

estimates the City could receive over one million dollars (\$1,000,000) in net new sales tax revenue.

RECOMMENDATION

Staff recommends the City Council:

- Approve the attached Consultant Services Agreement with Municipal Revenue Advisors for sales and use tax audit and revenue review services in the amount not to exceed \$150,000 for three years; and
- Authorize the City Manager to execute the Consultant Services Agreement on behalf of the City.

Staff recommends the Agency:

- Approve the attached Consultant Services Agreement with Municipal Revenue Advisors for sales and use tax audit and revenue review services in the amount not to exceed \$6,000 for three years; and
- Authorize the Director to execute the Consultant Services Agreement on behalf of the Agency.



JIM DELLALONGA

Senior Project Manager/Department Administrative Officer



By: GRACE LEE
Economic Development Specialist

Attachment 1: Consultant Services Agreement with the City
Attachment 2: Consultant Services Agreement with the Agency

Recommended for Approval



Matthew Ferial
City Manager

CONSULTANT SERVICES AGREEMENT
Municipal Revenue Advisor's

This **CONSULTANT SERVICES AGREEMENT** ("Agreement") is made and entered into as of _____, by and between the **CITY OF GARDEN GROVE**, a public body, corporate and politic ("CITY"), and **MUNICIPAL REVENUE ADVISOR'S**, a California corporation ("CONSULTANT").

NOW, THEREFORE, in consideration of the covenants and promises contained herein, the CITY and CONSULTANT agree as follows:

1. SERVICES OF CONSULTANT

1.1 Scope of Services. In compliance with all terms and conditions of this Agreement, the CONSULTANT shall collaborate and partner with municipal staff to understand and apply revenue enhancement, information, and management services as specified in the "Scope of Services and Compensation" attached hereto as Exhibit "A" and incorporated herein by this reference (the "services" or "work"). CONSULTANT is qualified by virtue of experience, training, education and expertise to accomplish the services. CONSULTANT warrants that all services will be performed in a competent, professional and satisfactory manner in accordance with the standards prevalent in the industry for such services.

1.2 Consultant's Proposal. The Scope of Services and Compensation includes the CONSULTANT's proposal or bid, if any, which is incorporated herein by this reference as though fully set forth herein. In the event of any inconsistency between the terms of such proposal and this Agreement, the terms of this Agreement shall govern; provided, however, the more comprehensive description of the services in the Scope of Services and Compensation shall prevail over the brief description set forth in this Agreement.

1.3 Compliance with Law. All services rendered hereunder shall be provided in accordance with all applicable ordinances, resolutions, statutes, rules, regulations and laws of the City of Garden Grove and any Federal, State or local governmental agency of competent jurisdiction.

1.4 Licenses, Permits, Fees and Assessments. CONSULTANT shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement. CONSULTANT shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or which may be necessary for the performance of the services required by this Agreement.

1.5 Familiarity with Work. By executing this Agreement, CONSULTANT warrants that (a) it has thoroughly investigated and considered the work to be performed, (b) it has carefully considered how the work should be performed, and (c) it fully understands the facilities, difficulties and restrictions attending performance of the work under this Agreement. Should the CONSULTANT discover any latent or unknown

conditions materially differing from those inherent in the work or as represented by the CITY, it shall immediately inform CITY of such fact and shall not proceed except at CONSULTANT's risk until written instructions are received from the Contract Officer (as defined in Section 4.2 hereof).

1.6 Care of Work. The CONSULTANT shall adopt reasonable methods during the life of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers and other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the work by CITY, except such losses or damages as may be caused by CITY's own negligence. The performance of services by CONSULTANT shall not relieve CONSULTANT from any obligation to correct any incomplete, inaccurate or defective work at no further cost to the CITY, when such inaccuracies are due to the negligence of CONSULTANT.

1.7 Additional Services. In accordance with the terms and conditions of this Agreement and the Scope of Services and Compensation, the CONSULTANT may perform services in addition to those specified in the Scope of Services and Compensation (Exhibit "A") when directed to do so by the Contract Officer, provided that CONSULTANT shall not be required to perform any additional services without compensation.

2. COMPENSATION

2.1 Contract Sum. For the services rendered pursuant to this Agreement, the CONSULTANT shall be compensated in accordance with and in no event in an amount in excess of the maximum fees described in this Section 2.0, et seq.:

(a) Amount. The cost for the services rendered pursuant to this Agreement shall in no event exceed the cumulative amount of One Hundred Fifty Thousand Dollars (\$150,000).

