Printers (2,334)	54,728	40,508	51,680	96	69	77	2.4%	1.9%	2.2%
30	Home Furnishings (1,022)	118,886	104,834	89,109	92	78	67	2.3%	2.2%	1.9%
89	Business Services (2,842)	42,426	28,513	26,329	91	52	39	2.3%	1.5%	1.1%
86	Electrical Equipment (414)	288,534	230,964	188,330	90	66	53	2.2%	1.9%	1.5%
18	Office Supplies/Furniture (719)	151,278	109,047	155,961	82	46	61	2.0%	1.3%	1.8%
85	Transportation/Rentals (511)	175,527	127,980	133,134	68	42	40	1.7%	1.2%	1.2%
35	Restaurants Beer And Wine (357)	235,933	217,754	192,457	64	58	63	1.6%	1.6%	1.8%
75	Hotels-Liquor (132)	579,266	539,119	411,685	58	35	24	1.4%	1.0%	0.7%
33	Grocery Stores Beer/Wine (187)	408,601	308,728	233,875	58	46	33	1.4%	1.3%	1.0%
92	Drugs/Chemicals (323)	229,635	143,902	159,208	56	31	32	1.4%	0.9%	0.9%
72	Repair Shop/Equip. Rentals (809)	89,814	55,751	47,793	55	36	29	1.4%	1.0%	0.8%
01	Women's Apparel (654)	103,811	92,351	80,948	51	43	40	1.3%	1.2%	1.2%
	All Others (18,089)	58,692	51,956	56,979	801	715	824	19.9%	20.3%	23.8%
	TOTAL ALL TYPES (43,784)	121,578	112,040	111,253	4,014	3,516	3,467	100.0%	100.0%	100.0%
Major Industry Groups										
	Autos And Transportation (2,795)	266,798	279,718	243,621	562	622	570	14.0%	17.7%	16.4%
	Building And Construction (1,167)	319,761	254,881	265,029	281	267	289	7.0%	7.6%	8.3%
	Business And Industry (11,274)	78,337	58,175	74,368	666	476	583	16.6%	13.5%	16.8%
	Food And Drugs (1,594)	231,946	218,948	179,155	279	233	217	6.9%	6.6%	6.3%
	Fuel And Service Stations (371)	1,377,017	1,229,127	1,165,796	385	388	470	9.6%	11.0%	13.6%
	General Consumer Goods (21,935)	67,992	63,409	56,649	1,125	988	862	28.0%	28.1%	24.9%
	Restaurants And Hotels (4,641)	204,510	183,514	155,776	716	542	475	17.8%	15.4%	13.7%
	Transfers & Unidentified (7)	1,783	30,486	6,566	0	0	0	0.0%	0.0%	0.0%
	TOTAL ALL GROUPS (43,784)	121,578	112,040	111,253	4,014	3,516	3,467	100.0%	100.0%	100.0%
	TOTAL ALL BUSINESSES (43,784)	121,578	112,040	111,253	4,014	3,516	3,467	100.0%	100.0%	100.0%

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Company Name Account Number	4Q 2010 4Q 2011	\$ Change % Change	Prior Year Comparison	4Q 2010 4Q 2011
Dougo Discount Dept Stores SRZ OH 030823777	490,335 546,644	56,309 11%		
Photoscapes New Motor Vehicle Dealers SR AP 101846452	NP 33,346	33,346 -n/a-		
Djgraphic New Motor Vehicle Dealers SRX AP 017252957	88,876 109,204	20,327 23%		
Lanimar Service Stations SRY AP 100931119	(3,481) 14,928	18,410 529%		
Metropoly Service Stations SR AA 101486459	NP 16,912	16,912 -n/a-		
Verdalee Discount Dept Stores SRZ OHA 017847614	122,760 133,793	11,033 9%		
Foreheads Government/Social Org. SRY AA 098167288	88 10,764	10,676 12K%		
Metalcraft Auto Lease SRZ OH 098148127x	(1,605) 8,969	10,574 659%		
Awch Restaurants No Alcohol SRY AP 099534577	9,654 19,840	10,186 106%		
Citiva Service Stations Y AP 101841005	NP 7,946	7,946 -n/a-		
Ravenous Service Stations SRZ BH 018747872	27,730 34,761	7,031 25%		
Srfc Specialty Stores SR AA 102294014x	NP 5,898	5,898 -n/a-		
Netchannels Home Furnishings SR AP 101323832x	6,151 NP	(6,151) -100%		
Formerica New Motor Vehicle Dealers SR AP 017906307	39,802 32,250	(7,553) -19%		
Mollybanamers Lumber/Building Materials SR AP 101312680	12,674 4,122	(8,552) -67%		
Ooohlala New Motor Vehicle Dealers SR AP 100889132	186,066 177,123	(8,943) -5%		
Neca Service Stations SR AP 100290768x	9,160 NP	(9,160) -100%		
Gio Light Industrial/Printers SC OHB 100049239x	12,362 NP	(12,362) -100%		
Mudroom Restaurants Beer And Wine SR AP 100660364x	13,216 NP	(13,216) -100%		
Silverstone New Motor Vehicle Dealers SR AP 100825656x	47,608 NP	(47,608) -100%		
Agency Total	2,771,384 2,911,255	139,871 5.0%		

Seven Major Industry Groups	Fiscal Yr 2011-12 Totals	FY 2012-13 Sales Quarters				Fiscal Yr 2012-13 Totals	Dollar Change Prior Yr	Percent Change Prior Yr	FY 2013-14 Sales Quarters				Fiscal Yr 2013-14 YTD Totals	YTD % Change Prior Yr
		2Q	3Q	4Q	1Q				2Q	3Q	4Q	1Q		
Point of Sale														
Autos And Transportation	25,523,929	7,137,213	7,282,496	7,034,441	7,185,361	28,639,513	3,115,583	12%	7,718,499				7,718,499	8%
Building And Construction	14,906,497	3,584,498	4,467,071	2,312,910	3,402,635	13,767,114	(1,139,383)	-8%	3,839,596				3,839,596	7%
Business And Industry	30,963,621	7,850,744	8,806,121	9,225,527	6,063,190	31,945,582	991,961	3%	8,938,648				8,938,648	14%
Food And Drugs	13,963,238	3,672,910	3,995,506	3,568,516	3,528,357	14,755,889	792,651	6%	3,686,449				3,686,449	0%
Fuel And Service Stations	22,172,770	6,228,074	5,811,540	5,266,691	5,344,030	22,650,335	477,565	2%	5,244,036				5,244,036	-16%
General Consumer Goods	58,082,011	14,285,355	14,983,574	17,183,398	14,290,278	60,742,605	2,660,593	5%	15,060,063				15,060,063	5%
Restaurants And Hotels	33,826,318	9,235,254	9,668,764	8,497,973	8,733,418	36,135,410	2,309,082	7%	9,512,474				9,512,474	3%
Transfers & Unidentified	82,034	42,212	(1,036)	(2,112)	(1,516)	37,448	(44,586)	-54%	125				125	-100%
Total Point of Sale	199,510,418	52,036,261	55,014,036	53,077,344	48,546,254	208,673,895	9,163,478	5%	53,999,889				53,999,889	4%
County Pool Allocations	23,542,348	6,201,421	5,985,806	6,793,468	5,933,515	24,919,210	1,376,862	6%	6,496,689				6,496,689	5%
State Pool Allocations	73,749	52,231	(19,802)	38,430	35,272	106,131	32,382	44%	37,645				37,645	-28%
Total (Net Collections)	223,126,514	58,289,912	60,980,041	59,909,242	54,520,041	233,699,236	10,572,722	5%	60,534,222				60,534,222	4%
Triple Flip Reduction	(55,781,829)	(14,572,478)	(15,245,010)	(14,977,310)	(13,630,010)	(58,424,809)	(2,643,180)	-5%	(15,133,556)				(15,133,556)	-4%
Total	167,344,686	43,717,434	45,735,031	44,931,931	40,890,031	175,274,427	7,929,541	5%	45,400,667				45,400,667	4%
Less: Cost of Administration	(2,150,344)	(680,438)	(594,465)	(578,168)	(561,390)	(2,314,460)	(164,116)	-8%	(639,828)				(639,828)	-10%
Balance	165,194,341	43,136,997	45,140,565	44,353,763	40,328,641	172,959,967	7,765,426	5%	44,760,838				44,760,838	4%
Sales & Use Tax Comp Fund*	53,381,930	0	0	28,719,280	28,719,280	57,438,561	4,056,631	8%	0	0	0	30,957,614	30,957,614	-N/A-
Grand Total	218,576,471	43,136,997	45,140,565	73,073,044	69,047,922	230,398,528	11,822,056	5%	44,760,838				44,760,838	4%
Budget														
Accrual Basis (60-day)	220,656,971					232,963,428								
Accrual Basis (90-day)	221,279,555					232,081,760								

*Beginning 2006-07, the State began deducting administrative costs on the 25% reimbursement.



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CITY OF GOTHAM
FY 2012-13 (ending June)
Mid-Year Sales and Use Tax Revenues Projection
(Cash Basis)

Agency Budget Estimate for FY 2012-13		
Sales Tax Net		8,737,500
Sales Tax In Lieu		2,912,500
Total Agency Budget Estimate		\$11,650,000

Total Payment From SBOE (Gross Before Triple Flip Deduction)		
Includes State and County Pools, Net of Admin Fee		
Current Quarter	4Q 2012	3,452,303
Previous Quarter	3Q 2012	3,353,313
2nd Previous Quarter	2Q 2012	3,280,649
3rd Previous Quarter	1Q 2012	3,430,514
Total Payments		13,516,780

Adjustments

<i>Economic Adjustments</i>		
Autos & Transportation (+7.5%)		98,900
Pools (+10.0%)		32,800
General Consumer Goods (+3.0%)		23,700
Restaurants & Hotels (+5.0%)		19,650
Building & Construction (+4.5%)		6,950
Fuel & Service Stations (-1.5%)		(4,050)
Business & Industry (+4.0%)		3,000
Food & Drugs (+2.0%)		2,250
Transfers & Unidentified (-100.0%)		536
Other Adjustments (see attached)		(20,010)
Total Adjustments		163,726

Subtotal Point-of-Sale (10.0% increase from FY 2011-12 actual)		13,680,506
Triple Flip Deduction		(3,453,655)
Net Point of Sale (75% Allocation)		10,226,851
Back Fill Payment		
Estimated FY 2012-13 SUTCF (Net of Admin)		3,182,289
FY 2011-12 True-Up Payment		162,778
Total Back Fill Payment		3,345,067

ESTIMATED FY 2012-13 SALES TAX REVENUES	\$13,571,918
Rounded to Nearest Thousand (46.0% increase from FY 2011-12 actual)	\$13,572,000
With Estimated 60-Day Accrual	13,843,000

<p>Note: 1. Gotham's half-cent Measure G transactions tax became effective April 1, 2013 and is estimated to generate an additional \$2,350,000 in the first year. Detailed calculations are contained in a separate attachment.</p> <p>2. Gotham's share of the half-cent Proposition 172 revenues are estimated at \$537,850.</p>

Other Adjustments

Ajax Power Plant Project - completed	(185,625)
Gotham Hospital Project equip.outlay	72,500
Air Fuel Resources - pending audit recovery	48,500
We Squeeze Finance refund - 1/12	38,525
Itty Bitty Italian Motors - new (1 qtr)	35,000
Bob's Saab - closeout	(33,250)
Ziroco Steel Wheels - pending audit recovery	18,500
Granny's Goodtime Grill - reopens April 1	15,000
Acme Meters one-time purchase - 1/12	(14,560)
Snide Johns Used Autos - closeout	(12,500)
City Share of County pool - onetime spike in 1/12	(9,950)
Forever 39 - new (2 Qtrs)	9,500
Ed's Hardware - closeout	(8,500)
Nancy's Natural Foods - new	6,850
Total Other Adjustments	<u>(20,010)</u>



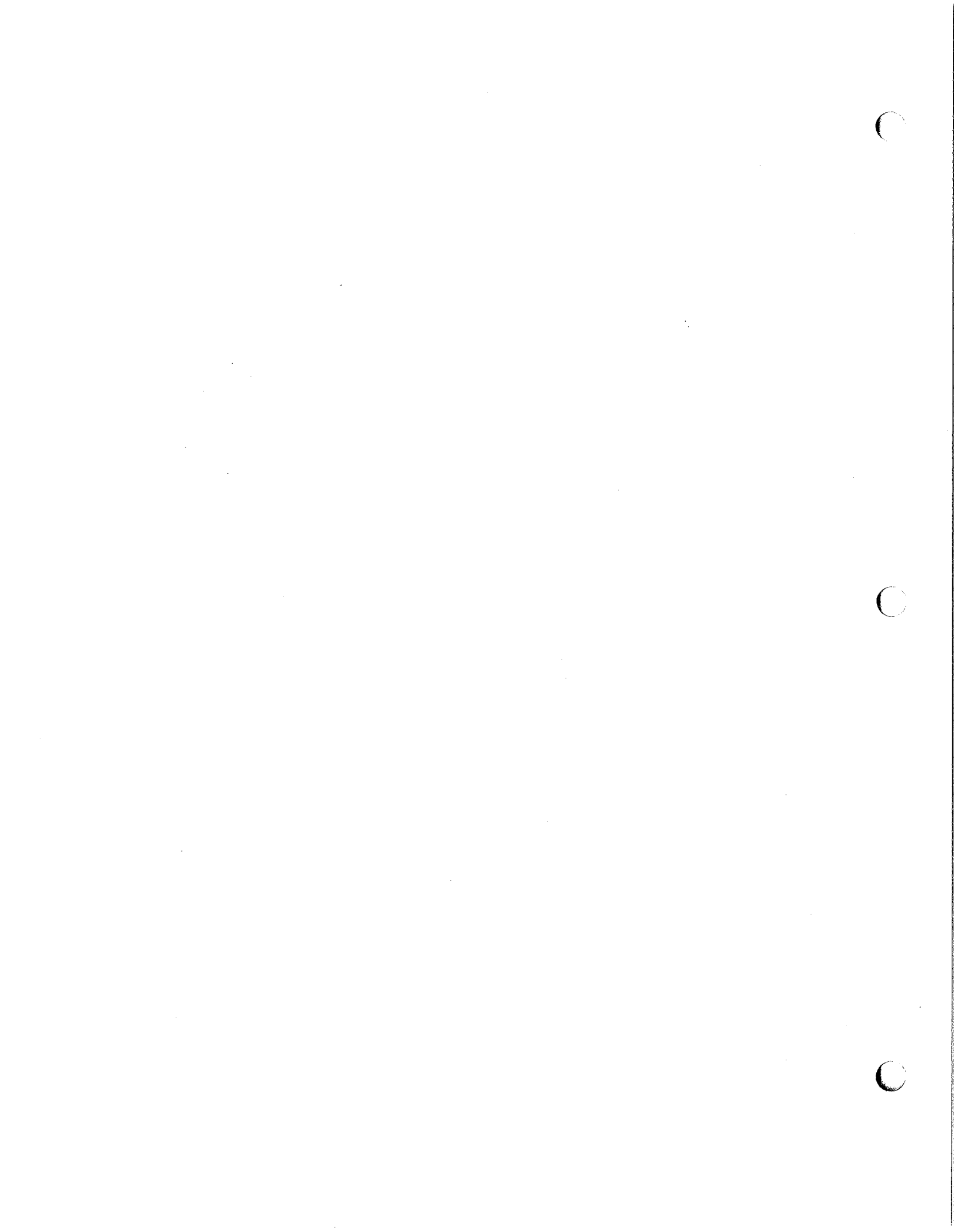
CITY OF GOTHAM

EXTENDED SALES AND USE TAX BUDGET ESTIMATE

Industry Group	Fiscal Yr 2012-13 Actuals		Fiscal Yr 2013-14		Fiscal Yr 2014-15		Fiscal Yr 2015-16		Fiscal Yr 2016-17		Fiscal Yr 2017-18		Fiscal Yr 2018-19	
	Actual Ctrs 2Q	Prior Ctrs 3Q - 1Q	Actual Ctrs	Total 4 Ctrs	Adjust	Projection %	Adjust	Projection %	Projection %	Projection %	Projection %	Projection %	Projection %	Projection %
Autos And Transportation	4,324,225	3,318,925	249,550	4,714,242	259,300	4,973,542	5.5%	5,197,351	4.5%	5,405,245	4.0%	5,621,455	4.0%	5,621,455
Building And Construction	524,311	385,137	23,100	540,918	29,750	570,688	5.5%	607,761	6.5%	632,072	4.0%	654,194	3.5%	654,194
Business And Industry	352,217	263,765	137,700	506,448	17,750	524,198	3.5%	542,544	3.5%	561,534	3.5%	581,187	3.5%	581,187
Food And Drugs	469,378	349,490	9,450	485,014	9,700	494,714	2.0%	504,608	2.0%	514,700	2.0%	524,984	2.0%	524,984
Fuel And Service Stations	1,056,770	776,585	15,800	1,050,576	0	1,050,576	0.0%	1,066,335	1.5%	1,082,330	1.5%	1,098,565	1.5%	1,098,565
General Consumer Goods	3,749,654	2,828,221	99,000	3,703,110	129,600	3,832,710	3.5%	3,947,691	3.0%	4,046,383	2.5%	4,127,311	2.0%	4,127,311
Restaurants And Hotels	1,581,362	1,178,377	84,475	1,676,286	75,450	1,751,736	4.5%	1,821,805	4.0%	1,885,568	3.5%	1,942,135	3.0%	1,942,135
Transfers & Unidentified	(693)	(693)	693	(17)	17	0	100.7%	0	0	0	0	0	0	0
State and County Pools	1,479,698	1,120,814	116,550	1,559,732	109,200	1,668,932	7.0%	1,794,102	7.5%	1,928,659	7.5%	2,044,379	6.0%	2,044,379
Total	13,536,921	10,222,611	736,318	14,236,308	630,767	14,867,075	4.4%	15,482,198	4.1%	16,056,492	3.7%	16,594,221	3.3%	16,594,221
Administration Cost	(137,268)	(103,607)		(139,387)	(139,387)	(139,387)	0.0%	(201,269)		(208,734)		(215,725)		(215,725)
Total	13,399,654	10,119,004	736,318	14,096,921	630,767	14,727,688	4.5%	15,280,929	3.8%	15,847,757	3.7%	16,378,496	3.3%	16,378,496
Triple Flip Deduction	(3,384,230)			(3,559,077)		(3,716,769)	-4.4%							
Estimated SUTCF	3,182,289			3,523,486		3,679,601	4.4%							
True-Up Payment	162,778			168,099		0	-100.0%							
Total	13,360,490	10,119,004	736,318	14,229,429	630,767	14,690,520	3.2%	15,482,198	5.4%	16,056,492	3.7%	16,594,221	3.3%	16,594,221

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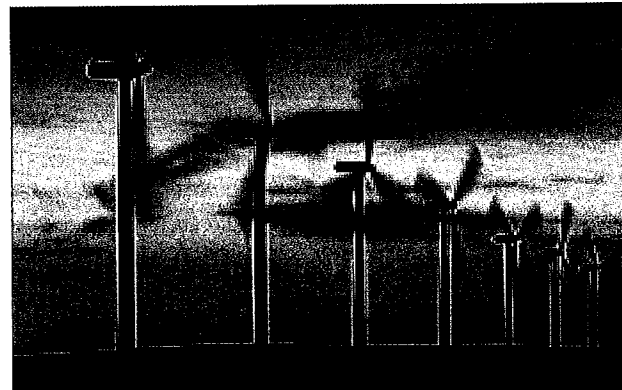
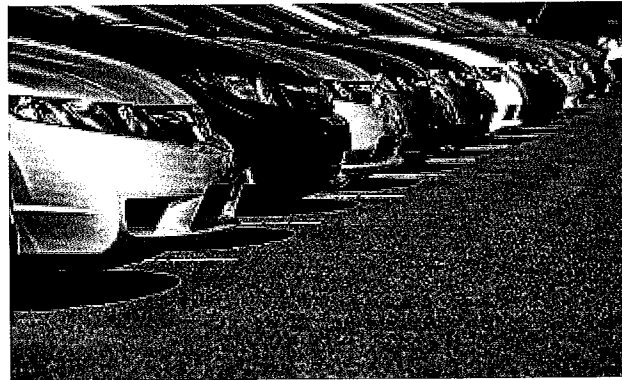
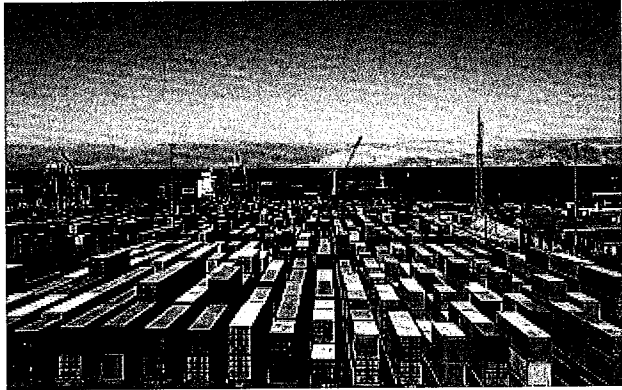
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October 2013

California Forecast: Sales Tax Trends and Economic Drivers

HdL provides relevant information and analyses on the economic forces affecting California's local government agencies. In addition, HdL's Revenue Enhancement Services and Software help clients to maximize revenues. HdL serves over 350 cities, counties and special districts in California and across the nation.



