



Staff Report

TO: City Council
FROM: Jennifer Ustation, Finance Director
DATE: August 20, 2024
SUBJECT: Approve Professional Services Agreement with Avenu Insights & Analytics for Tax Compliance Auditing Services

Description Strategic Plan – Level #2, Target #4, Goal #3 – Develop a strategy for revenue development.

Background and Analysis:

On May 7, 2024, City staff presented a Revenue Strategy to the City Council which is Level #2 Target #4 Goal #3 of the City's adopted Strategic Plan. Within the revenue strategy, certain interventions to increase revenues were suggested including tax compliance for current taxes not yet in such a program. At that meeting, the City Council agreed with the recommendation.

City staff researched and found only a few vendors that provide the services needed for tax compliance monitoring and auditing services. City staff received three quotes and only Avenu Insights & Analytics (Avenu) provides a subscription for these services. The other two quotes provided a contingency rate of 35% to 45% of recovered revenues. Per section 3.02.050 of the City of Beaumont Municipal Code, exemptions to competitive procurement procedure can include the services only available from a single source and after solicitation of a number of sources, competition is deemed inadequate. Both these scenarios are met as Avenu is the only vendor who has a subscription service, and it was determined that competition is inadequate.

The Professional Services Agreement is for three years with an additional two one-year options with a subscription fee of \$50,000 for the first year with a 5% increase each additional year after that.

Fiscal Impact:

The total three-year agreement cost is \$157,625. The FY2024-2025 budget has included the first-year cost of \$50,000 in GL 100-1225-7068-0000. The remaining years will be budgeted accordingly.

The estimated cost to prepare this report is \$175.

Recommended Action:

Approve a Professional Services agreement with Avenu Insights & Analytics in an amount not to exceed \$157,625 for a three-year period.

Attachments:

- A. Professional Services Agreement with Avenu Insights & Analytics
- B. Proposal
- C. Levine Act Statement