(b) Payment. For work under this Agreement, payment shall be made per the compensation schedule attached hereto as Scope of Services and Compensation.

2.2 Method of Payment. Any month in which CONSULTANT wishes to receive payment, CONSULTANT shall submit to the CITY no later than the tenth (10th) working day of such month, in the form approved by the Contract Officer, an invoice for services rendered prior to the date of the invoice. Such invoice shall (1) describe in detail the services provided, including time and materials, and (2) indicate the total expenditures to date. Such invoice shall contain a certification by a principal member of CONSULTANT specifying that the payment requested is for work performed in accordance with the terms of this Agreement. The parties anticipate that CONSULTANT will submit invoices as described in this Section 2.2 on a quarterly basis.

3. PERFORMANCE SCHEDULE

3.1 Time of Essence. Time is of the essence in the performance of each party's obligations under this Agreement, including without limitation the CONSULTANT's performance of the services required hereunder and the CITY's payment of all sums due to CONSULTANT.

3.2 Schedule of Performance. All services rendered pursuant to this Agreement shall be performed in a timely and diligent manner.

3.3 Force Majeure. The time period for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the CONSULTANT, including, but not restricted to, acts of God or of the public enemy, fires, earthquakes, floods, epidemic, quarantine restrictions, riots, strikes, freight embargoes, acts of any governmental agency other than CITY, and unusually severe weather, if the CONSULTANT shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the forced delay when and if in his judgment such delay is justified, and the Contract Officer's determination shall be final and conclusive upon the parties to this Agreement.

3.4 Term. Unless earlier terminated in accordance with Section 7.4 of this Agreement, the term of this Agreement shall be three years from the date of this Agreement, and may be annually renewed for additional one year terms upon the mutual written agreement of the City Manager and the CONSULTANT prior to the end of each one year term.

4. COORDINATION OF WORK

4.1 Representatives of Consultant. Nick O'Hare of Municipal Revenue Advisor's shall perform the services required by CONSULTANT hereunder. The CITY's express written approval shall be required prior to any change in the foregoing.

4.2 Contract Officer. The Contract Officer shall be the City Manager or such other person as may be designated by the City Manager. It shall be the CONSULTANT's responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and the CONSULTANT shall refer any decisions, which must be made by CITY to the Contract Officer. Unless otherwise specified herein, any approval of CITY required hereunder shall mean the approval of the Contract Officer.

4.3 Transfer or Assignment; Successors and Assigns. Except as herein specifically permitted, neither party shall assign or transfer this Agreement, nor any of the rights or obligations hereunder, without the prior written consent of the other. All of the terms, conditions and provisions of this Agreement shall be binding on and inure to the benefit of the parties to this Agreement and any permitted successors and assigns.

4.4 Independent Consultant. Neither the CITY nor any of its employees shall have any control over the manner, mode or means by which CONSULTANT, its agents or employees, perform the services required herein, except as otherwise set forth. CONSULTANT shall perform all services required herein as an independent contractor of CITY and shall remain at all times as to CITY a wholly independent contractor with only such obligations as are consistent with that role. CONSULTANT shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of CITY.

4.5 City Cooperation. The CITY shall provide CONSULTANT with any documents, records or other data or information pertinent to services to be performed by CONSULTANT hereunder which are reasonably available to the CITY. The CITY shall additionally provide CONSULTANT staff assistance and shall take prompt and appropriate action when doing so will assist in ensuring timely performance by CONSULTANT hereunder.

5. INSURANCE REQUIREMENTS, INDEMNIFICATION AND BONDS

5.1 Commencement of Work. CONSULTANT shall not commence work under this Agreement until all insurance certificates and endorsements have been received and approved by the CITY. All insurance required by this Agreement shall contain a Statement of Obligation on the part of the carrier to notify the CITY of any material change, cancellation, or termination at least thirty (30) days in advance.

5.2 Workers Compensation Insurance. For the duration of this Agreement, CONSULTANT and all subcontractors shall maintain Workers Compensation Insurance in the amount and type required by law, if applicable. If workers compensation is applicable, a waiver of subrogation endorsement in favor of AGENCY, City of Garden Grove, and their officers, officials, employees, agents, attorneys, and volunteers shall be obtained.

CONSULTANT has executed the Workers' Compensation Certificate for Sole Proprietors, attached hereto as Exhibit "B" and incorporated herein by this reference, and represents that it is a sole proprietorship and is not legally required to carry Workers' Compensation Insurance at the time of execution of this Agreement.