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California's allocation data trails actual sales activity by three to six months. HdL compensates for the lack of current information by reviewing the latest reports, statistics and perspectives from fifty or more economists, analysts and trade associations to reach a consensus on probable trends for coming quarters. The forecast is used to help project revenues based on statewide formulas and for reference in tailoring sales tax estimates appropriate to each client's specific demographics, tax base and regional trends.



"Good information leads to good decisions."



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Beacon Economics, LLC has proven to be one of the most thorough and accurate, economic research/analytical forecasters in the country. Their evaluation of the key drivers impacting local economies and tax revenues provides additional perspective to HdL's quarterly consensus updates. The collaboration and sharing of information between Beacon Economics and HdL helps both companies enhance the accuracy of the work that they perform for their respective clients.



CITY OF SAN DIEGO

Sales and Use Tax Compensation Fund Allocation 2013-14 (Triple Flip)

Final Adjustment for 2012-13

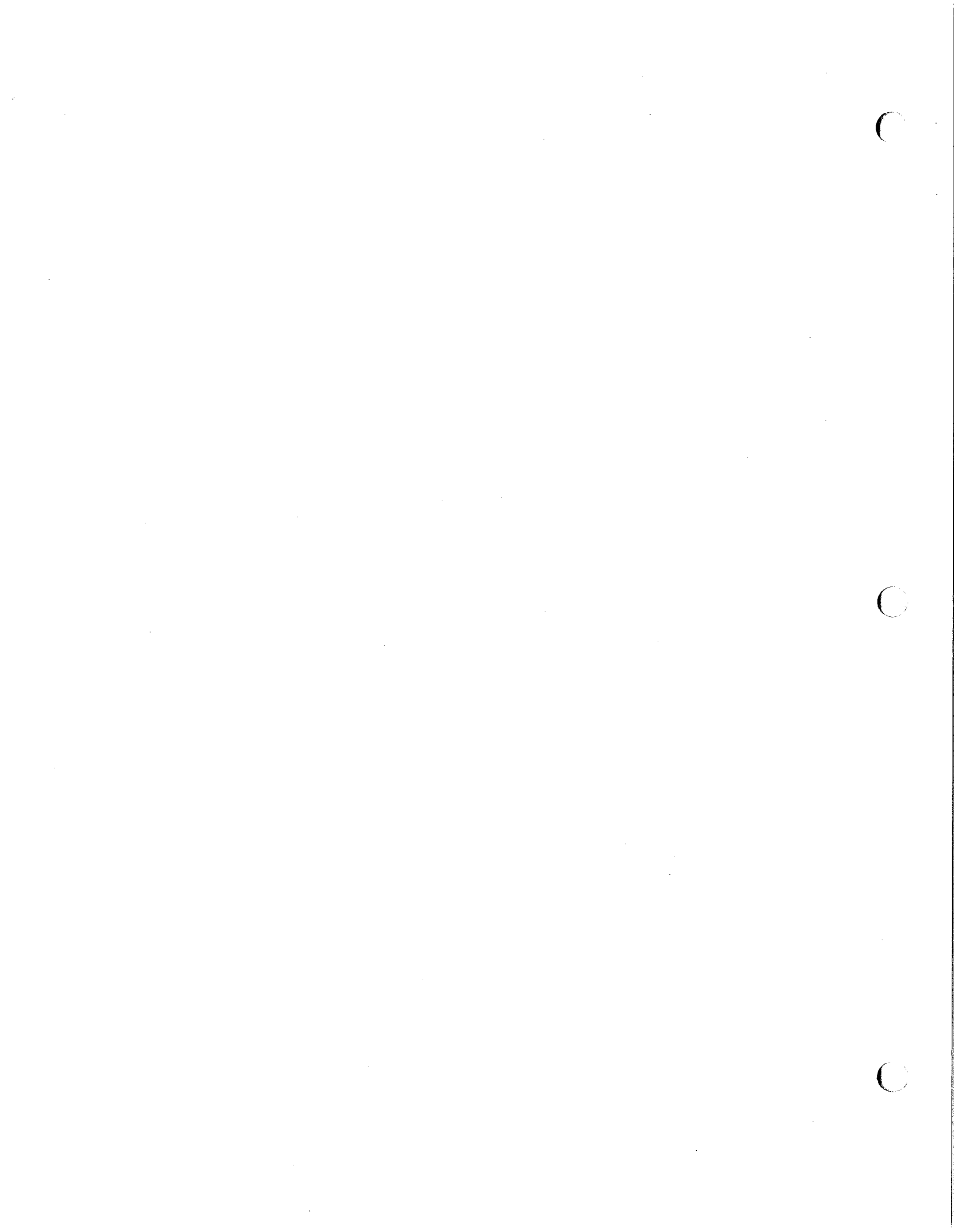
	2012-13 Estimated *	2012-13 Actual	Adjustment From Estimate
Revenue Loss	—	\$58,424,809.04	
Admin Fee	—	(\$565,142.35)	
	<u>\$55,377,479.00 *</u>	<u>\$57,859,666.69</u>	<u>\$2,482,187.69</u>

Estimated Adjustment for 2013-14

	2013-14 Estimated SUTCF	2012-13 Adjustment	2013-14 Net Adjustment
	\$59,433,041.00 *	\$2,482,187.69	<u>\$61,915,228.69</u>

* The administrative fee on the 25% of 1% has already been deducted from the estimate.

Source: State of California Department of Finance



Q1



City of Oakland Sales Tax Update

Second Quarter Receipts for First Quarter Sales (January - March 2013)

Oakland In Brief

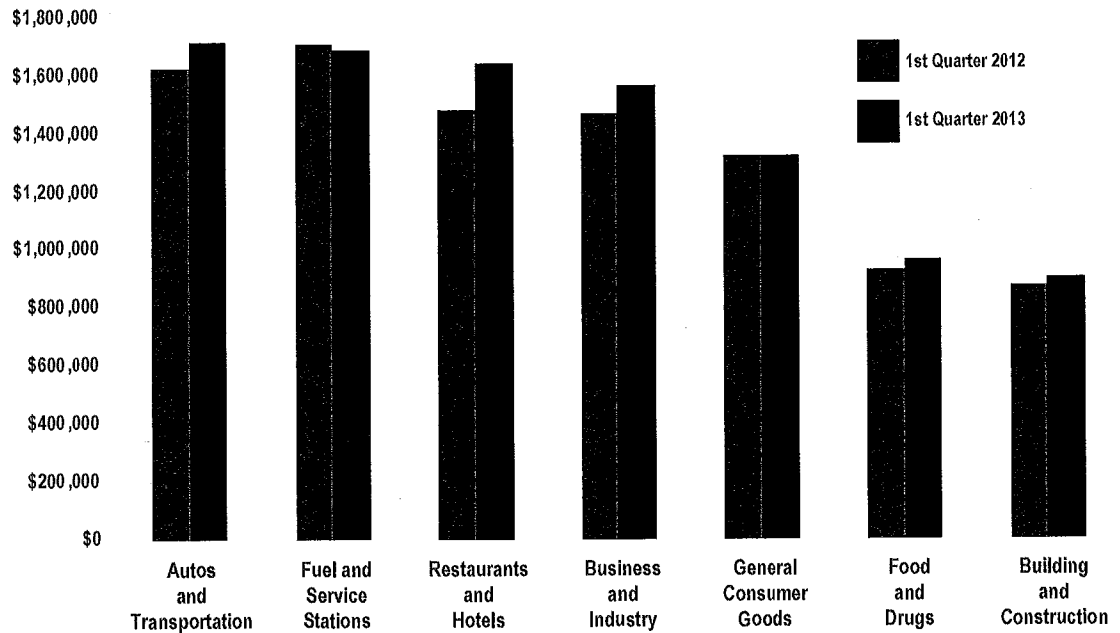
Gross receipts for Oakland's first quarter sales were 2.9% higher than the same period one year ago. Actual sales activity increased 3.9% when accounting anomalies were excluded.

Recent additions contributed to gains from multiple categories of eateries although payment deviated inflated postings from both restaurants liquor and those with no alcohol. Sales increased from grocery-liquor, light industrial/ printers, and automotive supply. Accounting aberrations that affected one or both quarters understated increases from new motor vehicle dealers, lumber/building materials and the consumer goods group, but overstated results from the business and industry group.

Postings declined from jet fuel and several classifications of business to business transactions, notably including electrical equipment, office supplies/furniture, business services and the heavy industrial group where a closeout was a factor. Point of sale gains were also partially offset by the smaller allocation from the countywide use tax pool.

Net of onetime reporting events, sales and use tax receipts for all of Alameda County rose 6.7% over the same time period; the Bay Area as a whole was up 6.6%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

In Alphabetical Order

Audi Mazda of Oakland	Honda of Oakland
Best Buy	Mercedes Benz of Oakland
Broadway Volkswagen	Oakland Coliseum
Chevron	One Source Supply Solutions
Coliseum Lexus	One Toyota of Oakland
Downtown Saab	Rainin Instrument
Subaru Toyota	Safeway
East Bay Restaurant Supply	Shell/Texaco
Economy Lumber	Southwest Jet Fuel
Enterprise Commercial Truck	Target
Give Something Back	Walgreens
Harvey Clars Estate Auction	Walmart
Home Depot	Westside Building Material

REVENUE COMPARISON

Four Quarters – Fiscal Year To Date

	2011-12	2012-13
Point-of-Sale	\$40,200,443	\$41,330,760
County Pool	5,634,878	6,067,991
State Pool	15,338	21,687
Gross Receipts	\$45,850,658	\$47,420,438
Cty/Cnty Share	(2,292,533)	(2,371,022)
Net Receipts	\$43,558,125	\$45,049,416
Less Triple Flip*	\$(10,889,531)	\$(11,262,354)

*Reimbursed from county compensation fund

California Overall

After adjusting for payment aberrations, statewide sales tax receipts for January through March sales were 6.5% higher than the same period in 2012.

Strong sales for apparel, department stores and big box discounters lifted general consumer goods and accounted for 23% of the statewide increase. Improvements in the housing sector pushed building and construction sales up 8.6%. Continued robust sales of new automobiles led to a 9.3% increase over the comparable quarter. Reduced consumption combined with lower gasoline prices cut fuel and service station returns in the first quarter by 2.7%.

Energy Projects Boost Business and Industry Gains

Taxes from construction of solar, wind, biomass and geothermal power projects accounted for 39% of California's business-to-business sales this quarter and produced significant windfalls for a handful of local agencies.

This temporary boost in revenues came from the federal government's goal of doubling the nation's renewable energy production in three years and from California's SB 2X which was signed in April of 2011 and calls for 33% of all retail electricity sales to be from renewable energy sources by 2020. Joint federal and state funding efforts to meet these goals have resulted in the initiation of more than a dozen utility-scale solar energy projects and over 130 renewable power plant projects in California.

Intermittent quarterly spikes in sales and use tax receipts from projects under construction or in the pipeline are expected for another two years.

Decline in Fuel Consumption Continues

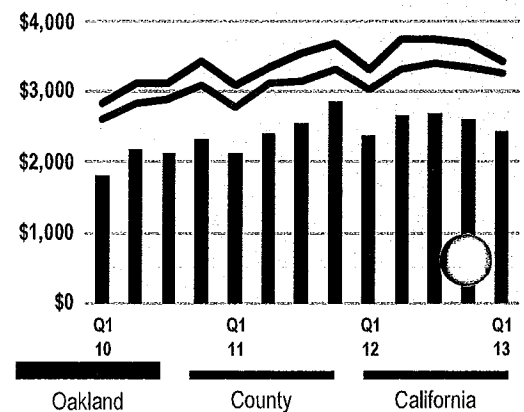
According to the most recent data from the State Board of Equalization, California's gasoline usage fell 1.7% while diesel consumption eased 0.4% in the fourth quarter of 2012 from 2011 levels. This continues a decline that began in 2005 and which is almost twice the nationwide drop.

Historically, economic conditions have been the primary driver in fuel usage, however other factors are becoming increasingly prevalent. Nationally, total vehicle miles traveled have dropped eight years in a row as aging drivers travel fewer miles and the millennial generation, focused on social networking technology, is driving less than previous generations. Increased fuel efficiency is also at play with the average new car achieving 16% more miles per gallon than just five years ago and some

commercial trucking fleets shifting to natural gas.

Until recently, price increases have offset consumption declines. The price gains were partly the result of California refineries exporting their finished product to emerging economies with higher demand and also by periodic refinery and transmission interruptions in the state's limited production infrastructure.

SALES PER CAPITA

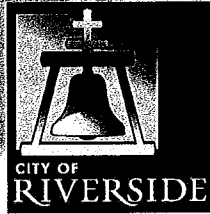


OAKLAND TOP 15 BUSINESS TYPES

Business Type	Oakland		County	HdL State
	Q1 '13*	Change	Change	Change
Automotive Supply Stores	223.4	16.2%	10.2%	5.1%
Contractors	253.0	0.7%	1.5%	5.8%
Discount Dept Stores	— CONFIDENTIAL —		4.2%	5.1%
Electrical Equipment	303.6	-4.6%	15.8%	4.5%
Grocery Stores Liquor	355.5	6.0%	5.7%	24.7%
Light Industrial/Printers	304.8	21.4%	6.8%	7.3%
Lumber/Building Materials	394.8	4.5%	8.7%	7.1%
New Motor Vehicle Dealers	938.7	3.6%	9.6%	9.5%
Petroleum Prod/Equipment	446.1	-4.5%	-4.1%	-3.4%
Restaurants Beer And Wine	248.2	10.0%	-0.2%	-2.7%
Restaurants Liquor	563.0	13.0%	8.4%	7.1%
Restaurants No Alcohol	626.6	11.4%	7.1%	5.9%
Service Stations	1,238.6	-0.1%	0.1%	-2.2%
Specialty Stores	243.2	1.4%	5.8%	2.8%
Transportation/Rentals	264.7	-1.3%	12.3%	13.9%
Total All Accounts	\$9,795.2	4.1%	5.3%	5.7%
County & State Pool Allocation	1,397.8	-4.6%		
Gross Receipts	\$11,193.0	2.9%		
City/County Share	(559.6)	-2.9%		
Net Receipts	\$10,633.3	2.9%		

*In thousands

Q2



City of Riverside Sales Tax Update

Third Quarter Receipts for Second Quarter Sales (April - June 2013)

Riverside In Brief

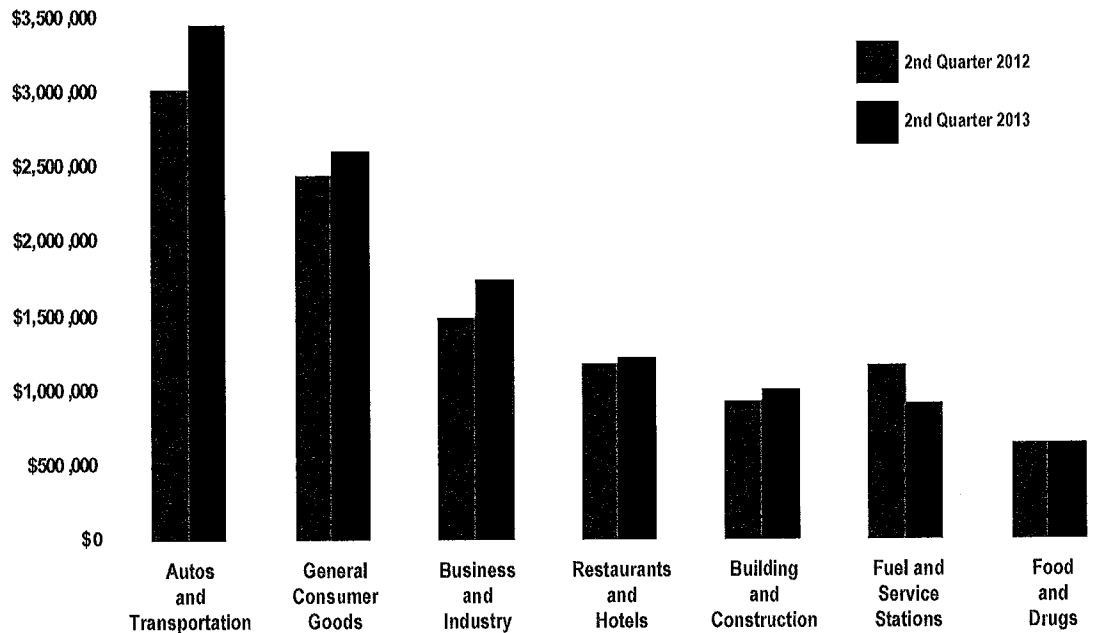
Receipts from second quarter sales were 5.1% higher than a year ago. There were various offsetting accounting adjustments that had little effect on the year-over-year sales comparison.

Most industry groups were up but autos and transportation, business and industry and general consumer goods categories excelled. Continued strong sales and leases of new autos and sales of used cars drove up autos and transportation receipts. Retroactive payment adjustments in the drugs/chemicals and transportation –non-auto group inflated business and industry gains. Similar adjustments boosted general consumer goods totals. Increases in several business classifications in the building and construction sector showed that construction activities continue to gain momentum. Though up in part due to new business additions, restaurants as a group appeared to lag countywide and statewide trends. But restaurant results were similar to other areas of the region and state once reporting aberrations were factored out.

Temporary allocation errors that bolstered year-ago results exaggerated the drop in the fuel and service station classification.

Excluding temporary accounting adjustments, all of Riverside County was up 7.3%; statewide sales grew 5.4%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

In Alphabetical Order

Acura of Riverside	Johnson Truck Centers
Best Buy	Lexus Riverside
BMW Riverside	Nordstrom
Carmax	Raceway Nissan
Champion Lumber	Riverside Chevrolet
Chevron	Riverside Honda
Consolidated Electrical Distributors	Riverside Mazda
Fritts Ford	Sams Club
Goodrich Aerospace	Stater Bros
Herbalife	Target
Home Depot	Toyota of Riverside
J A Moss	Walmart
	Walters Auto Sales

REVENUE COMPARISON

Four Quarters – Fiscal Year To Date

	2011-12	2012-13
Point-of-Sale	\$41,773,490	\$44,353,952
County Pool	4,872,285	4,591,972
State Pool	32,009	19,635
Gross Receipts	\$46,677,785	\$48,965,560
Less Triple Flip*	\$(11,669,446)	\$(12,241,390)

*Reimbursed from county compensation fund

State Overall

Adjusted for accounting anomalies, receipts from local governments' one cent sales and use tax were up 5.4% over the second quarter of 2012.

More than half of the increase was driven by a strong quarter for auto sales plus new revenues flowing to the countywide use tax allocation pools largely as result of the previous passage of AB 155's expanded definition of nexus for out-of-state companies required to collect California sales and use taxes.

Receipts from the building and construction categories exhibited significant gains reflecting the beginning of a recovery in new housing construction and considerable remodeling activity. Restaurant sales were also strong but limited to low priced quick service chains and higher priced fine dining restaurants with full liquor licenses.

Gains from general consumer goods were modest overall and tended to be retailer and community specific. Tax revenues from fuel were down from last year's comparable quarter while receipts from business and industrial purchases were flat with the few increases in that group primarily tied to agriculture and food processing.

The Remaining Fiscal Year

The general consensus is that the state's economy will continue to recover in 2013-14 but sales tax growth may be more modest in the second half of the fiscal year than the first half.

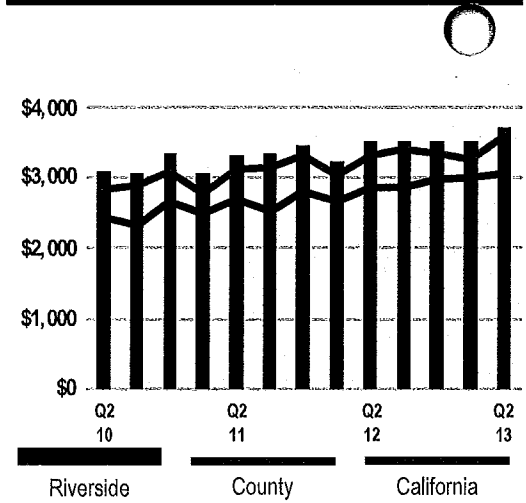
Auto sales which have been up by double digits from years of pent-up demand are expected to plateau in another quarter or two with the pace of growth returning to more normal levels. With consumers taking on more debt to purchase new cars and homes, discretion-

ary spending on other items is expected to slow. Low inflation, price competition and a job recovery tilted toward low paying or part-time work will also keep the cost of taxable goods in check.

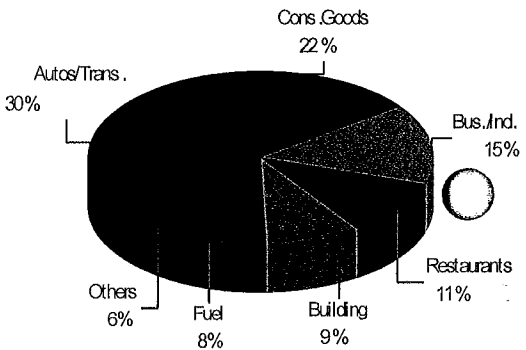
The six year boom in the state's technology sector appears to be slowing with companies shifting from buying their own hardware and software to renting computer power through cloud based services. Gas prices will continue to be impacted by refinery shutdowns, Middle East crises and oil speculators. However with today's new cars almost 20% more fuel efficient than those sold only six years ago, further tax gains from this segment are not anticipated.

Continued recovery in construction activity is expected to generate a major share of sales tax growth in the second half of the fiscal year. With rising home and stock market values benefiting higher income families, luxury goods in all categories are also projected to show solid gains.

SALES PER CAPITA



REVENUE BY BUSINESS GROUP
Riverside This Quarter



RIVERSIDE TOP 15 BUSINESS TYPES

Business Type	Riverside		County	HdL State
	Q2 '13*	Change	Change	Change
Auto Lease	222.8	24.6%	25.0%	13.6%
Department Stores	334.8	-1.7%	-1.5%	0.2%
Discount Dept Stores	708.2	5.5%	1.7%	2.3%
Drugs/Chemicals	205.3	170.3%	14.3%	8.7%
Electronics/Appliance Stores	324.6	11.0%	10.6%	3.9%
Family Apparel	218.4	2.5%	1.1%	4.7%
Grocery Stores Liquor	365.4	2.6%	3.4%	2.7%
Light Industrial/Printers	209.4	-24.6%	11.9%	9.7%
Lumber/Building Materials	566.4	12.4%	-9.1%	-4.6%
New Motor Vehicle Dealers	2,300.9	15.0%	14.8%	11.1%
Restaurants Liquor	343.8	7.1%	11.4%	9.8%
Restaurants No Alcohol	712.4	2.5%	4.8%	5.9%
Service Stations	906.7	-21.4%	-6.4%	-5.7%
Specialty Stores	236.5	-2.1%	0.4%	5.3%
Used Automotive Dealers	346.5	7.0%	12.0%	9.4%
Total All Accounts	\$11,619.1	6.6%	7.1%	7.0%
County & State Pool Allocation	1,215.4	-7.0%		
Gross Receipts	\$12,834.4	5.1%		<i>*In thousands</i>

Geo Area Names

Sales Tax by Geographic areas

- Carmel Mountain Plaza**
Count: 117

- Fashion Valley**
Count: 229

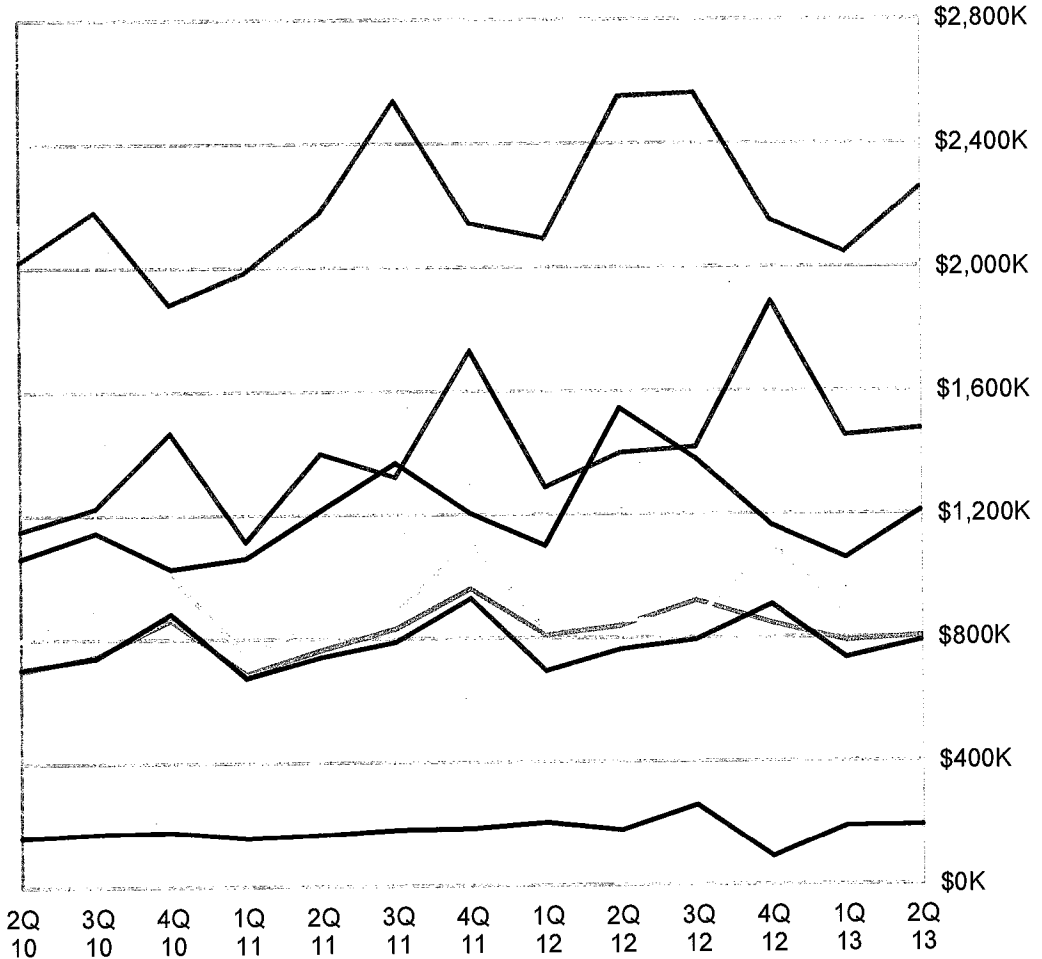
- San Diego - Port Study**
Count: 1,460

- University Towne Center**
Count: 224

- Mission Valley Center**
Count: 155

- San Diego International Airprt**
Count: 91

- Genessee Plaza**
Count: 37



* Periods Shown Reflect the Period in Which the Sales Occurred - Point of Sale

SAN DIEGO COUNTY ALL AGENCIES

SALES TAX TRENDS FOR ALL AGENCIES - 2Q 2013 SALES

Agency allocations reflect "point of sale" receipts

Agency Name	Count	Current Year 2Q 2013	Prior Year 2Q 2012	Share of County Pool	Actual Receipts % Change	Adjusted* % Change
Del Mar	1,760	494,435	415,625	0.4%	+ 19.0%	+ 14.4%
Coronado	648	641,521	602,914	0.6%	+ 6.4%	+ 11.9%
Santee	1,427	1,975,887	1,865,731	1.8%	+ 5.9%	+ 10.2%
Lemon Grove	588	947,268	872,470	0.8%	+ 8.6%	+ 9.5%
Oceanside	4,919	4,314,525	4,096,306	3.9%	+ 5.3%	+ 9.3%
Vista	2,793	3,446,230	3,351,525	3.1%	+ 2.8%	+ 7.8%
National City	2,083	3,422,336	3,213,878	3.1%	+ 6.5%	+ 7.3%
El Cajon	2,865	4,967,403	4,653,303	4.4%	+ 6.8%	+ 6.9%
San Diego Co. Uninc	13,275	5,713,228	5,610,572	5.1%	+ 1.8%	+ 6.2%
Carlsbad	4,653	6,730,966	6,076,707	6.0%	+ 10.8%	+ 5.9%
San Marcos	2,510	3,438,262	3,281,847	3.1%	+ 4.8%	+ 4.5%
Chula Vista	4,921	6,363,710	6,356,665	5.7%	+ 0.1%	+ 4.2%
Escondido	4,585	6,939,504	6,797,991	6.2%	+ 2.1%	+ 3.6%
San Diego	43,784	53,999,889	52,036,261	48.3%	+ 3.8%	+ 3.4%
Imperial Beach	424	199,226	221,300	0.2%	- 10.0%	+ 2.5%
La Mesa	1,921	2,472,353	2,436,552	2.2%	+ 1.5%	+ 1.8%
Encinitas	3,091	2,629,184	2,604,893	2.3%	+ 0.9%	+ 1.2%
Poway	1,694	2,601,951	2,570,733	2.3%	+ 1.2%	+ 0.3%
Solana Beach	928	608,979	656,254	0.5%	- 7.2%	- 7.0%
Totals	98,869	111,906,857	107,721,529	100.0%	+ 3.9%	+ 4.4%
San Diego Pool	18,780	13,463,436	12,837,712		+ 4.9%	+ 12.4%

YEAR END SUMMARY – SALES TAX RELATED ISSUES

The 2012 legislative session ended with few new sales tax related changes as the state's budget crisis contained the legislature's usual enthusiasm for granting more and more exemptions.

For 2013, the unanticipated super majorities that November's election produced in both the Senate and Assembly are expected to produce significant numbers of tax related issues in the new legislative session. There are already proposals to reduce the threshold for voter approval of local tax taxes. SCA 4 (Liu) would decrease the threshold on transportation projects from 2/3 thirds to 55%, SCA 3(Leno) would similarly reduce the threshold on school parcel tax proposals and SCA 7 (Wolk), the same reduction for approval of new library bonds. Senator Corbett has also introduced SCA 9 which would provide for the levying of special sales or property taxes to fund community and economic development projects if approved by 55% of the voters. Proposals for a split roll property tax are also likely.

Several bills to replace redevelopment are expected but unlikely to be approved at least in the coming year. Senator Steinberg has reintroduced his previous proposal through SB 1 to allow a county and city to create Sustainable Communities Investment Authorities that would carry out functions similar to the previous RDAs. Senator Wolk has also reintroduced her previous proposal now under SB 33, to allow the establishment of Infrastructure Financing Districts for public works and transportation related projects. However, many observers believe that the Governor will not support new measures until his first priority of reducing the state's debt and the implementation of healthcare reform, water sufficiency and high speed rail are addressed.

The following is a summary of sales tax related bills that did get approved and chaptered in the 2012 legislative session plus updates on relevant issues and litigation.

SALES TAX BILLS THAT WERE APPROVED

SB 1128 (Padilla)

This expands the tax exemptions that the California Alternative Energy and Advanced Transportation Authority (CAEATFA) can grant to include "advanced manufacturing projects and advanced transportation technologies." Which projects qualify under this new provision will be defined by CAEATFA which has indicated that it is developing an implementation plan. The amount of new exemptions that can be granted under this bill is capped at \$100 million per year.

SB 1243 (Lowenthal)

The previous sunset of January 1, 2012 for the exemption of bunker fuel from sales tax is now extended to January 1, 2024.

SB 1485 (Kehoe)

This clarifies that motor vehicle fuel purchased for blending with other fuels is exempt as long as sales or use tax is collected for the subsequent product into which the fuel was blended.

AB 216 (Ma)

A state audit concluded that up to \$67 million per year in tax revenues was being lost from individuals improperly using salvage vehicle certificates to under report the value of vehicles that they fixed and resold or escaped paying sales tax altogether. This new provision attempts to contain the problem by restricting tax exempt sales of salvaged vehicles to holders of approved resale permits.

AB 1126 (Calderon)

Clarifies that proposals to increase local sales and use tax rates through a Transactions and Use Tax District can be in increments of 1/8%.

AB 2323 (Perea)

This bill requires the Board of Equalization to issue written opinions on decisions that involved disputes totaling the payment or allocation of \$500,000 or more. The bill's author was concerned that the decline in the number of written opinions issued by the Board in recent years was leading to a lack of transparency.

VETOED - REQUEST TO STUDY EXTENDING SALES TAX TO SERVICES

Most discussions and analyses of California's tax structure commonly note the narrowness of the basket of goods on which the state levies sales tax and the desirability of expanding the base to reflect this century's service economy while reducing the high tax rate that results from an extremely narrow base. AB 1963 (Huber) directed the Legislative Analyst to prepare an analysis. The Governor's veto message noted that the legislation was unnecessary as the legislature already has the authority to request such a study. There is no public record of a subsequent request. Assembly Member Huber has since been termed out.

INTERNET TAXATION

California's 2011 legislation AB 155 became effective September 15th of this year. The bill narrowly expanded the definition of a taxable nexus to include remote sellers with annual statewide sales of \$1 million or more who have in-state affiliates that provide services in connection with the remote seller's sales if the sales from those specific services exceed \$10,000 per year. Some out-of-state retailers have indicated that they will be dropping their affiliates to avoid the tax. It will also take some time for the state to fully staff for enforcement and compliance. Initially, the anticipated local revenues via the county allocation pools are not expected to generate annual revenues exceeding \$0.25 per capita.

At the federal level, support for legislation to overturn 1992's Quill Corp. vs. North Dakota decision is building with a coalition of retail groups including the National Retail Federation and even Amazon, pushing Congress to level the playing field for all retailers and provide national uniformity in processing taxes from on-line sales. During this session, the broadest support appeared to be for the Marketplace Fairness Act (S. 1832) sponsored by Senators Durbin (D-Ill.), Enzi (R-Wyo) and Alexander (R-Tenn.). It would authorize states to require out-of-state sellers to collect the tax if the state is a member of the Streamlined Sales and Use Tax Agreement (SSUTA) or if they adopt a uniform tax structure and process for filing returns. An attempt to get the bill on the floor by including it as an amendment to the National

Defense Authorization Act recently failed and there was not enough time to attach it to something else. Senator Durbin has indicated that he will reintroduce next session.

SALES TAX RELATED LITIGATION

City of Alameda et. al. v. BOE (San Francisco Court Cases 509231, 509232, 509234). This is a consolidation of several cases where the petitioners contend that the BOE incorrectly interprets the California Uniform Commercial Code to allocate use tax from out-of-state deliveries through the countywide allocation pools. A judgment was entered on Sept. 18th denying the request for retroactive allocations but finding that in the future, sales tax should go to the in-state jurisdiction where the order was taken regardless of whether the merchandise was inventoried and shipped from out-of-state. The case is now under appeal.

Nortel Networks Inc. v. BOE (2011) 191 Cal. App 4th 1259 and Microsoft v. Franchise Tax Board (2012) Case No. A131964. California requires that sales or use tax be paid for pre-written (canned) software if it is delivered by a physical media such as a CD. Custom software, licensing agreements to use software under a technology transfer agreement involving patents and copyrights, and software delivered electronically are not subject to sales tax. These two cases rule that technology transfer agreements are not taxable, tangible personal property *regardless* of whether the software is custom or pre-written. Sales tax from mass marketed, off-the-shelf software will not be impacted as retailers do not normally hold copyright or patent rights. The impact on the amounts of sales and use tax currently being generated by major industrial and manufacturer software users could be significant but has yet to be determined. The BOE will be discussing how to proceed at their meeting in January.

City of Alhambra v. County of Los Angeles (Case No. S185457). The court ruled that Counties may not include property tax revenues diverted from the Educational Revenue Augmentation Fund to backfill the VLF and Triple Flip swaps in their calculation of the city's share of the cost of collecting and administering property tax. Some counties have already begun reimbursing cities for the extra property tax fees charged during the last six years. Others are contesting whether retroactive payments are required while Los Angeles County has petitioned the court for a rehearing on the entire decision. The court has until February 15, 2013 to decide L.A. County's request to reopen and reconsider. The Triple Flip is currently scheduled to expire in 2016-17.

INCREASED SALES TAX RATES

Proposition 30 increased the state's sales tax by ¼ cent for a four year period beginning January 1, 2013 bringing the statewide basic rate to 7.50%.

Local governments also have the authority to seek voter approval to increase their sales tax rate through the formation of an "add-on" transactions and use tax district. As with other taxes, the district must obtain a majority vote if for general purposes and a two-thirds vote for special purposes.

Nine cities placed proposals for new districts in June and 25 more in November. Proposals ranged from increases of 1/8% to 1.0%. All but four of the 34 city proposals passed. Additionally, 11 counties had proposals to either add a new tax or extend an existing tax during the two elections. Seven of the 11 countywide measures also passed. More of the county measures required a two-thirds voter approval

which may account for the lower passage rate. Taken together, 87% of all measures requiring only a majority approval passed while only half of those requiring a two-thirds approval did so.

This brings the total number of city transactions tax and use districts to 126 and number of countywide districts to 43. Additional measures are expected to be on the March ballot.

DIRECT PAYMENT PERMITS

We have had a number of recent questions from newly appointed agency staff regarding the use of direct payment permits to recover use tax paid on purchases of goods from out-of-state inventories.

The local share of use tax on out-of-state purchases exceeding \$500,000 is allocated to the jurisdiction of first functional use. Local use tax on purchases under \$500,000 is pooled and shared by all jurisdictions in the county of delivery based on each jurisdiction's pro rata share of taxable sales.

HdL monitors out-of-state purchases that exceed \$500,000 to insure that the local tax revenues are properly allocated. If we determine there has been an allocation error, we will submit a petition to the Board of Equalization (BOE) and pursue a reallocation. However, providing us with advance notice of qualifying purchases that exceed \$500,000 can streamline the process and expedite receipt of local tax revenues to your jurisdiction.

We further encourage jurisdictions with significant ongoing, out-of-state purchases that are *under* \$500,000 to self-assess their use tax through the direct payment permit process. The direct payment permit allows you to recover 100% of the local use tax that your agency pays on its purchase by authorizing your agency to issue a certificate exempting the vendor from paying the tax and instead, directly reporting the tax to the State Board of Equalization on your jurisdiction's sales and use tax return. Self-reporting of the use tax effectively makes your jurisdiction the "point of sale."

If your agency does not currently have a direct payment permit, you may obtain one by submitting BOE Form-400-DP which can be downloaded at: <http://www.boe.ca.gov/cgl-bin/forms.cgi>. Your jurisdiction must have an existing California seller's permit or a use tax permit and the BOE requires that you include your permit number on your direct payment permit application. The regulation describing the process can be found at: <http://www.boe.ca.gov/lawguides/business/current/btlg/vol1/sutr/1699-5.html>. The BOE staff member responsible for issuing direct payment permits is Steve Morgan. He can be reached at 916.322.9463.