5.3 Insurance Amounts. CONSULTANT shall maintain the following insurance for the duration of this Agreement:

(a) Commercial general liability in the amount of \$1,000,000 per occurrence (claims made and modified occurrence policies are not acceptable).

(b) Automobile liability in the amount of \$1,000,000 combined single limit.

(c) Professional liability in the amount of \$1,000,000 per occurrence; Insurance companies must be acceptable to CITY and have an AM Best's Guide Rating of A-, Class VII or better, as approved by the AGENCY. If the policy is written on a "claims made" basis, the policy shall be continued in full force and effect at all times during the term of the agreement, and for a period of three (3) years from the date of the completion of services provided. In the event of termination, cancellation, or material change in the policy, professional/consultant shall obtain continuing insurance coverage for the prior acts or omissions of professional/consultant during the course of performing services under the term of the agreement. The coverage shall be evidenced by either a new policy evidencing no gap in coverage, or by obtaining separate extended "tail" coverage with the present or new carrier.

5.4 Additional Insurance Requirements.

(a) Insurance companies must be acceptable to CITY and have a Best's Guide Rating of A-Class VII or better, as approved by the CITY.

(b) An Additional Insured Endorsement for ongoing and completed operations for the policy under Sections 5.3(a) and (b) shall designate AGENCY, City of Garden Grove, and their officers, officials, employees, agents, attorneys, and volunteers as additional insureds for liability arising out of work or operations performed by or on behalf of the CONSULTANT. CONSULTANT shall provide to CITY proof of insurance and endorsement forms that conform to CITY's requirements, as approved by the CITY.

(c) An Additional Insured Endorsement for the policy under Section 5.3(b) shall designate AGENCY, City of Garden Grove, and their officers, officials, employees, agents and volunteers as additional insureds for automobiles owned, leased, hired, or borrowed by the CONSULTANT. CONSULTANT shall provide to CITY proof of insurance and endorsement forms that conform to CITY's requirements, as approved by the CITY.

(d) For any claims related to this Agreement, CONSULTANT's insurance coverage shall be primary insurance as respects AGENCY, City of Garden Grove, and their officers, officials, employees, agents, attorneys, and volunteers. Any insurance or self-insurance maintained by the AGENCY, its officers, officials, employees, agents, attorneys, or volunteers shall be by excess of the CONSULTANT's insurance and shall not contribute with it.

5.5 Indemnification. The CONSULTANT shall defend, indemnify and hold harmless the AGENCY and City of Garden Grove and their officers, employees, representatives and agents, from and against any and all actions, suits, proceedings, claims, demands, losses, costs, and expenses, including legal costs and attorneys' fees, for injury to or death of person(s), for damage to property (including property owned by the CITY) and for errors and omissions committed by CONSULTANT, its officers, anyone directly or indirectly employed by CONSULTANT, any contractor or subcontractor, and agents or anyone for whose acts any of them may be liable, arising directly or indirectly out of or related to CONSULTANT's negligence in the performance of this Agreement, except to the extent of such loss as may be caused by AGENCY's (or City's) own active negligence, sole negligence or willful misconduct, or that of their officers or employees.

5.6 Remedies Relating to Insurance. In addition to any other remedies the CITY may have if CONSULTANT fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, the CITY may, at its sole option:

(a) Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under this Agreement.

(b) Order the CONSULTANT to stop work under this Agreement and/or withhold any payment(s) which become due to CONSULTANT hereunder until CONSULTANT demonstrates compliance with the requirements hereof.

(c) Terminate this Agreement.

Exercise of any of the above remedies, however, is an alternative to any other remedies the CITY may have and are not the exclusive remedies for CONSULTANT's failure to maintain or secure appropriate policies or endorsements. Nothing herein contained shall be construed as limiting in any way the extent to which CONSULTANT may be held responsible for payment of damages to persons or property resulting from CONSULTANT's or its subcontractors' performance of work under this Agreement.

6. RECORDS AND REPORTS.

6.1 Reports. CONSULTANT shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require, including records indicating source and amounts of repayments, and interest thereon.

6.2 Records. CONSULTANT shall keep such books and records as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the cost and the performance of such services. Books and records pertaining to costs shall be kept and prepared in accordance with generally accepted accounting principles. The Contract Officer shall have full and free access to such books and records at all reasonable times, including the right to inspect, copy, audit and make records and transcripts from such records. These records will be retained for three (3) years after the expiration of this Agreement, except for the following: if any litigation, claim, negotiation, audit or other action has been commenced before the expiration of such three (3) year period, the records shall be retained until completion of such action and resolution of all issues which arise from it, or until the end of three (3) years, whichever is later.