For more information on how to maximize use tax revenues or inform local businesses in your community about direct payment permits, click on these links: [Maximizing Use Tax](#) and [HdL's Use Tax Direct Payment Permits](#) or contact us at 909.861.4335.



HeadLines



Our HeadLines e-news service provides HdL clients with the most up-to-date information on trends affecting California's economy and is meant to provide you with insight and support in your budget preparation and economic planning.

IN THIS ISSUE:

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- [Amazon Fresh Begins Orange County Service](#)
- [Tight Budgets Don't Mean Millennials Won't Pony Up For iPhones And Chipotle](#)
- [Wal-Mart, Target Roll Out Smaller Store Formats to Battle with Drug Store Rivals](#)
- [Consumers Turning to Their Smartphones, Tablets for Specific Retail Activities](#)

Wal-Mart Opens Largest Online Fulfillment Center

Wal-Mart Stores unveiled its largest ever warehouse dedicated to filling online orders last week as the world's biggest retailer steps up competition with web rival Amazon.com. The warehouse, based in Bethlehem, Pa., will be more than 1 million square feet and employ over 350 full-time staff when it opens in the first quarter of 2014. [Read More](#)

Amazon Fresh Begins Orange County Service

Some people in Orange County no longer have to wear pants while grocery shopping, as AmazonFresh, Amazon's home grocery delivery service, is now active in parts of the county. AmazonFresh debuted in Los Angeles earlier this summer and has been operating in the Seattle metro since 2007. Parts of Orange County eligible for service include Anaheim, Huntington Beach, Irvine and Newport Beach. Parts of Long Beach also have access to the program, which is currently being run out of a San Bernardino fulfillment center, according to Amazon. [Read More](#)

Tight Budgets Don't Mean Millennials Won't Pony Up For iPhones And Chipotle

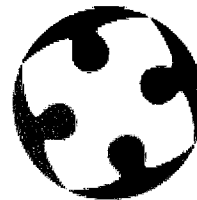
Things haven't been easy for millennials. More are enrolling in college, but just 63% are employed and a third are living at home with parents, according to a Pew Report released earlier this year. Budgets may be tight, but at more than 80 million strong and spending \$1 trillion annually in aggregate, millennials are still a powerful buying force, at least in three specific areas: technology, apparel and food. [Read More](#)

Wal-Mart, Target Roll Out Smaller Store Formats to Battle with Drug Store Rivals

The latest growth strategy at Wal-Mart stores is to get bigger by getting smaller. After building the world's largest retail platform by opening superstores in every major U.S. market, Wal-Mart is doubling down on a strategy of opening new stores that are a fraction of the chain's traditional size, targeting densely populated urban areas where demographics increasingly show more people prefer to work and live. [Read More](#)

Consumers Turning to Their Smartphones, Tablets for Specific Retail Activities

When it comes to consumers' love of all things digital, using tablets and smartphones to interact with retailers is high on their list. According to a report produced in partnership with comScore and The Partnering Group, in June 2013, more than half (55%) of all retail related Internet time originated on smartphones and tablet devices combined, compared with just 45 percent originating from desktop devices. [Read More](#)



Prepared for you by

[HdL Companies](#)

- Sales and Use Tax
- Property Tax
- Software Solutions

HdL provides relevant information and analysis on the economic forces affecting local government agencies. We serve over 355 cities, counties and districts in

By The Numbers

Percent of change from one year ago.

CALIFORNIA DATA

Ports (August):

Containers

California and across the nation. Our allocation audits and software help our clients maximize their revenues.

We Deliver Revenue, Insight and Efficiency to Local Government.

ARCHIVE

To view past issues of HeadLines, click the link below.

[Vol. 3 Issue 14 July 31, 2013](#)

[Vol. 3 Issue 15 August 15, 2013](#)

[Vol. 3 Issue 16 August 27, 2013](#)

[Vol. 3 Issue 17 September 11, 2013](#)

[Vol. 3 Issue 18 September 26, 2013](#)

Imported ↑ **7.36%**

Exported ↑ **6.59%**

Major Airport Traffic (August):

Passengers

Domestic ↑ **1.04%**

International ↑ **6.59%**

Unemployment Rate:

August 2013 **8.9%**

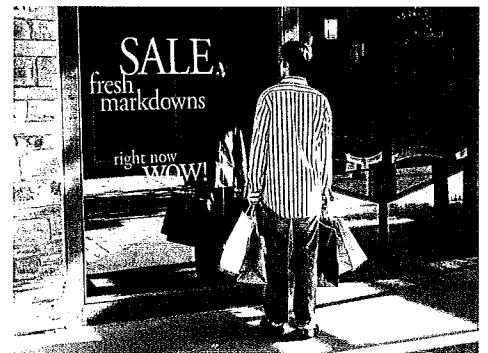
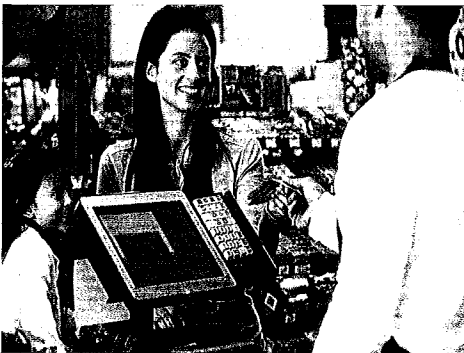
August 2012 **10.4%**



2013-2014 California Retail Analytics

Expanding Retailers

Published: April 2013



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HdL is dedicated to providing accurate data, expert analysis and innovative software solutions that facilitate local government operations and decisions. HdL's allocation audits and software help clients to maximize revenues. HdL serves over 355 cities, counties and special districts in California and across the nation.

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APPENDIX 2

Sample Property Tax Reports

Reports in the portfolio of deliverables include but are not limited to:

Roll Summary Graph

Displays by value type (land, improvements, personal property, and exemptions) the value deviations between the current tax year and each of the prior 5 tax years. The lower portion of the graph identifies the total assessed value and net taxable assessed value comparisons.

Top 40 Net Taxable Secured Value Changes

The largest valuation deviations - increases and decreases are shown on this graph with APN, Owner Name, Situs Address where available, Current Assessed Value, and Value Increase or Decline.

Median/Average Sales Price

A graphic report detailing the average and median sale prices of residential, commercial, industrial property over the past 15 years through the last real estate recession to present.

City/Agency Roll Summary

Report detailing land, improvement, fixtures, personal property, and exemptions for each taxing agency. The value of this report is that City staff can readily see where deviations occur from one year to the next.

Tax Dollar Breakdown Graph

The breakdown of the City's 1% general levy factor file is displayed, with those portions of the tax collected for the County highlighted, for illustrative purposes. This report looks at the largest value, non-redevelopment TRA (tax rate area) as a representative breakdown. In some counties the ERAF (Educational Revenue Augmentation Fund) shift is calculated as a percentage of city shift at the TRA level.

Revenue Calculation

By using the information from the Agency Reconciliation Report, the Base Year Value Report, the City file detailing the breakdown of the 1% General Tax Levy and voter approved debt, we extend the lien date roll, and furnish property tax revenue projections for budgeting purposes for the General Fund.

Use Category Summary

This table summarizes parcels within the City by use code and provides number of parcels, assessed value and property tax information. The report can be also be prepared for Absentee Owned, Pre Prop 13, or special geographic assembly requested by the City.

Category Summary Year to Year Growth

This report references a year to year comparison of values, parcel counts and percent change of each major use code assigned to the City for a better understanding of where increases or declines are being experienced within the City or a specific geo area.

Transfer of Ownership Summary

This listing details the transfers of ownership during the past 5 years and the resultant revenue change due to the enrollment of the higher or lower sales prices the year after the transaction.

Sales-Average/Median Price History

Multi-year summary of the average and median sales prices of full value sales for single family residential transactions.

Top Secured/Unsecured Property Owner/Taxpayer Summary Reports

These listings are compiled by a computer sort of all parcels owned by the same individual or group of individuals with a common mailing address. This assembly of parcels provides information about the largest overall secured property owners and/or taxpayers. The Top Ten Property Taxpayers includes the percentage of the entire tax levy attributed to a taxpayer as well as the use code and taxing jurisdiction of the property owner.

Proposition 8 Recapture History

This report displays the historical impact of Proposition 8 reductions to the value of parcels in the City and monitors the progress values as they are restored by the assessor.

Non-Residential New Construction

A listing that calculates non-residential growth for increasing a City's Gann Limitation as a result of Proposition 111.

Foreclosure Data compiled from real estate trackers on a monthly basis

REO Listing A listing of properties owned by banks, mortgage lenders, financial institutions or government mortgage associations.

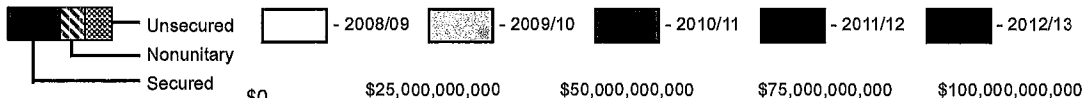
General Fund Spreadsheet

Budget projections in the form of a revenue spreadsheet for the general fund estimates take into account positive and negative changes in the sale prices of properties transacted prior to the next lien date, potential losses through assessor applied Proposition 8 reductions and recaptured values in future years, successful appeal reductions that are pooled countywide and incorporate the annual CPI adjustment per Proposition 13. Data entry points for completed new construction and supplemental revenues are available to round out the budget estimate.



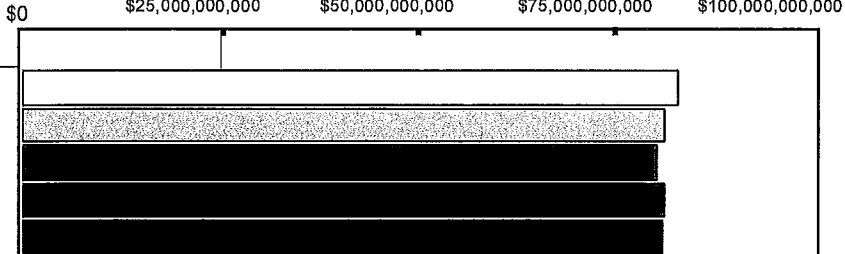
THE CITY OF SAN DIEGO

2008/09 TO 2012/13 ASSESSED VALUES



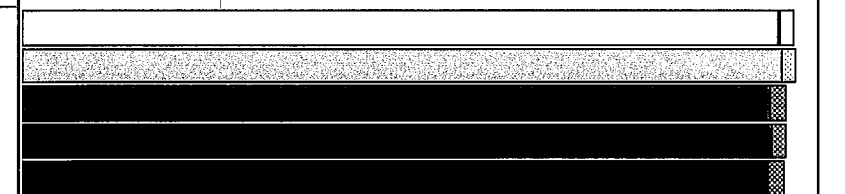
Land

\$83,116,900,718
 \$81,423,214,385
 \$80,455,643,547
 \$81,531,489,450
 \$81,255,292,387



Improvements

\$97,862,312,606
 \$98,120,558,998
 \$96,817,543,753
 \$96,903,997,803
 \$96,572,045,376



Personal Property

\$8,240,142,733
 \$8,594,124,793
 \$8,098,602,323
 \$8,136,175,259
 \$8,303,666,883



Exemptions

\$6,399,906,401
 \$6,922,555,744
 \$7,368,666,321
 \$7,834,967,018
 \$8,102,943,013



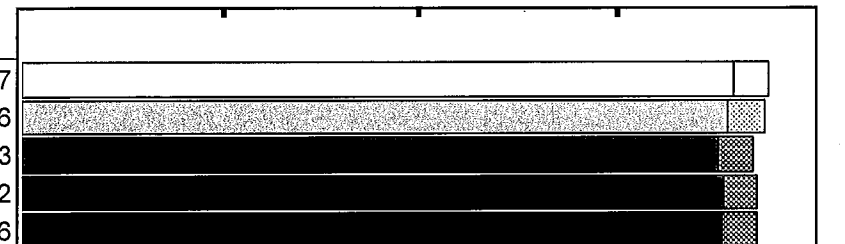
Percent Change

City	County
-2.0%	-4.1%
-1.2%	-1.9%
1.3%	0.6%
-0.3%	-0.5%
0.3%	-1.1%
-1.3%	-0.5%
0.1%	1.0%
-0.3%	0.6%
4.3%	4.9%
-5.8%	-4.1%
0.5%	-1.7%
2.1%	1.3%
8.2%	8.8%
6.4%	4.9%
6.3%	6.6%
3.4%	4.8%

\$50,000,000,000 \$100,000,000,000 \$150,000,000,000 \$200,000,000,000

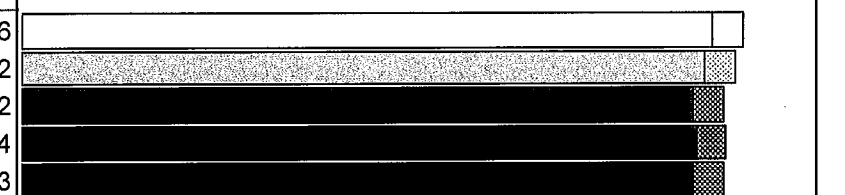
Gross Assessed

\$189,219,356,057
 \$188,137,898,176
 \$185,371,789,623
 \$186,571,662,512
 \$186,131,004,646



Net Taxable Value

\$182,819,449,656
 \$181,215,342,432
 \$178,003,123,302
 \$178,736,695,494
 \$178,028,061,633



City County

-0.6%	-2.2%
-1.5%	-1.2%
0.6%	0.7%
-0.2%	0.1%
-0.9%	-2.5%
-1.8%	-1.4%
0.4%	0.5%
-0.4%	0.0%



THE CITY OF SAN DIEGO

2012/13 TOP 40 NET TAXABLE SECURED VALUE CHANGES

Parcel	Use Category	Owner	Situs	Current Net Taxable Value	Net Taxable Value Change	Value Change from Prior Year
760-016-03-00	Commercial	Host Hotels And Resorts Lp; Manchester Gr	1 Market Pl	\$444,509,827	+\$258,375,101	+139%
760-017-35-00	Commercial	Sunstone Park Lessees Llc; One Park Blvd	1 Park Blvd	\$600,540,300	+\$195,740,300	+48%
760-016-17-00	Commercial	Host Hotels And Resorts Lp; Manchester Gr	1 Market Pl	\$321,082,740	+\$142,181,962	+79%
533-610-05-00	Commercial	Bruins Owner L L C	910 Broadway Cir	\$106,692,000	+\$58,317,865	+12%
341-470-15-00	Commercial	California Proton Treatment Center L L C	9730 Summers Ridge Rd	\$62,590,810	+\$53,374,329	+57%
313-060-05-00	Residential	Cresta Bella LP	11035 Via Livorno	\$70,988,884	+\$51,489,978	+28%
463-590-09-00	Residential	Plymouth Health Investments Llc	6599 Alvarado Rd	\$54,796,000	+\$37,750,277	+22%
369-220-86-00	Residential	S P U S 5 Wood Kearny Mesa L L C	8798 Spectrum Center Blvd	\$55,930,000	+\$34,430,000	+16%
760-016-11-00	Commercial	Service America Corporation < Centerplate>	111 W Harbor Dr	\$47,697,501	+\$32,796,150	+22%
307-390-57-00	Commercial	I C W Plaza Holdings L L C	11455 El Camino Real	\$54,060,000	+\$28,036,132	+10%
433-290-02-00	Commercial	O C S D Holdings L L C	2116 Fenton Pkwy Unit 2288	\$127,907,239	+\$26,853,756	+21%
345-161-04-00	Commercial	H E L La Jolla L L C	4240 La Jolla Village Dr	\$77,500,000	+\$26,112,934	+27%
345-200-03-00	Commercial	A M L N Landlord L L C	9360 Towne Centre Dr	\$33,540,660	+\$26,040,980	+51%
533-435-01-00	Commercial	S D C F D Tower 8 Owners L L C	450 B St	\$60,150,000	+\$25,804,156	+75%
427-530-13-00	Institutional	Rady Childrens Hospital-San Diego	3010 Childrens Way	\$3,242,589	-\$23,802,791	-88%
345-162-25-00	Commercial	4350 La Jolla Village L L C	4350 La Jolla Village Dr	\$34,000,000	-\$23,950,000	-41%
533-474-05-00	Commercial	Irvine Company L L C	600 W Broadway	\$135,000,000	-\$25,000,000	-16%
534-182-07-00	Commercial	Trizec 701 B Street Llc	701 B St	\$105,000,000	-\$25,000,000	-19%
345-161-01-00	Commercial	Irvine Company Lic	4250 Executive Sq Unit A	\$28,560,000	-\$25,900,000	-48%
533-561-08-00	Commercial	Taylor Lucina G And Agerico A; Taylor Davi	101 W Broadway	\$95,000,000	-\$26,400,000	-22%
760-217-26-00	Residential	Us Navy	Pacific Beach Dr	\$0	-\$26,453,164	-100%
533-403-10-00	Commercial	Broadway Lexington Llc	401 A St	\$115,000,000	-\$27,800,000	-19%
533-610-16-00	Commercial	225 Broadway Llc	209 E Broadway	\$77,039,116	-\$28,006,887	-27%
369-170-03-00	Industrial	Kearny Mesa Industrial L L C	4000 Ruffin Rd	\$50,000,000	-\$28,943,863	-37%
307-452-39-00	Commercial	T R E A Pacific Plaza L L C	10935 Vista Sorrento Pkwy	\$34,000,000	-\$29,000,000	-46%
666-400-18-00	Commercial	Chelsea San Diego Finance L L C; Simons	4051 Camino De La Plz Unit	\$130,000,000	-\$29,610,139	-19%
345-161-02-00	Commercial	Irvine Company Lic	4275 Executive Sq	\$31,450,000	-\$29,820,000	-49%
760-229-13-00	Recreational	St Of California Department Of Transportati	Stly 125	\$0	-\$36,500,000	-100%
760-226-85-00	Residential	Us Navy	Chollas Hts	\$0	-\$42,666,594	-100%
533-524-13-00	Commercial	K H P Ii San Diego Hotel L L C	1047 5Th Ave	\$46,053,000	-\$42,930,750	-100%
345-162-26-00	Commercial	Pacifica Tower L L C	4365 Executive Dr	\$76,000,000	-\$45,225,000	-48%
535-121-12-00	Commercial	Strata Properties L L C	945 Market St	\$53,439,389	-\$45,705,995	-37%
345-161-03-00	Commercial	La Jolla Executive Center L L C	4220 Executive Dr	\$44,880,000	-\$46,000,000	-46%
533-485-06-04	Commercial	Reef America Reit Ii Corporation G G G	402 W Broadway	\$71,450,000	-\$47,839,630	-51%
760-146-72-00	Residential	Us Navy	Mcas Miramar	\$0	-\$48,639,916	-100%
760-217-27-00	Residential	Us Navy	Barnett Ave	\$0	-\$56,793,588	-100%
760-245-28-00	Residential	Us Navy	Chesteron	\$0	-\$60,693,230	-100%
760-235-72-00	Residential	Us Navy	Bayview Hills	\$0	-\$72,106,545	-100%
760-226-71-00	Residential	Us Navy	3123 Afton Rd	\$0	-\$83,528,255	-100%
760-239-43-00	Residential	Us Navy	Santo Rd	\$0	-\$226,095,462	-100%

Data Source: San Diego County Assessor 2011/12 And 2012/13 Secured Tax Rolls

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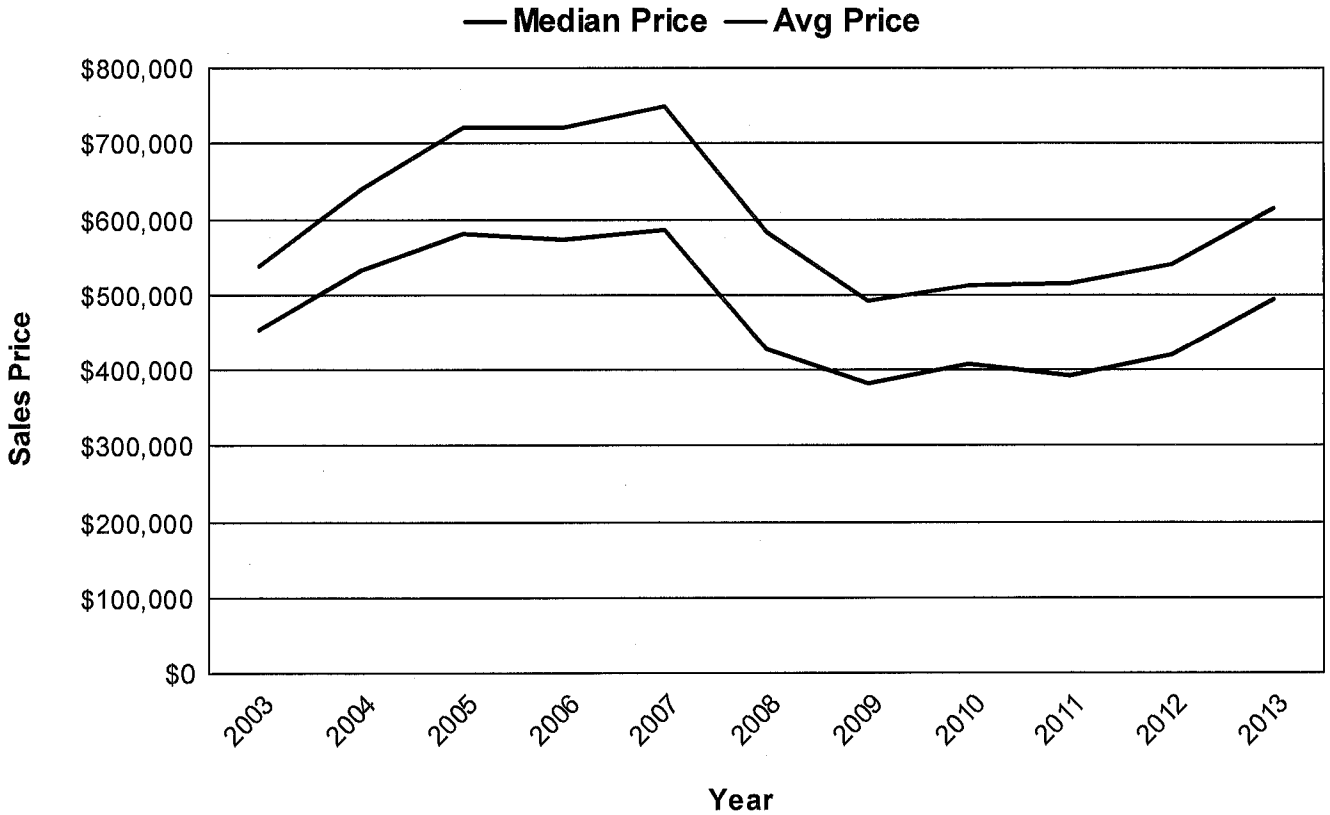
Prepared On 10/8/2013 By NEC



THE CITY OF SAN DIEGO SALES VALUE HISTORY

Detached Single Family Residential Full Value Sales (01/01/2003 - 8/30/2013)

Year	Full Value Sales	Average Price	Median Price	Median % Change
2003	10,129	\$538,293	\$454,000	
2004	10,213	\$638,845	\$533,000	17.40%
2005	9,544	\$719,825	\$580,000	8.82%
2006	7,776	\$721,583	\$573,000	-1.21%
2007	6,292	\$748,106	\$585,000	2.09%
2008	6,562	\$583,275	\$428,000	-26.84%
2009	7,879	\$491,357	\$382,000	-10.75%
2010	7,774	\$512,416	\$408,000	6.81%
2011	7,461	\$515,283	\$392,500	-3.80%
2012	8,875	\$538,946	\$420,000	7.01%
2013	6,156	\$613,032	\$495,000	17.86%



*Sales not included in the analysis are quitclaim deeds, trust transfers, timeshares, and partial sales.



THE CITY OF SAN DIEGO 2012/13 ROLL SUMMARY

Taxable Property Values

	Secured	Nonunitary Utilities	Unsecured
Parcels	374,654	49	35,261
TRAs	174	13	125
Values			
Land	81,234,739,791	20,552,596	0
Improvements	94,681,674,823	45,049,380	1,845,321,173
Personal Property	1,386,419,909	0	6,710,533,458
Fixtures	0	0	0
Aircraft	0	0	206,713,516
Total Value	\$177,302,834,523	\$65,601,976	\$8,555,854,631
Exemptions			
Real Estate	6,874,048,652	0	0
Personal Property	0	0	1,228,849,361
Fixtures	0	0	0
Aircraft	0	0	45,000
Homeowners*	1,462,584,799	0	1,686,165
Total Exemptions*	\$6,874,048,652	\$0	\$1,228,849,361
Total Net Value	\$170,428,785,871	\$65,601,976	\$7,327,005,270

Combined Values	Total
Total Values	\$185,924,291,130
Total Exemptions	\$8,102,898,013
Net Total Values	\$177,821,393,117
Net Aircraft Values	\$206,668,516

* Note: Homeowner Exemptions are not included in Total Exemptions

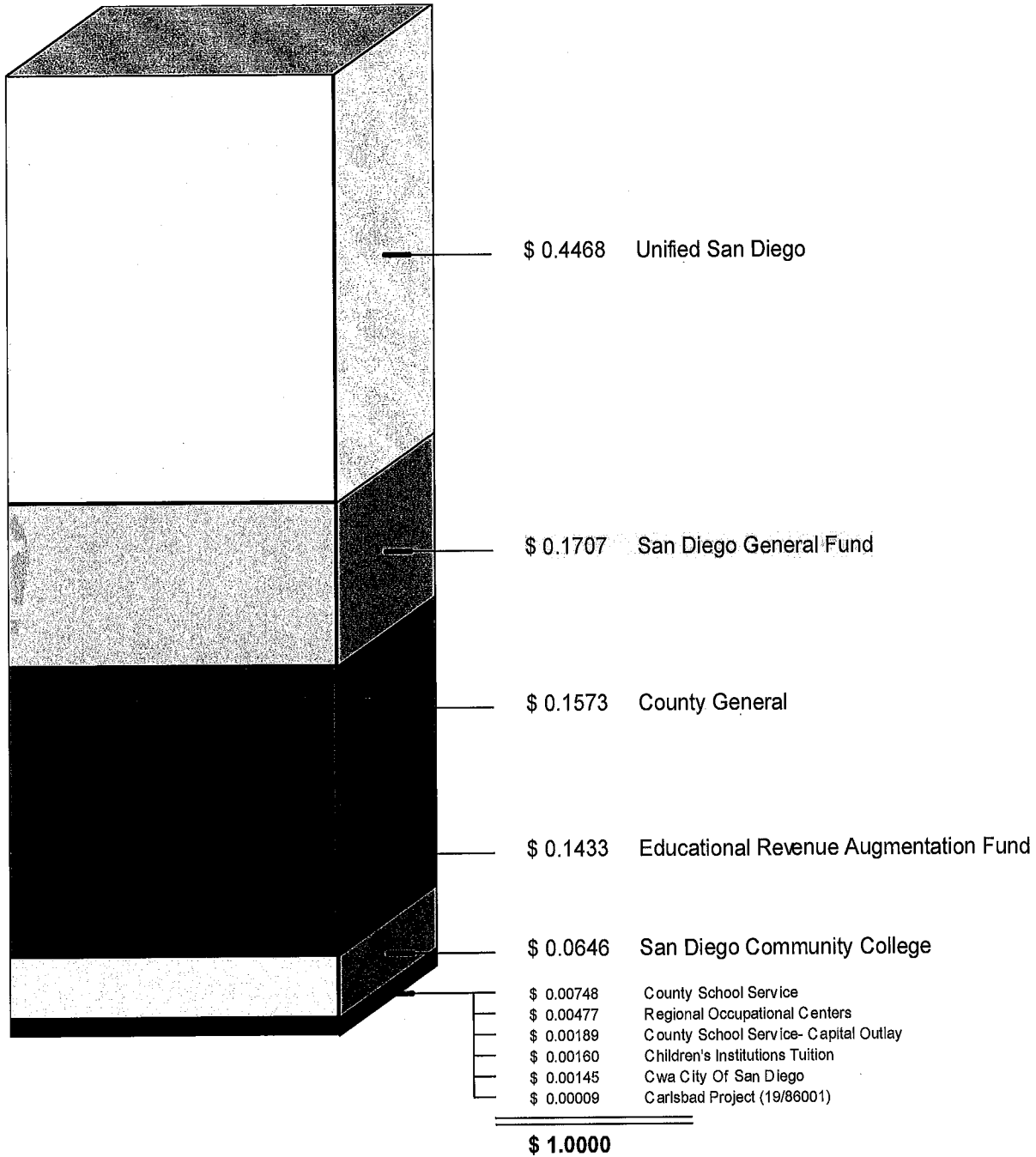
Totals do not include Aircraft Values or Exemptions

Data Source: San Diego County Assessor 2012/13 Combined Tax Rolls
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Prepared On 10/8/2013 By NEC



THE CITY OF SAN DIEGO PROPERTY TAX DOLLAR BREAKDOWN



ATI (Annual Tax Increment) Ratios for Tax Rate Area 008-001, Excluding Redevelopment Factors & Additional Debt Service

Data Source: San Diego County Assessor 2012/13 Annual Tax Increment Tables

Prepared On 10/8/2013 By NEC

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THE CITY OF SAN DIEGO PROPERTY TAX REVENUE - 2012/13

Estimated Revenue, Assuming Zero Delinquency and No County Admin Fees

General Fund Summary - Non SA TRAs		Non SA TRAs Taxable Value	Rate	General Fund Revenue	Debt Rate	Debt Revenue	Total Revenue
Roll							
SEC		\$149,668,810,567	0.170437053	\$255,091,109.69	0.000000	\$0.00	\$255,091,109.69
UTIL		\$60,197,035	0.114625787	\$69,001.32	0.000000	\$0.00	\$69,001.32
UNS		\$6,505,674,240	0.167531665	\$10,899,064.35	0.000000	\$0.00	\$10,899,064.35
TOTAL		\$156,371,514,842	0.170294567	\$266,059,175.37	0.000000	\$0.00	\$266,059,175.37
+ Aircraft		\$206,668,516		\$688,895.05		\$0.00	\$688,895.05
Total Before Adjustment of Original Charge		\$156,441,350,358	0.170509951	\$266,748,070.42	0.000000	\$0.00	\$266,748,070.42
+ Adjustment of Original Charge (Net effective Total Revenue Loss)				\$3,376,708.07			\$3,376,708.07
Non SA TRAs Total		\$156,441,350,358	0.172455872	\$270,124,778.50			\$270,124,778.50

General Fund Summary - SA TRAs		SA TRAs Base Year Net Value	Rate	Base Year Revenue	Debt Rate	Debt Revenue	Total Revenue
Roll							
SEC		\$20,759,975,304	0.208185598	\$8,995,300.28	0.000000	\$0.00	\$8,995,300.28
UTIL		\$5,404,941	0.209377797	\$12,688.19	0.000000	\$0.00	\$12,688.19
UNS		\$821,331,030	0.206886797	\$608,810.27	0.000000	\$0.00	\$608,810.27
TOTAL		\$21,586,711,275**	0.208104454	\$9,616,798.75	0.000000	\$0.00	\$9,616,798.75
+ Aircraft		\$0		\$0.00		\$0.00	\$0.00
+ Adjustment of Original Charge (Net effective Total Revenue Loss)				\$121,737.05			\$121,737.05
SA TRAs Total		\$21,586,711,275**		\$9,616,798.75		\$0.00	\$9,616,798.75
General Fund Total		\$178,028,061,633	0.173760702	\$279,863,314.29	0.000000	\$0.00	\$279,863,314.29

***Value is net of Subordinate TRAs with a Net Taxable Value of \$19,555,101, Base Year Values of \$6,613,075 for the Subordinate TRAs are included in the General Fund Total

Incremental Revenue Summary		SA Taxable Value	Base Year Value	Incremental Value	Rate	Incremental Revenue	Debt Rate	Debt Revenue	Total Incremental Revenue
Roll									
SEC		\$20,740,832,818	\$4,314,545,596	\$16,426,287,222	1.000000000	\$164,262,872.22	0.000000	\$0.00	\$164,262,872.22
UTIL		\$5,404,941	\$6,059,951	-\$655,010	1.000000000	-\$6,550.10	0.000000	\$0.00	-\$6,550.10
UNS		\$820,918,415	\$293,921,663	\$526,996,762	1.000000000	\$5,269,967.62	0.000000	\$0.00	\$5,269,967.62
TOTAL		21,567,156,174	4,614,527,200	16,952,628,974	1.000000000	\$169,526,289.74	0.000000	\$0.00	\$169,526,289.74
+ Aircraft		\$0	\$0	\$0	0.000000000	\$0.00	0.000000	\$0.00	\$0.00
SA Total		\$21,567,156,174	\$4,614,527,200	\$16,952,628,974		\$169,526,289.74	0.000000	\$0.00	\$169,526,289.74

Homeowner Exemption revenues are included in the revenue model used for this report
Data Source: San Diego County Assessor 2012/13 Combined Tax Rolls
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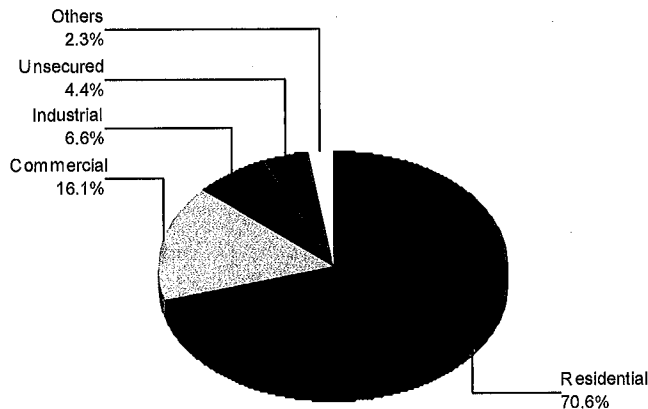
THE CITY OF SAN DIEGO

2012/13 USE CATEGORY SUMMARY

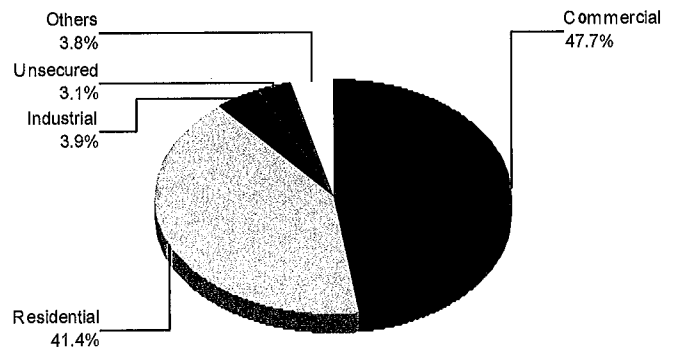
BASIC PROPERTY TAX TABLE

Category	Parcels	Net Taxable Value	G. F. Revenue	Incr. Revenue
Residential	348,926	\$120,438,707,976 (67.7%)	\$197,648,852.84	\$70,169,195.75
Commercial	10,800	\$33,845,553,602 (19.0%)	\$45,051,232.45	\$80,940,072.15
Industrial	3,817	\$11,721,420,173 (6.6%)	\$18,376,186.20	\$6,687,027.91
Dry Farm	480	\$186,126,547 (0.1%)	\$298,318.80	\$2,874.22
Institutional	937	\$309,982,905 (0.2%)	\$449,318.13	\$554,888.32
Irrigated	35	\$14,310,662 (0.0%)	\$23,631.18	\$0.00
Recreational	3,780	\$1,525,917,972 (0.9%)	\$2,238,479.43	\$2,443,700.33
Vacant	5,879	\$2,386,766,034 (1.3%)	\$3,346,125.31	\$3,452,276.35
Exempt	5,972	\$0 (0.0%)	\$0.00	\$0.00
SBE Nonunitary	[49]	\$65,601,976 (0.0%)	\$80,003.91	\$6,287.08
Unsecured	[35,261]	\$7,533,673,786 (4.2%)	\$12,351,166.03	\$5,269,967.62
TOTALS	380,626	\$178,028,061,633	\$279,863,314.29	\$169,526,289.74

CITY REVENUE PORTION



INCREMENTAL REVENUE PORTION





THE CITY OF SAN DIEGO

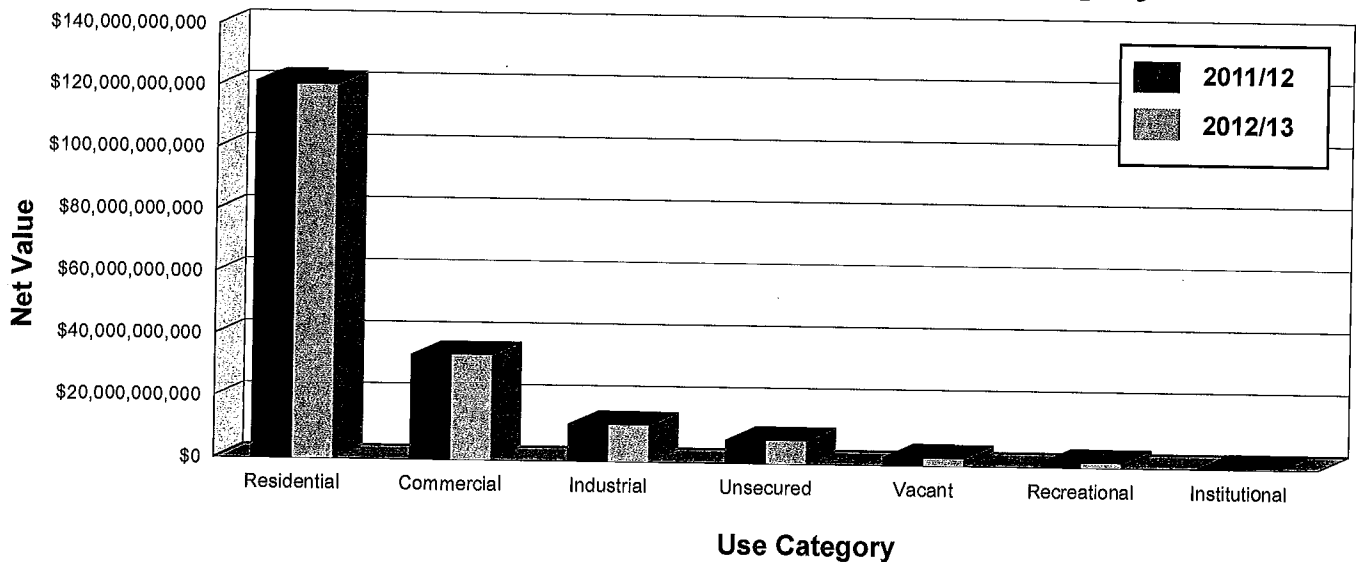
2012/13 GROWTH BY USE CATEGORY

2011/12 to 2012/13 Value Growth by Use Category

Category	2011/12 Net Taxable Value		2012/13 Net Taxable Value			\$ Change	% Change
Residential	348,400	\$121,220,314,679	348,926	\$120,438,707,976	(67.7%)	-\$781,606,703	-0.6%
Commercial	10,827	\$33,643,306,541	10,800	\$33,845,553,602	(19.0%)	\$202,247,061	0.6%
Industrial	3,820	\$11,723,677,819	3,817	\$11,721,420,173	(6.6%)	-\$2,257,646	0.0%
Unsecured	[35,136]	\$7,431,385,355	[35,261]	\$7,533,673,786	(4.2%)	\$102,288,431	1.4%
Vacant	5,991	\$2,545,162,661	5,879	\$2,386,766,034	(1.3%)	-\$158,396,627	-6.2%
Recreational	3,737	\$1,542,134,032	3,780	\$1,525,917,972	(0.9%)	-\$16,216,060	-1.1%
Institutional	933	\$357,693,382	937	\$309,982,905	(0.2%)	-\$47,710,477	-13.3%
Dry Farm	499	\$192,331,458	480	\$186,126,547	(0.1%)	-\$6,204,911	-3.2%
SBE Nonunitary	[50]	\$67,105,656	[49]	\$65,601,976	(0.0%)	-\$1,503,680	-2.2%
Irrigated	34	\$13,583,911	35	\$14,310,662	(0.0%)	\$726,751	5.4%
Exempt	5,942	\$0	5,972	\$0	(0.0%)	\$0	> 999.9%
TOTALS	380,183	\$178,736,695,494	380,626	\$178,028,061,633	(100.0%)	-\$708,633,861	-0.4%