6.3 Ownership of Documents. Originals of all drawings, specifications, reports, records, documents and other materials, whether in hard copy or electronic form, which are prepared by CONSULTANT, its employees, subcontractors and agents in the performance of this Agreement, shall be the property of CITY and shall be delivered to CITY upon the termination of this Agreement or upon the earlier request of the Contract Officer, and CONSULTANT shall have no claim for further employment or additional compensation as a result of the exercise by CITY of its full rights of ownership of the documents and materials hereunder. CONSULTANT may retain copies of such documents for its own use. CONSULTANT shall have an unrestricted right to use the concepts embodied herein. CONSULTANT shall cause all subcontractors to assign to CITY any documents or materials prepared by them, and in the event CONSULTANT fails to secure such assignment, CONSULTANT shall indemnify CITY for all damages suffered thereby.

6.4 Release of Documents. The drawings, specifications, reports, records, documents and other materials prepared by CONSULTANT in the performance of services under this Agreement shall not be released publicly without the prior written

approval of the Contract Officer or as required by law. CONSULTANT shall not disclose to any other private entity or person any information regarding the activities of the CITY, except as required by law or as authorized by the CITY.

7. ENFORCEMENT OF AGREEMENT

7.1 California Law. This Agreement shall be construed and interpreted both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Orange, State of California, or any other appropriate court in such county, and CONSULTANT covenants and agrees to submit to the personal jurisdiction of such court in the event of such action.

7.2 Waiver. No delay or omission in the exercise of any right or remedy of a nondefaulting party on any default shall impair such right or remedy or be construed as a waiver. CITY's consent or approval of any act by CONSULTANT requiring CITY's consent or approval shall not be deemed to waive or render unnecessary CITY's consent to or approval of any subsequent act of CONSULTANT. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

7.3 Rights and Remedies are Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

7.4 Termination Prior To Expiration Of Term. Either party may terminate this Agreement at any time, (i) without cause, upon thirty (30) days' written notice to the other party, or (ii) upon the default of the other party, upon ten (10) days' written notice to the party alleged to be in default hereunder. Upon receipt or delivery of any notice of termination, CONSULTANT shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. CONSULTANT shall be entitled to compensation for all services rendered prior to the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with the Scope of Services and Compensation (Exhibit "A").

7.5 Attorneys' Fees. If either party commences an action against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs of suit from the losing party.

8. OFFICERS AND EMPLOYEES; NON DISCRIMINATION

8.1 Non liability of Officers and Employees. No officer or employee of the CITY shall be personally liable to the CONSULTANT, or any successor in interest, in the event of any default or breach by the CITY or for any amount which may become due to the CONSULTANT or to its successor, or for breach of any obligation under the terms of this Agreement. No officer or employee of the CONSULTANT shall be personally liable to the

CITY, or any successor in interest, in the event of any default or breach by the CONSULTANT or for any amount which may become due to the CITY or to its successor, or for breach of any obligation under the terms of this Agreement.

8.2 Conflict of Interest. No officer or employee of the CITY shall have any personal interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects his personal interest or the interest of any corporation, partnership or association in which he is, directly or indirectly, interested, in violation of any State statute or regulation. The CONSULTANT warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

8.3 Covenant Against Discrimination. CONSULTANT covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the performance of this Agreement. To the extent required by law, CONSULTANT shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin or ancestry.

9. MISCELLANEOUS PROVISIONS

9.1 Notice. Any notice, demand, request, consent, approval, communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first class mail to the address set forth below. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated by the third business day following mailing, or if notice is given in another manner, when received.

To CITY: City of Garden Grove
 11222 Acacia Parkway
 Garden Grove, California 92840
 Attention: Economic Development Department

To CONSULTANT: Municipal Revenue Advisor's
 2055 Woodburn Avenue
 Thousand Oaks, CA 91361
 Attention: Nick O'Hare

9.2 Integrated Agreement. This Agreement contains all of the agreements of the parties and all previous understandings, negotiations and agreements are integrated into and superseded by this Agreement.

9.3 Amendment. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing signed by both parties.

9.4 Severability. In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared

invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder.

9.5 Authority. The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by so executing this Agreement the parties hereto are formally bound to the provisions of this Agreement.

9.6 Captions and Titles. Captions and titles are inserted solely for convenience and do not affect the construction or interpretation of any provision.

[Signatures appear on following page.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

CITY:

CITY OF GARDEN GROVE, a public body, corporate and politic

By: _____

ATTEST:

City Clerk

APPROVED AS TO FORM:

James H Eggert
Woodruff Spradlin & Smart
City Attorney

CONSULTANT:

MUNICIPAL REVENUE ADVISOR'S,
a California corporation

By: Nicholas A

Title: President

Date: 2/7/2011

If CONSULTANT is a corporation, a Corporate Resolution and/or Corporate Seal is required. If a partnership, a Statement of Partnership must be submitted to CITY.

CORPORATE RESOLUTION

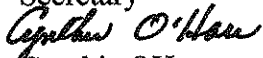
Resolved, that the Corporation enter into a Contract with the City of Garden Grove for the general purposes as specified in the Contract and all the terms and conditions as are set forth in an agreement between the parties as annexed hereto.

Resolved, that Nicholas OHare, President is authorized to execute the Agreement.

The undersigned hereby certifies that she is the duly elected and qualified Secretary and the custodian of the books and records of Municipal Revenue Advisors, Inc., a corporation duly formed pursuant to the laws of the State of California and that the foregoing is a true record of a resolution adopted at a meeting of the President, Incorporator and Secretary and that said meeting was held in accordance with the state law and the Bylaws of the above named Corporation on Friday, March 4, 2011, and that said resolution is now in full force and effect without modification or rescission.

IN WITNESS WHEREOF, I have executed this Resolution as Secretary and have hereunto affixed my Signature as Secretary of Municipal Revenue Advisors, Inc.

Secretary


Cynthia OHare

**City of Garden Grove
Scope of Services and Compensation**

I. Scope of Services

Municipal Revenue Advisors (MRA) will provide the following Services to the City of Garden Grove (City).

A. Sales Tax Information Service

Sales Tax Information Service includes:

1. Comprehensive Integrated Database (Business Inventory) based on City-wide data that includes sales and use tax and business license, as well as other relevant data sources; delivery quarterly with updated data.
 - Including a report comparing Business License Gross Receipts (audited by the City or not) and the sales tax reported to the SBOE.
2. Preparation of AB990 or 549 submittals for businesses that have been identified by MRA with its Comprehensive Integrated Database as not properly registered and/or not properly allocating to the City. The City will send the submittals to the BOE.
 - MRA will exclude from compensation businesses listed in SBOE Audit report regarding the City's most recent field SBOE audit when such report is provided to MRA (By excluding these business MRA will not have to wait until the SBOE sends the report to the City, as it will take several weeks to create and test our data base. Delaying much further will push any recoveries out of FY 2010-2011.)
 - MRA will provide to City staff the necessary information for reporting to the SBOE those businesses with significant sales tax shortfalls to the City that have been identified by MRA.

B. Use Tax on City Purchases/ Contracts

Use Tax on City Purchases/Contracts Service includes:

1. Review the City's Chart of Accounts (vendors) and identify those purchases and contracts for which the City can self assess and report the use tax to the SBOE, thereby increasing its share of the tax received from 3.35% of the 1% local share to 100% of the 1% local share.
2. Assist City staff with the in-house self accrual process and tax filings; and identify the increased revenue subsequently received by the City.

C. Business Cooperation Program (BCP) Service

BCP Service City includes:

1. Identify major business and institutions in Garden Grove to visit with City Economic Development staff; and present to them on a "Good Corporate Citizen" basis how changes they make to their sales and use tax reporting can increase revenue received by the City. For every purchase or sale made by businesses and institutions in the City one of three actions can happen to the local 1% share of the tax;

- i. The City gets 0%
- ii. The City gets 3.35%, or
- iii. The City gets 100%.

This service is about moving the 0% and 3.35% transactions to 100%.

D. Refunds on City Purchases

Refunds on City Purchases Service includes:

1. Review the City's chart of accounts (vendors) to identify vendors where there has been a potential overpayment and perform necessary research to determine if an overpayment has occurred and amount of the overpayment.
2. Where overpayments have occurred, MRA will prepare the necessary refund claim, and present the claim on behalf of the City to the vendor; or in other instances MRA will prepare the refund claim and the City will then forward it to the proper government agency.
3. MRA will work with the City to establish internal procedures to prevent overpayments in the future.