Numbers in blue are parcel/assessment counts

Assessed Value by Major Use Category





THE CITY OF SAN DIEGO TRANSFER OF OWNERSHIP (2008 - 2012)

Totals

Single Family Residential Multifamily, Commercial, Industrial, Vacant

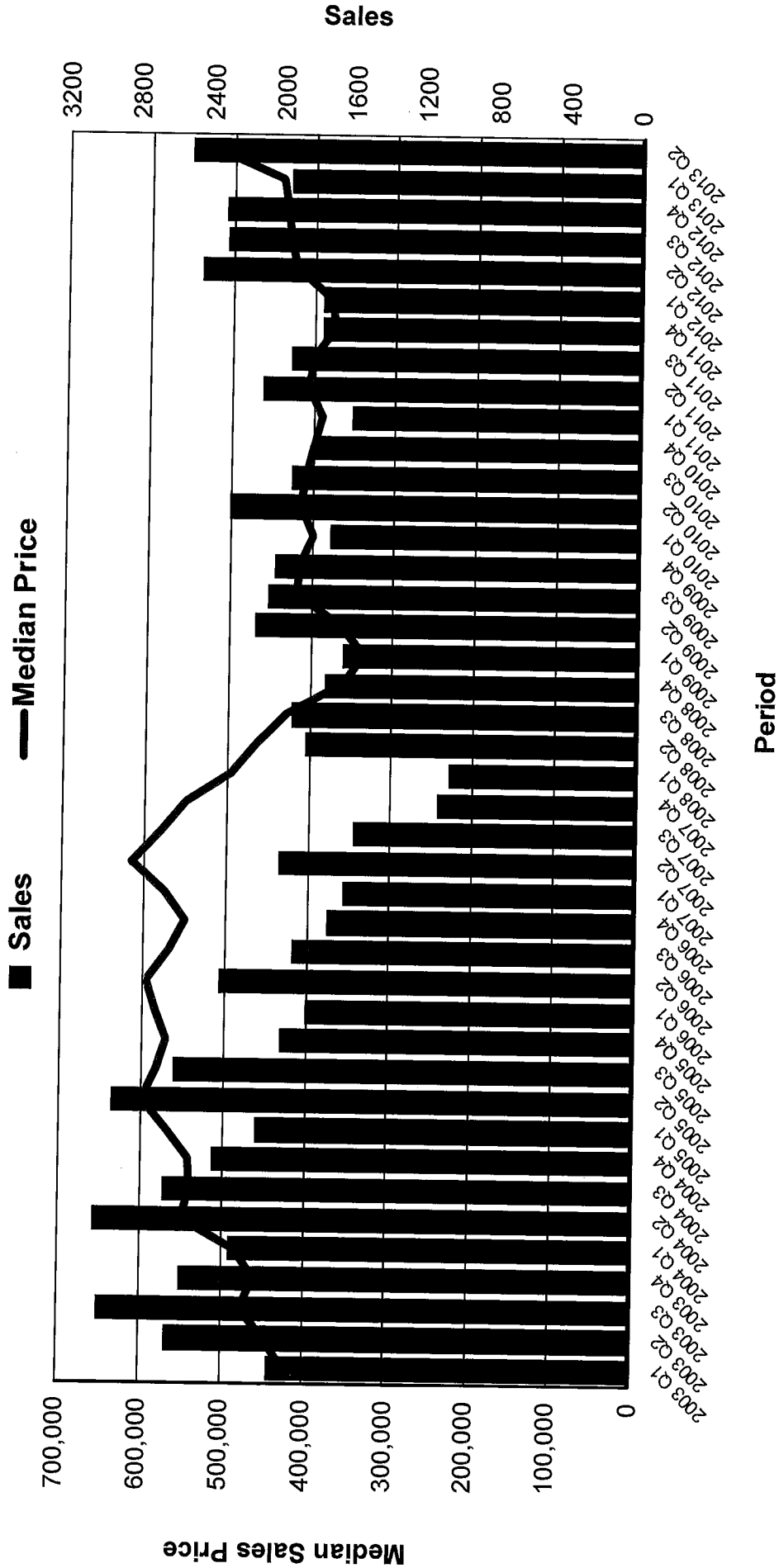
Tax Year	# SFR Sales	Original Values	Sale Price	% Change	Non SFR Sales	Original Values	Sale Price	% Change	Total Sales	Original Values	Sale Values	% Change	\$ Change
ENTIRE CITY Valid Sales Price Analysis													
2012 1/1/12-12/31/12	14,646	\$5,182,298,820	\$6,648,556,985	28.3%	1,502	\$2,083,140,559	\$2,402,977,590	15.4%	16,148	\$7,265,439,379	\$9,051,534,575	24.6%	\$1,786,095,196
2011 1/1/11-12/31/11	13,064	\$4,717,263,592	\$5,535,526,119	17.3%	1,456	\$1,854,724,650	\$2,216,565,455	19.5%	14,520	\$6,571,988,242	\$7,752,091,574	18.0%	\$1,180,103,332
2010 1/1/10-12/31/10	13,860	\$4,790,514,616	\$5,876,618,032	22.7%	1,452	\$1,542,336,220	\$2,141,971,745	38.9%	15,312	\$6,332,850,836	\$8,018,589,777	26.6%	\$1,685,738,941
2009 1/1/09-12/31/09	14,333	\$5,026,761,306	\$5,876,679,796	16.9%	1,176	\$871,437,173	\$993,320,741	14.0%	15,509	\$5,898,198,479	\$6,870,000,537	16.5%	\$971,802,058
2008 1/1/08-12/31/08	12,446	\$5,244,152,909	\$6,011,076,736	14.6%	1,111	\$1,218,702,281	\$1,856,824,226	52.4%	13,557	\$6,462,855,190	\$7,867,900,962	21.7%	\$1,405,045,772
GENERAL FUND Valid Sales Price Analysis													
2012 1/1/12-12/31/12	12,954	\$4,649,585,989	\$6,053,958,441	30.2%	1,107	\$1,471,798,857	\$1,781,729,590	21.1%	14,061	\$6,121,384,846	\$7,835,688,031	28.0%	\$1,714,303,185
2011 1/1/11-12/31/11	11,391	\$4,138,254,244	\$4,966,382,956	20.0%	1,099	\$1,341,592,171	\$1,685,607,455	25.6%	12,490	\$5,479,846,415	\$6,651,990,411	21.4%	\$1,172,143,996
2010 1/1/10-12/31/10	12,049	\$4,184,177,366	\$5,259,068,624	25.7%	1,120	\$1,185,885,437	\$1,677,833,700	41.5%	13,169	\$5,370,062,803	\$6,936,902,324	29.2%	\$1,566,839,521
2009 1/1/09-12/31/09	12,410	\$4,407,151,052	\$5,243,848,790	19.0%	850	\$720,666,950	\$849,938,914	17.9%	13,260	\$5,127,818,002	\$6,093,787,704	18.8%	\$965,969,702
2008 1/1/08-12/31/08	10,810	\$4,548,628,314	\$5,269,512,296	15.8%	840	\$915,151,724	\$1,456,047,226	59.1%	11,650	\$5,463,780,038	\$6,725,559,522	23.1%	\$1,261,779,484
SAN DIEGO SA Valid Sales Price Analysis													
2012 1/1/12-12/31/12	1,692	\$532,712,831	\$594,598,544	11.6%	395	\$611,341,702	\$621,248,000	1.6%	2,087	\$1,144,054,533	\$1,215,846,544	6.3%	\$71,792,011
2011 1/1/11-12/31/11	1,673	\$579,009,348	\$569,143,163	-1.7%	356	\$512,675,525	\$530,473,000	3.5%	2,029	\$1,091,684,873	\$1,099,616,163	0.7%	\$7,931,290
2010 1/1/10-12/31/10	1,811	\$606,337,250	\$617,549,408	1.8%	332	\$356,450,783	\$464,138,045	30.2%	2,143	\$962,788,033	\$1,081,687,453	12.3%	\$118,899,420
2009 1/1/09-12/31/09	1,923	\$619,610,254	\$632,831,006	2.1%	326	\$150,770,223	\$143,381,827	-4.9%	2,249	\$770,380,477	\$776,212,833	0.8%	\$5,832,356
2008 1/1/08-12/31/08	1,636	\$695,524,595	\$741,564,440	6.6%	270	\$302,250,057	\$398,677,000	31.9%	1,906	\$997,774,652	\$1,140,241,440	14.3%	\$142,466,788
											Est. Revenue Change:	\$717,920.11^A	
											Est. Revenue Change:	\$80,002.92^A	
											Est. Revenue Change:	\$1,199,338.45^A	
											Est. Revenue Change:	\$5,832.356	
											Est. Revenue Change:	\$58,865.97^A	
											Est. Revenue Change:	\$142,466.788	
											Est. Revenue Change:	\$1,437,917.29^A	

* Sale value is a sum of all Full Value Parcel Sales (Sales not included in the analysis are quitclaim deeds, trust transfers, partial sales, timeshares, multiple parcel transactions and non-reported document number transfers)
 ^ Revenue reflects all Incremental revenue generated in Successor Project Areas, excluding base year revenue.



THE CITY OF SAN DIEGO SALES HISTORY

Detached Single Family Residential Full Value Sales (01/01/2003 - 06/30/2013)



*Sales not included in the analysis are quitclaim deeds, trust transfers, timeshares, and partial sales.

Data Source: San Diego County Recorder

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THE CITY OF SAN DIEGO 2012/13 TOP TEN PROPERTY TAXPAYERS

Top Property Owners Based On Net Values

Owner	Secured		Unsecured		Combined		Primary Use & Primary Agency
	Parcels	Value	% of Net AV	Parcels	Value	% of Net AV	
1) IRVINE COMPANY (Pending Appeals On Parcels)	90	\$1,555,395,566	0.91%	6	\$438,922	0.01%	Residential San Diego General Fund
2) QUALCOMM INC	23	\$1,438,070,156	0.84%	3	\$51,745,523	0.69%	Commercial San Diego General Fund
3) KILROY REALTY (Pending Appeals On Parcels)	88	\$1,421,046,649	0.83%	11	\$657,549	0.01%	Commercial San Diego General Fund
4) HOST HOTELS AND RESORTS (Pending Appeals On Parcels)	10	\$1,033,676,953	0.61%	2	\$2,838,138	0.04%	Commercial Successor Agency
5) ARE SD REGION LLC (Pending Appeals On Parcels)	37	\$627,783,440	0.37%				Industrial San Diego General Fund
6) SUNSTONE PARK LESSEES LLC (Pending Appeals On Parcels)	1	\$600,540,300	0.35%				Commercial Successor Agency
7) H G FENTON COMPANY (Pending Appeals On Parcels)	68	\$469,354,286	0.28%	2	\$1,117,520	0.01%	Residential San Diego General Fund
8) ARDEN REALTY LP (Pending Appeals On Parcels)	21	\$469,147,712	0.28%	4	\$36,041	0.00%	Commercial San Diego General Fund
9) FASHION VALLEY MALL LLC (Pending Appeals On Parcels)	4	\$467,185,470	0.27%				Commercial San Diego General Fund
10) OCSD HOLDINGS LLC (Pending Appeals On Parcels)	13	\$444,560,115	0.26%				Residential San Diego General Fund
Top Ten Total	355	\$8,526,760,647	5.00%	28	\$56,833,693	0.75%	
City Total		\$170,494,387,847			\$7,533,673,786		
					\$8,583,594,340	4.82%	
					\$178,028,061,633		

Top Owners last edited on 10/2/13 by nicholec using sales through 06/30/13 (Version R.1)

Data Source: San Diego County Assessor 2012/13 Combined Tax Rolls and the SBE Non Unitary Tax Roll

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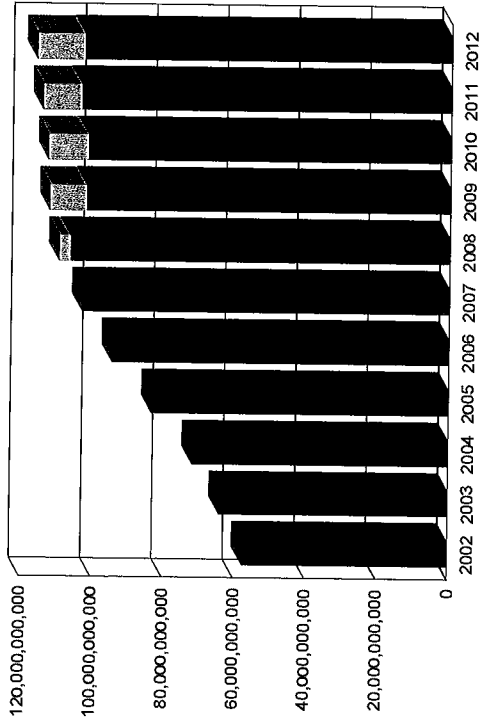
Prepared On 10/8/2013 By NEC

**THE CITY OF SAN DIEGO
PROP 8 POTENTIAL RECAPTURE HISTORY**

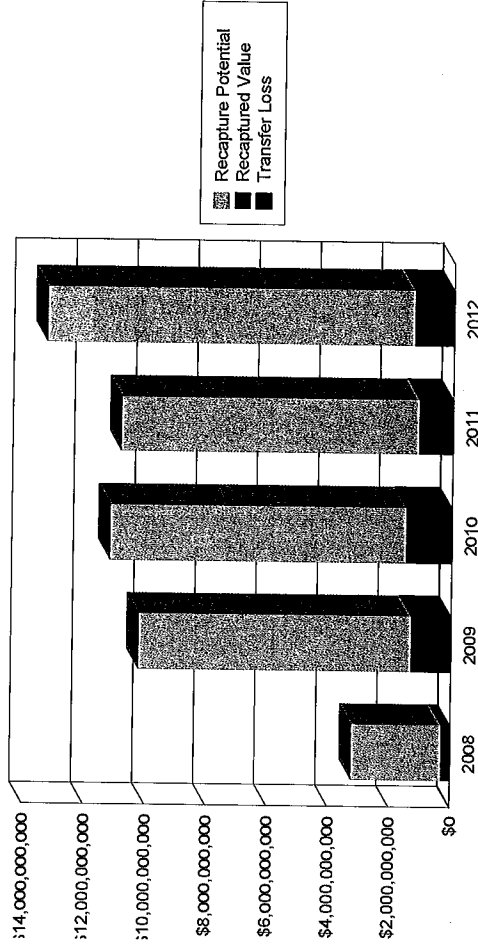
Single Family Residential Parcels

Roll Year	Prop 8 Parcel Count	Net AV of Prop 8 Parcels	Inflation Adjusted Peak Taxable Values	Potential Recapture	% of All Parcels	Prop 8 Parcels that have Recaptured Value	Increase in Net AV Due to Recaptures	Transfer Count	Recapture Potential Due to Transfer
2008	29,072	11,469,296,014	14,703,853,493	3,234,557,479	9.1%	310	25,495,337	2,563	271,292,389
2009	77,718	29,042,904,011	39,274,075,907	10,231,171,896	24.2%	4,208	43,058,129	7,228	1,276,368,360
2010	78,479	28,588,991,730	39,779,675,432	11,190,683,702	24.4%	10,491	316,233,155	7,539	1,181,125,348
2011	73,449	27,402,763,006	38,253,616,074	10,850,853,068	22.9%	12,103	33,790,792	6,417	1,084,552,800
2012	81,150	30,448,914,838	43,757,380,770	13,308,465,932	25.3%			7,202	1,280,128,082

Totals for Single Family Residential Parcels



Prop 8 History



The report identifies those parcels which have been granted a value reduction and are eligible for further potential of recaptured value per Proposition 8. The reductions were based on market conditions at the time of assessor review. This calculation is derived from historical transfers of ownership. Assessor applied Proposition 8 reductions and trends in the marketplace relative to median and average home sales and is an estimate of the impact of current adjustments to the assessment roll as of the 2012-13 lien date.

The Inflation Adjusted Peak Value is defined as a parcel's highest value after its most recent sale. If a parcel is assessed for a lower value after its most recent sale, then the sales price becomes the peak value. Peak values are inflated annually according to the maximum allowed rate under proposition 13.

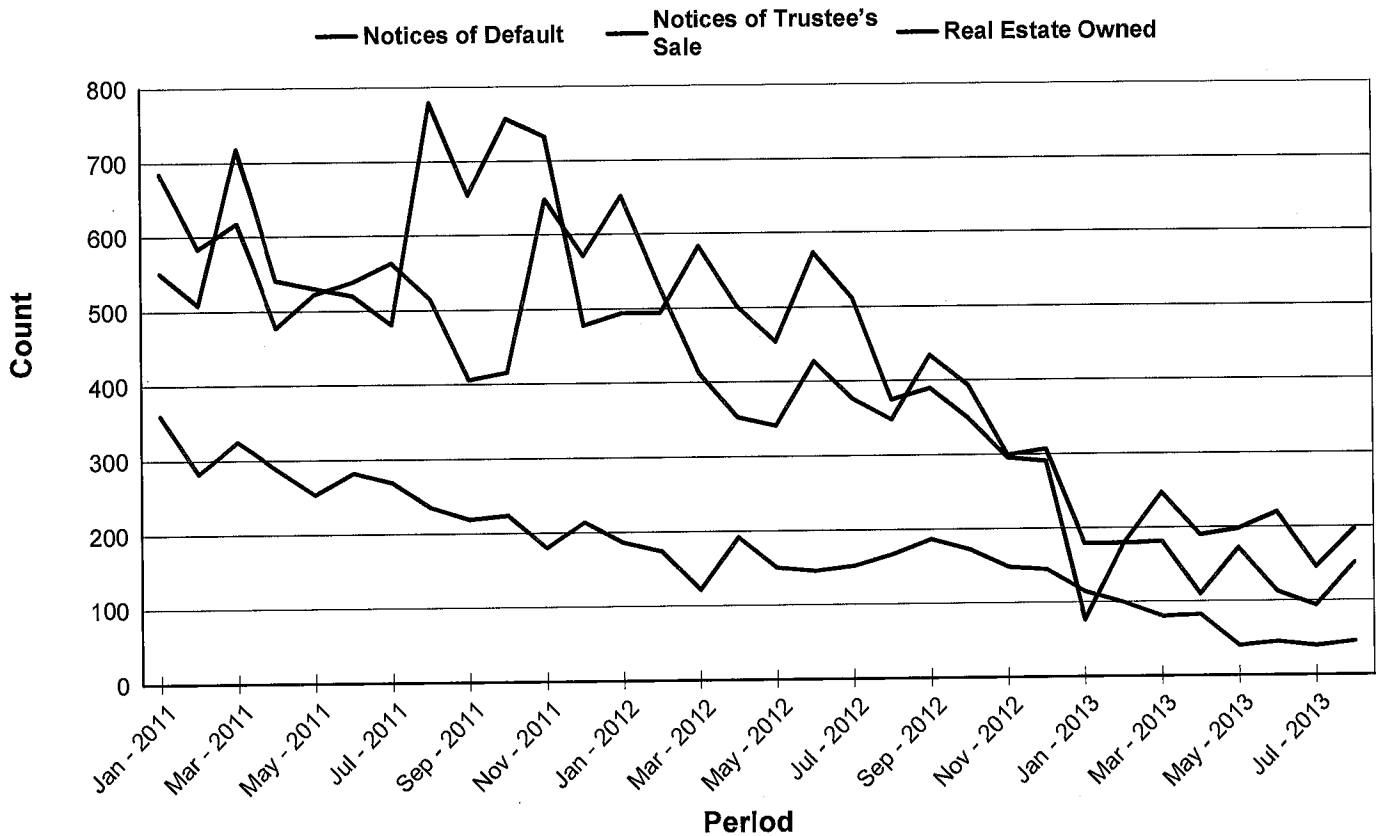
The count of Prop 8 Parcels that have recaptured value includes both parcels that have been fully recaptured and are no longer in the Prop 8 Parcel Count as well as parcels that have only recaptured a portion of the Inflation Adjusted Peak Values.

The Proposition 8 potential value recapturing is shown in the Potential Recapture Column and assumes no future sales transactions. As properties transfer ownership they are removed from the Prop 8 Parcel Count and if sold for more or less will not be eligible for value recapturing per Proposition 8.



THE CITY OF SAN DIEGO FORECLOSURE ACTIVITY

	Notices of Default Filed	Notices of Trustee's Sale Filed	Real Estate Owned by Lender Increase	Total Foreclosure Activity	% of Households
Feb - 2012	494	527	174	1,195	0.2%
Mar - 2012	583	412	122	1,117	0.2%
Apr - 2012	502	353	192	1,047	0.2%
May - 2012	454	341	151	946	0.2%
Jun - 2012	573	427	146	1,146	0.2%
Jul - 2012	512	376	152	1,040	0.2%
Aug - 2012	375	348	167	890	0.2%
Sep - 2012	390	434	187	1,011	0.2%
Oct - 2012	349	393	173	915	0.2%
Nov - 2012	296	299	149	744	0.2%
Dec - 2012	291	307	145	743	0.2%
Jan - 2013	77	179	115	371	0.1%
Feb - 2013	178	179	100	457	0.1%
Mar - 2013	247	181	81	509	0.1%
Apr - 2013	190	110	83	383	0.1%
May - 2013	198	172	41	411	0.1%
Jun - 2013	220	113	46	379	0.1%
Jul - 2013	146	94	40	280	0.1%
Aug - 2013	197	151	46	394	0.1%



Notes

Foreclosure data is grouped by zip code which may not follow municipal boundaries.

Notices of Default: Indicates that the property owner has missed at least one scheduled loan payment.

Notice of Trustee's Sale: A document announcing the public sale of a property to recover debt owed by the owner of the property.

Real Estate Owned: Property is now owned by the lender as a result of a foreclosure.

Data Source: RealtyTrac U.S. Foreclosure Market Report

This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

Prepared On 10/8/2013 By NEC



THE CITY OF SAN DIEGO 2012/13 SECURED LENDER OWNED LISTING

Parcels In Parcel Order

Parcel	TRA	Owner	Situs Address	Use Code Descr.	Taxable Value	\$ Change	% Change	Last Trans- action Date	Last Trans- action Price
760-226-35-00	008-001	Bank Of America Nt And Sa (Caaztc020)	5500 Campanile Dr	Radio Station/Bank/Misc.	\$51,978	\$1,019	2.0%	10/1/94	\$0
760-226-46-00	008-001	Wells Fargo Bank	Sdsu	Miscellaneous/Special	\$39,982	\$783	2.0%	12/23/96	\$0
760-226-47-00	008-001	Bank Of America Nt And Sa (Casand020)	5500 Campanile Dr	Radio Station/Bank/Misc.	\$29,628	\$580	2.0%	3/1/93	\$0
760-226-53-00	008-001	Jp Morgan Chase And Company		Radio Station/Bank/Misc.	\$37,947	\$743	2.0%	12/29/99	\$0
760-226-54-00	008-001	Us Bank National Association		Radio Station/Bank/Misc.	\$77,000	\$0	0.0%	12/29/99	\$0
760-226-58-00	008-001	San Diego County Credit Union	8950 Clairemont Mesa Blvd	Radio Station/Bank/Misc.	\$20,463	\$401	2.0%	12/29/99	\$0
760-226-61-00	008-001	University And State Employees U S E Credit Union		Miscellaneous/Special	\$205,928	\$4,036	2.0%	8/5/98	\$0
760-228-43-00	008-118	Bank Of America N A	Gilman Dr	Radio Station/Bank/Misc.	\$74,460	\$1,460	2.0%	6/1/99	\$0
760-228-48-00	008-118	University And State Employees Credit Union (Use)	Ucsd Campus	Radio Station/Bank/Misc.	\$203,715	\$3,994	2.0%	8/4/97	\$0
760-228-52-00	008-118	Jpmorgan Chase Bank Na	Student Ctr	Radio Station/Bank/Misc.	\$324,000	\$324,000	2.0%	3/3/00	\$0
760-228-60-00	008-118	University And State Employees Credit Union	Gilman Dr	Radio Station/Bank/Misc.	\$1,227,254	\$24,063	2.0%	12/31/02	\$0
760-238-13-00	008-001	Wells Fargo Bank	21645 San Diego Ave	1 to 3 Story Misc. Store Buildi	\$126,693	\$2,483	2.0%	8/1/92	\$0
760-245-39-00	008-001	San Diego County Credit Union	Meadowmark Dr	Radio Station/Bank/Misc.	\$11,303	\$221	2.0%		\$0
693 Records					841,629,458	5,866,352	0.7%		605,139,315

This report is a computer generated listing using common words for banks, mortgage, lending, and savings and loan companies. Some proper names may therefore be included that are not lending institutions and some lending institutions may not be included. This listing includes sales transactions through 08/30/2013 and may be subject to changes as REO properties are acquired or sold from lending institutions.

Data Source: San Diego County Assessor 2012/13 Secured Tax Roll

This report is not to be used in support of debt issuance or continuing disclosure statements without the consent of HdL, Coren & Cone

Prepared On 10/8/2013

NEC



**THE CITY OF SAN DIEGO
GENERAL FUND REVENUE ESTIMATE**

2013-14 Revenue Estimate based on 2012-13 Values and Estimated Changes

	General Fund	VLFAA
General Fund and BY Values 2012-13	\$160,855,822,117	
Citywide Net Taxable Value 2012-13		\$178,028,061,633
Real Property Value (Incl. Prop 8 parcels)	\$150,071,890,908	\$170,887,687,135
CPI of Non Prop 8 Parcels (2.000%)	\$2,417,533,222	\$2,766,098,883
Transfer of Ownership Assessed Value Change	\$1,714,303,185	\$1,786,095,196
Successful Appeals Exposure Estimate	\$1,589,773,098	\$1,016,363,089
Est. SFR Prop 8 Adj Based on Recent SFR Price	\$1,055,696,722	\$1,193,522,300
Estimated Real Property Value	\$156,849,197,135	\$177,649,766,603
Base Year Values	\$4,621,140,275	<i>Included in AV</i>
Secured Personal Property Value (0.0% growth)	\$1,152,496,747	\$1,386,419,909
Unsecured Personal Property Value (0.0% growth)	\$4,950,097,152	\$5,688,352,613
Nonunitary Utility Value	\$60,197,035	\$65,601,976
Enter Completed New Construction		
Estimated Net Taxable Value	\$167,633,128,344	\$184,790,141,101
Estimated Total Percent Change 2013-14	4.21%	3.80%
Taxed @ 1%	\$1,676,331,283	
Aircraft Value	\$206,668,516	
Average City Share 0.1735502607	\$290,927,731	
Aircraft Rate (.01 * 0.333333333)	\$688,895	
Estimated Pending Appeals Impact	(\$1,708,880)	
Enter Unitary Taxes Budgeted Flat		
Net GF Estimate for 2013-14	\$289,907,747	
Enter Suppl. Apportionment Recd. in 2012-13		
Base Value of VLFAA		\$104,105,333
Estimated Change to VLFAA		\$3,956,003
VLFAA Estimate for 2013-14		\$108,061,336

NOTES:

- Base Year Values Entry: The demise of redevelopment means that base year values in redevelopment project areas will tend to remain constant (no growth).
- Completed new construction entry: if completed new construction has resulted in a sale of the property it is likely that the new value will appear in the value increase due to transfers of ownership entry and therefore should not be also included in the completed new construction value. Enter the value of new construction completed between Nov. 2011 and Oct. 2012.
- Successful Appeals: For Counties where appeals data is available, estimates are based on most recent appeals closed during the 2012 calendar year.
- Pending Appeals Impact: In counties where appeals data is available, we are providing an estimate of the jurisdiction's share of potential revenue reduction resulting from appeals resolved mid-year. This is a "best guess" however commercial and industrial appeals outside of former RDAs have been filed in unprecedented numbers and are having a negative impact on cash flows as tax payers are due refunds.
- Secured personal property and unsecured values are projected at 100% of 2012-13 levels
- Estimated Assessor Prop 8 Reductions: Prop 8 reductions in value are TEMPORARY reductions applied by the assessor that recognize the fact that the current market value of a property has fallen below its current (Prop 13) assessed value. For 2013-14, properties with prior Prop 8 reductions are not included in the CPI increase, they are projected flat until either the Assessor begins to recapture value as the economy improves and median sale prices begin to increase or they are further reduced.
- Supplemental revenue allocations are pooled countywide and are erratic. They should be budgeted conservatively using last year's actual receipts as a guide.
- General Fund Revenue Estimate does not include any ad valorem voter approved debt service revenue.
- The projection assumes 100% payment of taxes. Delinquency is not considered in the projection; however, rates of between 3%-4% are typical.
- Pass through and residual revenues from former redevelopment agencies are not included in this estimate.
- SB 2557 Administration Fees are not deducted from the general fund projections.





**Delivering Revenue,
Insight and Efficiency
to Local Government**

1340 Valley Vista Drive
Suite 200
Diamond Bar
California 91765

909.861.4335
Fax: 909.861.7726
888.861.0220
www.hdlcompanies.com

January 31, 2014

Mr. Bill Broderick, CPPB
Procurement Specialist
City of San Diego
Purchasing & Contracting Department
San Diego, CA 92101-4195
Email: wbroderick@sandiego.gov

Re: BEST AND FINAL OFFERTO RFP No. 10038642-14-W

Dear Mr. Broderick,

Thank you for sending us your request for best and final offer pricing in regard to HdL's proposal for the above referenced RFP. Below is our response regarding the BAFO price structure and attached are the revised price schedules in the same format as submitted in our original proposal.

Sales & Use Tax

15% sales and use tax audit contingency fee for retroactive back quarter reallocations and allocations received in the first six consecutive reporting quarters following correction of the misallocation.

In addition, HdL agrees to provide a tiered contingency fee structure that will enable the County to contain costs associated with individual petitions for high-value sales and use tax recoveries and significant one-time allocation adjustments. Our proposed tiers are as follows:

15% of the first \$1,000,000 of Sales and Use Tax Recovered
10% for \$1,000,001 to \$2,500,000
5% for \$2,500,001 and Up

If the City requests services that are not included in our existing scope of services, the following schedule of hourly rates would be used as a basis for billing for those efforts. At City's option, HdL will provide such "extra" services as may be requested on a pre-negotiated fixed fee basis.

Principal	\$225 per hour
Programmer	\$195 per hour
Senior Analyst	\$150 per hour
Analyst	\$ 75 per hour

Property Tax

We propose a 10% reduction to our fixed fee for property tax audit and information services. This lowers the annual fee from \$40,000 to \$36,000.

If the City requests services that are not included in our existing scope of services, the following schedule of hourly rates would be used as a basis for billing for those efforts. At City's option, HdLCC will provide such "extra" services as may be requested on a pre-negotiated fixed fee basis.

Principal	\$225 per hour
Programmer	\$195 per hour
Senior Analyst	\$150 per hour
Analyst	\$ 75 per hour

Thank you for the opportunity to present this Best and Final Offer for RFP No. 10038642-14-W. Please contact us should you require any additional information.

Sincerely,



Andrew Nickerson

City of San Diego
Section B Attachment - Price Schedule - BAFO
Hinderliter, de Llamas & Associates - Sales and Use Tax
Price Proposal: 15% for retroactive back quarter reallocations and allocations received in the first six consecutive reporting quarters following correction of the misallocation. HdL agrees to provide a tiered contingency fee structure that will enable the City to contain costs associated with individual petitions for high-value sales and use tax recoveries and significant one-time allocation adjustments. Our proposed tiers are as follows:
<i>15% of the first \$1,000,000 of Sales and Use Tax Recovered</i>
<i>10% for \$1,000,001 to \$2,500,000</i>
<i>5% for \$2,500,001 and Up</i>
Rationale of Pricing: Our pricing includes all labor hours by our staff that will be needed meet the requirements of the sales and use tax portion of RFP. 10038642-14-W. This includes audit work, ongoing analysis, reports, legislative support and unlimited access to HdL's team members for sale and use tax related questions, as well as training and support for internal implementation of a program of use tax maximization.
HdL Coren & Cone - Property Tax
Price Proposal: \$36,000 Annual Fee
Rationale of Pricing: Our pricing includes all labor hours by our staff that will be needed meet the requirements of the property tax portion of RFP. 10038642-14-W. The annual fee includes property tax services, audits, analysis, deliverables and web-based property tax software. HdL Coren & Cone's services also include developing the City/Agency database, analytical reports and staff assistance for the annual retainer fee.
Optional Services
Additional services beyond the scope of this proposal are priced separately depending on the complexity of the tasks involved. Such fees can either be fixed or time and materials. Our current hourly rates are below. Hourly rates exclude out of pocket expenses which are billed a 1.15 times the actual cost.
Principal - \$225 per hour
Programmer - \$195 per hour
Senior Associate - \$150 per hour
Analyst - \$75 per hour

SECTION B

PRICE SCHEDULE

A. PRICE SCHEDULE INSTRUCTIONS FOR SCOPE OF SERVICES AS SPECIFIED IN SECTION C

Proposers shall submit their proposal for pricing on the following City's Price Schedule page(s). Using the enclosed Price Schedule page(s) will help ensure consistency in the price evaluation. The Price Schedule page(s) are to be completed in full and shall be incorporated herein. Only the City's Price Schedule page(s) will be accepted. Any deviations from the Price Schedule page(s) may result in the rejection of the proposal as being non-responsive.

Proposers must provide attachment worksheets, which include a breakdown of labor hours and any other rationale used in determining their pricing for all of the specified requirements. Blanks on the Price Schedule page(s) will be interpreted as zero (0) and no price will be allowed.

Prompt Payment Discounts

The City's Standard Payment Terms are Net 30 Days. Proposers may offer other payment terms (e.g., 2% 20 days) but they will not be considered in making the award decision. If different terms are offered, the City retains the option of making payment(s) based on these terms. Discounts will be taken at the time of payment when applicable. Prompt payment discounts shall be identified on the Signature Page, Section A.4. Discount is taken based on the date of the payment check. Time will be computed from the date of delivery at destination or acceptance by City, or the date supplied to the carrier when acceptance is at the point of origin, or from the date a corrected invoice is received, whichever is later.

Any discount offered other than for prompt payment should be included in the net price quoted, rather than shown as a separate item. Any discount shown separately will be adjusted on the Purchase Order.

Pricing

Proposer (s) shall provide their percentage of gross revenue from all generated on new Sales remits and/or Use taxes and Property taxes. The percentage should be to the hundredth of a percent. 15 % For retroactive back quarter reallocations and allocations received in the first six consecutive reporting quarters following correction of the misallocation.

Unless called for in the General Contract Clauses, no escalation factor is allowed. The Contractor must notify the City in writing in the event of a decline in market price(s) below the Price Schedule and the City will make an adjustment in the Contract Amount or elect to re-solicit.

Unless the Contractor clearly indicates that the price is based on consideration of being awarded the entire lot and that an adjustment to the price was made based on receiving the entire Proposal, any difference between the unit price correctly extended and the total price shown for all items offered shall be resolved in favor of the unit price.

SECTION B

PRICE SCHEDULE

A. PRICE SCHEDULE INSTRUCTIONS FOR SCOPE OF SERVICES AS SPECIFIED IN SECTION C

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Unless the Contractor clearly indicates that the price is based on consideration of being awarded the entire lot and that an adjustment to the price was made based on receiving the entire Proposal, any difference between the unit price correctly extended and the total price shown for all items offered shall be resolved in favor of the unit price.

DOCKET SUPPORTING INFORMATION CITY OF SAN DIEGO EQUAL OPPORTUNITY CONTRACTING PROGRAM EVALUATION	DATE: April 7, 2014
SUBJECT: Sales Tax, Use Tax, Property Tax Audit and Recovery, and Information Systems	

GENERAL CONTRACT INFORMATION

Recommended Contractor: HdL Companies
(Hinderliter, de Llamas and Associates and HdL Coren & Cone)

Amount of this Action: Tiered Contingency Schedule*

Funding Source: City

Goal: 20% Voluntary SLBE/ELBE

SUBCONTRACTOR PARTICIPATION

There is no subcontractor participation identified with this action. Any future subcontracting activity will be subject to agency requirements.

EQUAL EMPLOYMENT OPPORTUNITY COMPLIANCE

Hinderliter, de Llamas and Associates submitted a Work Force Report for their Los Angeles County Employees dated October 14, 2013. The Administrative Work Force report indicates 37 employees with under representation in the following categories:

- Black and Hispanic in Management & Financial and Administrative Support
- Asian and Filipino in Management & Financial, A&E, Science, Computer and Administrative Support
- Female in Management & Financial

Equal Opportunity Contracting has requested an approved EEO Plan be submitted by Hinderliter, de Llamas and Associates no later than April 11, 2014. Once approved, EOC staff will continue to monitor the firm's effort to implement their plan.

HdL Coren & Cone submitted a Work Force Report for their Los Angeles County Employees dated October 14, 2013. The Administrative Work Force Report has less than 15 employees and is therefore exempt from employment category goals.

This action is subject to the City's Equal Opportunity Contracting (San Diego Ordinance No. 18173, Section 22.2701 through 22.2708) and Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Section 22.3501 through 22.3517).

ADDITIONAL COMMENTS

*Tiered contingency schedule is as follows:

- 15% of the first \$1,000,000 of sales and use tax revenues recovered
- 10% for \$1,000,001 to \$2,500,000
- 5% for \$2,500,001 and higher

CCA



City of San Diego.
EQUAL OPPORTUNITY CONTRACTING (EOC)
1010 Second Avenue • Suite 500 • San Diego, CA 92101
Phone: (619) 533-4464 • Fax: (619) 533-4474

WORK FORCE REPORT
ADMINISTRATIVE

The objective of the Equal Employment Opportunity Outreach Program, San Diego Municipal Code Sections 22.3501 through 22.3517, is to ensure that contractors doing business with the City, or receiving funds from the City, do not engage in unlawful discriminatory employment practices prohibited by State and Federal law.

CONTRACTOR IDENTIFICATION

Type of Contractor: [] Construction [] Vendor/Supplier [] Financial Institution [] Lessee/Lessor
[] Consultant [] Grant Recipient [] Insurance Company [] Other
Name of Company: Hinderliter, de Llamas and Associates
AKA/DBA: HdL Companies
Address (Corporate Headquarters, where applicable): 1340 Valley Vista Drive, Suite 200
City Diamond Bar County Los Angeles State CA Zip 91765
Telephone Number: (909) 861-4335 FAX Number: (909) 861-7726
Name of Company CEO: Andrew Nickerson
Address(es), phone and fax number(s) of company facilities located in San Diego County (if different from above):
Address: Same as above
City County State Zip
Telephone Number: () FAX Number: ()
Type of Business: Revenue Consultants Type of License: Business
The Company has appointed: Jeffrey Schmehr
as its Equal Employment Opportunity Officer (EEOO). The EEOO has been given authority to establish, disseminate, and enforce equal employment and affirmative action policies of this company. The EEOO may be contacted at:
Address: Same as above
Telephone Number: () FAX Number: ()

- [] One San Diego County (or Most Local County) Work Force - Mandatory
[X] Branch Work Force *
[] Managing Office Work Force

Check the box above that applies to this WFR.

*Submit a separate Work Force Report for all participating branches. Combine WFRs if more than one branch per county.

I, the undersigned representative of Hinderliter, de Llamas & Associates (Firm Name)

Los Angeles, California hereby certify that information provided (County) (State)

herein is true and correct. This document was executed on this day of 20

(Authorized Signature)

Andrew Nickerson (Print Authorized Signature)

WORK FORCE REPORT – NAME OF FIRM: Hinderliter, de Llamas & Associates DATE: 10/17/13

OFFICE(S) or BRANCH(ES): Diamond Bar, CA COUNTY: Los Angeles

INSTRUCTIONS: For each occupational category, indicate number of males and females in every ethnic group. Total columns in row provided. Sum of all totals should be equal to your total work force. Include all those employed by your company on either a full or part-time basis. The following groups are to be included in ethnic categories listed in columns below:

- (1) Black, African-American
- (2) Hispanic, Latino, Mexican-American, Puerto Rican
- (3) Asian, Pacific Islander
- (4) American Indian, Eskimo
- (5) Filipino
- (6) White, Caucasian
- (7) Other ethnicity; not falling into other groups

OCCUPATIONAL CATEGORY	(1) Black		(2) Hispanic		(3) Asian		(4) American Indian		(5) Filipino		(6) White		(7) Other Ethnicities	
	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)
Management & Financial			1								9	5		
Professional														
A&E, Science, Computer											3			1
Technical														
Sales														
Administrative Support					1			1		1	3	10	1	1
Services														
Crafts														
Operative Workers														
Transportation														
Laborers*														

*Construction laborers and other field employees are not to be included on this page

Totals Each Column			1		1			1			1	15	15	1	2
--------------------	--	--	---	--	---	--	--	---	--	--	---	----	----	---	---

Grand Total All Employees 37

Indicate by Gender and Ethnicity the Number of Above Employees Who Are Disabled 0

Disabled															
----------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Non-Profit Organizations Only:

Board of Directors															
Volunteers															
Artists															

WORK FORCE REPORT – Page 3

NAME OF FIRM: Hinderliter, de Llamas & Associates

DATE: 10/17/13

OFFICE(S) or BRANCH(ES): Diamond Bar, CA

COUNTY: Los Angeles

I. INSTRUCTIONS: FOR EACH OCCUPATIONAL CATEGORY, INDICATE NUMBER OF MALES AND FEMALES IN EVERY ETHNIC GROUP. TOTAL COLUMNS IN ROW PROVIDED. SUM OF ALL TOTALS SHOULD BE EQUAL TO YOUR TOTAL WORK FORCE. INCLUDE ALL THOSE EMPLOYED BY YOUR COMPANY ON EITHER A FULL OR PART-TIME BASIS. THE FOLLOWING GROUPS ARE TO BE INCLUDED IN ETHNIC CATEGORIES LISTED IN COLUMNS BELOW:

- (1) Black, African-American
- (2) Hispanic, Latino, Mexican-American, Puerto Rican
- (3) Asian, Pacific Islander
- (4) American Indian, Eskimo
- (5) Filipino
- (6) White, Caucasian
- (7) Other ethnicity; not falling into other groups

"NOT APPLICABLE"

TRADE OCCUPATIONAL CATEGORY	(1) Black		(2) Hispanic		(3) Asian		(4) American Indian		(5) Filipino		(6) White		(7) Other Ethnicity	
	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)
Brick, Block or Stone Masons														
Carpenters														
Carpet, Floor & Tile Installers Finishers														
Cement Masons, Concrete Finishers														
Construction Laborers														
Drywall Installers, Ceiling Tile Inst														
Electricians														
Elevator Installers														
First-Line Supervisors/Managers														
Glaziers														
Helpers; Construction Trade														
Millwrights														
Misc. Const. Equipment Operators														
Painters, Const. & Maintenance														
Pipelayers, Plumbers, Pipe & Steam Fitters														
Plasterers & Stucco Masons														
Roofers														
Security Guards & Surveillance Officers														
Sheet Metal Workers														
Structural Metal Fabricators & Fitters														
Welding, Soldering & Brazing Workers														
Workers, Extractive Crafts, Miners														

Totals Each Column														
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Grand Total All Employees

Indicate By Gender and Ethnicity the Number of Above Employees Who Are Disabled:

Disabled														
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CITY OF SAN DIEGO WORK FORCE REPORT – ADMINISTRATIVE

HISTORY

The Work Force Report (WFR) is the document that allows the City of San Diego to analyze the work forces of all firms wishing to do business with the City. We are able to compare the firm's work force data to County Labor Force Availability (CLFA) data derived from the United States Census. CLFA data is a compilation of lists of occupations and includes the percentage of each ethnicity we track (Black, Hispanic, Asian, American Indian, Filipino) for each occupation. Currently, our CLFA data is taken from the 2000 Census. In order to compare one firm to another, it is important that the data we receive from the Contractor firm is accurate and organized in the manner that allows for this fair comparison.

WORK FORCE & BRANCH WORK FORCE REPORTS

When submitting a WFR, especially if the WFR is for a specific project or activity, we would like to have information about the firm's work force that is actually participating in the project or activity. That is, if the project is in San Diego and the work force is from San Diego, we want a San Diego County Work Force Report.¹ By the same token, if the project is in San Diego, but the work force is from another county, such as Orange or Riverside County, we want a Work Force Report from that county.² For example, if participation in a San Diego project is by work forces from San Diego County, Los Angeles County and Sacramento County, we will ask for separate Work Force Reports representing the work forces of

your firm from each of the three counties.^{1,2} On the other hand, if the project will be accomplished completely outside of San Diego, we ask for a Work Force Report from the county or counties where the work will be accomplished.²

MANAGING OFFICE WORK FORCE

Equal Opportunity Contracting may occasionally ask for a Managing Office Work Force (MOWF) Report. This may occur in an instance where the firm involved is a large national or international firm but the San Diego or other local work force is very small. In this case, we may ask for both a local and a MOWF Report.^{1,3} In another case, when work is done only by the Managing Office, only the MOWF Report may be necessary.³

TYPES OF WORK FORCE REPORTS:

Please note, throughout the preceding text of this page, the superscript numbers one ¹, two ² & three ³. These numbers coincide with the types of work force report required in the example. See below:

- ¹ One San Diego County (or Most Local County) Work Force – Mandatory in most cases
- ² Branch Work Force *
- ³ Managing Office Work Force

**Submit a separate Work Force Report for all participating branches. Combine WFRs if more than one branch per county*

Exhibit: Work Force Report Job categories

Refer to this table when completing your firm's Work Force Report form(s).

Management & Financial

Advertising, Marketing, Promotions, Public Relations, and Sales Managers
Business Operations Specialists
Financial Specialists
Operations Specialties Managers
Other Management Occupations
Top Executives

Professional

Art and Design Workers
Counselors, Social Workers, and Other Community and Social Service Specialists
Entertainers and Performers, Sports and Related Workers
Health Diagnosing and Treating Practitioners
Lawyers, Judges, and Related Workers
Librarians, Curators, and Archivists
Life Scientists

Media and Communication Workers
Other Teachers and Instructors
Postsecondary Teachers
Primary, Secondary, and Special Education School Teachers
Religious Workers
Social Scientists and Related Workers

Architecture & Engineering, Science, Computer

Architects, Surveyors, and Cartographers
Computer Specialists
Engineers
Mathematical Science Occupations
Physical Scientists

Technical

Drafters, Engineering, and Mapping Technicians
Health Technologists and Technicians
Life, Physical, and Social Science Technicians
Media and Communication Equipment Workers

Sales

Other Sales and Related Workers
Retail Sales Workers
Sales Representatives, Services
Sales Representatives, Wholesale and Manufacturing
Supervisors, Sales Workers

Administrative Support

Financial Clerks
Information and Record Clerks
Legal Support Workers
Material Recording, Scheduling, Dispatching, and Distributing Workers
Other Education, Training, and Library Occupations
Other Office and Administrative Support Workers
Secretaries and Administrative Assistants
Supervisors, Office and Administrative Support Workers

Services

Building Cleaning and Pest Control Workers
Cooks and Food Preparation Workers
Entertainment Attendants and Related Workers
Fire Fighting and Prevention Workers
First-Line Supervisors/Managers, Protective Service Workers
Food and Beverage Serving Workers
Funeral Service Workers
Law Enforcement Workers
Nursing, Psychiatric, and Home Health Aides
Occupational and Physical Therapist Assistants and Aides
Other Food Preparation and Serving Related Workers
Other Healthcare Support Occupations
Other Personal Care and Service Workers

Other Protective Service Workers
Personal Appearance Workers
Supervisors, Food Preparation and Serving Workers
Supervisors, Personal Care and Service Workers
Transportation, Tourism, and Lodging Attendants

Crafts

Construction Trades Workers
Electrical and Electronic Equipment Mechanics, Installers, and Repairers
Extraction Workers
Material Moving Workers
Other Construction and Related Workers
Other Installation, Maintenance, and Repair Occupations
Plant and System Operators
Supervisors of Installation, Maintenance, and Repair Workers
Supervisors, Construction and Extraction Workers
Vehicle and Mobile Equipment Mechanics, Installers, and Repairers
Woodworkers

Operative Workers

Assemblers and Fabricators
Communications Equipment Operators
Food Processing Workers
Metal Workers and Plastic Workers
Motor Vehicle Operators
Other Production Occupations
Printing Workers
Supervisors, Production Workers
Textile, Apparel, and Furnishings Workers

Transportation

Air Transportation Workers
Other Transportation Workers
Rail Transportation Workers
Supervisors, Transportation and Material Moving Workers
Water Transportation Workers

Laborers

Agricultural Workers
Animal Care and Service Workers
Fishing and Hunting Workers
Forest, Conservation, and Logging Workers
Grounds Maintenance Workers
Helpers, Construction Trades
Supervisors, Building and Grounds Cleaning and Maintenance Workers
Supervisors, Farming, Fishing, and Forestry Workers



City of San Diego.
EQUAL OPPORTUNITY CONTRACTING (EOC)
1010 Second Avenue • Suite 500 • San Diego, CA 92101
Phone: (619) 533-4464 • Fax: (619) 533-4474

WORK FORCE REPORT
ADMINISTRATIVE

The objective of the Equal Employment Opportunity Outreach Program, San Diego Municipal Code Sections 22.3501 through 22.3517, is to ensure that contractors doing business with the City, or receiving funds from the City, do not engage in unlawful discriminatory employment practices prohibited by State and Federal law.

CONTRACTOR IDENTIFICATION

Type of Contractor: [] Construction [] Vendor/Supplier [] Financial Institution [] Lessee/Lessor
[X] Consultant [] Grant Recipient [] Insurance Company [] Other

Name of Company: HdL Coren & Cone

AKA/DBA:

Address (Corporate Headquarters, where applicable): 1340 Valley Vista Drive #200

City Diamond Bar County Los Angeles State CA Zip 91765

Telephone Number: (909) 861-4335 FAX Number: (909) 861-7726

Name of Company CEO:

Address(es), phone and fax number(s) of company facilities located in San Diego County (if different from above):

Address: N/A

City County State Zip

Telephone Number: () FAX Number: ()

Type of Business: Revenue Consultants Type of License: Business

The Company has appointed: Jeffrey Schmehr

as its Equal Employment Opportunity Officer (EEOO). The EEOO has been given authority to establish, disseminate, and enforce equal employment and affirmative action policies of this company. The EEOO may be contacted at:

Address: Same as above

Telephone Number: () FAX Number: ()

- [] One San Diego County (or Most Local County) Work Force - Mandatory
[X] Branch Work Force *
[] Managing Office Work Force

Check the box above that applies to this WFR.

*Submit a separate Work Force Report for all participating branches. Combine WFRs if more than one branch per county.

I, the undersigned representative of HdL Coren & Cone

(Firm Name)

Los Angeles, CA hereby certify that information provided

(County) (State)

herein is true and correct. This document was executed on this 14th day of 20 October 20 13

Paula Cone

(Authorized Signature)

(Print Authorized Signature)

WORK FORCE REPORT – NAME OF FIRM: HdL Coren & Cone DATE: 10/03/2013

OFFICE(S) or BRANCH(ES): Diamond Bar COUNTY: Los Angeles

INSTRUCTIONS: For each occupational category, indicate number of males and females in every ethnic group. Total columns in row provided. Sum of all totals should be equal to your total work force. Include all those employed by your company on either a full or part-time basis. The following groups are to be included in ethnic categories listed in columns below:

- (1) Black, African-American
- (2) Hispanic, Latino, Mexican-American, Puerto Rican
- (3) Asian, Pacific Islander
- (4) American Indian, Eskimo
- (5) Filipino
- (6) White, Caucasian
- (7) Other ethnicity; not falling into other groups

OCCUPATIONAL CATEGORY	(1) Black		(2) Hispanic		(3) Asian		(4) American Indian		(5) Filipino		(6) White		(7) Other Ethnicities	
	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)
	Management & Financial						2					4	2	
Professional														
A&E, Science, Computer											3			
Technical											1			
Sales														
Administrative Support				1							1			
Services														
Crafts														
Operative Workers														
Transportation														
Laborers*														

*Construction laborers and other field employees are not to be included on this page

Totals Each Column	0	0	0	1	0	2	0	0	0	0	9	2		
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Grand Total All Employees 14

Indicate by Gender and Ethnicity the Number of Above Employees Who Are Disabled

Disabled														
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Non-Profit Organizations Only:

Board of Directors														
Volunteers														
Artists														

WORK FORCE REPORT – Page 3

NAME OF FIRM: _____ DATE: _____

OFFICE(S) or BRANCH(ES): _____ COUNTY: _____

I. INSTRUCTIONS: FOR EACH OCCUPATIONAL CATEGORY, INDICATE NUMBER OF MALES AND FEMALES IN EVERY ETHNIC GROUP. TOTAL COLUMNS IN ROW PROVIDED. SUM OF ALL TOTALS SHOULD BE EQUAL TO YOUR TOTAL WORK FORCE. INCLUDE ALL THOSE EMPLOYED BY YOUR COMPANY ON EITHER A FULL OR PART-TIME BASIS. THE FOLLOWING GROUPS ARE TO BE INCLUDED IN ETHNIC CATEGORIES LISTED IN COLUMNS BELOW:

- (1) Black, African-American
- (2) Hispanic, Latino, Mexican-American, Puerto Rican
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- (6) White, Caucasian
- (7) Other ethnicity; not falling into other groups

TRADE OCCUPATIONAL CATEGORY	(1) Black		(2) Hispanic		(3) Asian		(4) American Indian		(5) Filipino		(6) White		(7) Other Ethnicity	
	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)
Brick, Block or Stone Masons														
Carpenters														
Carpet, Floor & Tile Installers Finishers														
Cement Masons, Concrete Finishers														
Construction Laborers	"NOT APPLICABLE"													
Drywall Installers, Ceiling Tile Inst														
Electricians														
Elevator Installers														
First-Line Supervisors/Managers														
Glaziers														
Helpers; Construction Trade														
Millwrights														
Misc. Const. Equipment Operators														
Painters, Const. & Maintenance														
Pipelayers, Plumbers, Pipe & Steam Fitters														
Plasterers & Stucco Masons														
Roofers														
Security Guards & Surveillance Officers														
Sheet Metal Workers														
Structural Metal Fabricators & Fitters														
Welding, Soldering & Brazing Workers														
Workers, Extractive Crafts, Miners														
Totals Each Column														
Grand Total All Employees	[]													
Indicate By Gender and Ethnicity the Number of Above Employees Who Are Disabled:														
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Counselors, Social Workers, and Other Community and Social Service Specialists
Entertainers and Performers, Sports and Related Workers
Health Diagnosing and Treating Practitioners
Lawyers, Judges, and Related Workers
Librarians, Curators, and Archivists
Life Scientists

Media and Communication Workers
Other Teachers and Instructors
Postsecondary Teachers
Primary, Secondary, and Special Education School Teachers
Religious Workers
Social Scientists and Related Workers

Architecture & Engineering, Science, Computer

Architects, Surveyors, and Cartographers
Computer Specialists
Engineers
Mathematical Science Occupations
Physical Scientists

Technical

Drafters, Engineering, and Mapping Technicians
Health Technologists and Technicians
Life, Physical, and Social Science Technicians
Media and Communication Equipment Workers

Sales

Other Sales and Related Workers
Retail Sales Workers
Sales Representatives, Services
Sales Representatives, Wholesale and Manufacturing
Supervisors, Sales Workers

Administrative Support

Financial Clerks
Information and Record Clerks
Legal Support Workers
Material Recording, Scheduling, Dispatching, and Distributing Workers
Other Education, Training, and Library Occupations
Other Office and Administrative Support Workers
Secretaries and Administrative Assistants
Supervisors, Office and Administrative Support Workers

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Cooks and Food Preparation Workers
Entertainment Attendants and Related Workers
Fire Fighting and Prevention Workers
First-Line Supervisors/Managers, Protective Service Workers
Food and Beverage Serving Workers
Funeral Service Workers
Law Enforcement Workers
Nursing, Psychiatric, and Home Health Aides
Occupational and Physical Therapist Assistants and Aides
Other Food Preparation and Serving Related Workers
Other Healthcare Support Occupations
Other Personal Care and Service Workers

Other Protective Service Workers
Personal Appearance Workers
Supervisors, Food Preparation and Serving Workers
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Plant and System Operators
Supervisors of Installation, Maintenance, and Repair Workers
Supervisors, Construction and Extraction Workers
Vehicle and Mobile Equipment Mechanics, Installers, and Repairers
Woodworkers

Operative Workers

Assemblers and Fabricators
Communications Equipment Operators
Food Processing Workers
Metal Workers and Plastic Workers
Motor Vehicle Operators
Other Production Occupations
Printing Workers
Supervisors, Production Workers
Textile, Apparel, and Furnishings Workers

Transportation

Air Transportation Workers
Other Transportation Workers
Rail Transportation Workers
Supervisors, Transportation and Material Moving Workers
Water Transportation Workers

Laborers

Agricultural Workers
Animal Care and Service Workers
Fishing and Hunting Workers
Forest, Conservation, and Logging Workers
Grounds Maintenance Workers
Helpers, Construction Trades
Supervisors, Building and Grounds Cleaning and Maintenance Workers
Supervisors, Farming, Fishing, and Forestry Workers

Attachment BB

SUBCONTRACTOR PARTICIPATION LIST

This list shall include the name and complete address of all Subcontractors who qualify as SLBEs or ELBEs. Contractors may also list participation by MBE, WBE, DBE, DBVE and OBE firms. However, no additional points will be awarded for participation by these firms, except that DVBEs that qualify as local businesses shall counted as SLBEs.

Contractor shall also submit Subcontractor commitment letters on Subcontractor's letterhead, no more than one page each, from Subcontractors listed below to acknowledge their commitment to the team, scope of work, and percent of participation in the project.

Subcontractors shall be used in the percentages listed. No changes to this Participation List will be allowed without prior written City approval.

NAME AND ADDRESS SUBCONTRACTORS	SCOPE OF WORK	PERCENT OF CONTRACT	DOLLAR AMOUNT OF CONTRACT	SLBE/ELBE (*MBE/ WBE/DBE/ DVBE/OBE)	** WHERE CERTIFIED
	"NOT APPLICABLE"				

* Listed for informational purposes only.

** Contractor shall indicate if Subcontractor is certified by one of the agencies listed in Section VII of the Equal Opportunity Contracting Program (EOCP) Attachment.

List of Abbreviations:

- | | |
|--|------|
| Certified Minority Business Enterprise | MBE |
| Certified Woman Business Enterprise | WBE |
| Certified Disadvantaged Business Enterprise | DBE |
| Certified Disabled Veteran Business Enterprise | DVBE |
| Other Business Enterprise | OBE |
| Small Local Business Enterprise | SLBE |
| Emerging Local Business Enterprise | ELBE |