II. Compensation

A. Sales Tax Information Service

1. \$500 per quarter: Delivery of a quarterly updated Comprehensive Integrated Database. The quarterly charge will be payable when MRA's efforts generate sufficient new revenue so that the \$500.00 payments can be made from the City's share of the new revenue:
2. 10% contingency on Net New Sales Tax Revenue to the City for 11 quarters: Preparation of AB990 or 549 submittals for businesses that have been identified by MRA as not properly registered and/or not allocating the City. .

B. Use Tax on City Purchases/ Contracts

1. 15% of revenue that would not have otherwise been received. For a maximum of 11 quarters on existing and new vendors/contractors.

C. Business Cooperation Program (BCP)

1. 20% of revenue that would not have otherwise been received. For a maximum of 11 quarters for point of sale changes and a maximum of 11 quarters for any vendor to a BCP participant.

D. Refunds on City Purchases

1. 15% of revenue recovered to the City.

CONSULTANT SERVICES AGREEMENT
Municipal Revenue Advisor's

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NOW, THEREFORE, in consideration of the covenants and promises contained herein, the AGENCY and CONSULTANT agree as follows:

1. SERVICES OF CONSULTANT

1.1 Scope of Services. In compliance with all terms and conditions of this Agreement, the CONSULTANT shall collaborate and partner with municipal staff to understand and apply revenue enhancement, information, and management services as specified in the "Scope of Services and Compensation" attached hereto as Exhibit "A" and incorporated herein by this reference (the "services" or "work"). CONSULTANT is qualified by virtue of experience, training, education and expertise to accomplish the services. CONSULTANT warrants that all services will be performed in a competent, professional and satisfactory manner in accordance with the standards prevalent in the industry for such services.

1.2 Consultant's Proposal. The Scope of Services and Compensation includes the CONSULTANT's proposal or bid, if any, which is incorporated herein by this reference as though fully set forth herein. In the event of any inconsistency between the terms of such proposal and this Agreement, the terms of this Agreement shall govern; provided, however, the more comprehensive description of the services in the Scope of Services and Compensation shall prevail over the brief description set forth in this Agreement.

1.3 Compliance with Law. All services rendered hereunder shall be provided in accordance with all applicable ordinances, resolutions, statutes, rules, regulations and laws of the City of Garden Grove and any Federal, State or local governmental agency of competent jurisdiction.

1.4 Licenses, Permits, Fees and Assessments. CONSULTANT shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement. CONSULTANT shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or which may be necessary for the performance of the services required by this Agreement.

1.5 Familiarity with Work. By executing this Agreement, CONSULTANT warrants that (a) it has thoroughly investigated and considered the work to be performed, (b) it has carefully considered how the work should be performed, and (c) it fully understands the facilities, difficulties and restrictions attending performance of the work under this Agreement. Should the CONSULTANT discover any latent or unknown

conditions materially differing from those inherent in the work or as represented by the AGENCY, it shall immediately inform AGENCY of such fact and shall not proceed except at CONSULTANT's risk until written instructions are received from the Contract Officer (as defined in Section 4.2 hereof).

1.6 Care of Work. The CONSULTANT shall adopt reasonable methods during the life of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers and other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the work by AGENCY, except such losses or damages as may be caused by AGENCY's own negligence. The performance of services by CONSULTANT shall not relieve CONSULTANT from any obligation to correct any incomplete, inaccurate or defective work at no further cost to the AGENCY, when such inaccuracies are due to the negligence of CONSULTANT.

1.7 Additional Services. In accordance with the terms and conditions of this Agreement and the Scope of Services and Compensation, the CONSULTANT may perform services in addition to those specified in the Scope of Services and Compensation (Exhibit "A") when directed to do so by the Contract Officer, provided that CONSULTANT shall not be required to perform any additional services without compensation.

2. COMPENSATION

2.1 Contract Sum. For the services rendered pursuant to this Agreement, the CONSULTANT shall be compensated in accordance with and in no event in an amount in excess of the maximum fees described in this Section 2.0, et seq.:

(a) Amount. The cost for the services rendered pursuant to this Agreement shall in no event exceed the cumulative amount of Six Thousand Dollars (\$6,000).

(b) Payment. For work under this Agreement, payment shall be made per the compensation schedule attached hereto as Scope of Services and Compensation.

2.2 Method of Payment. Any month in which CONSULTANT wishes to receive payment, CONSULTANT shall submit to the AGENCY no later than the tenth (10th) working day of such month, in the form approved by the Contract Officer, an invoice for services rendered prior to the date of the invoice. Such invoice shall (1) describe in detail the services provided, including time and materials, and (2) indicate the total expenditures to date. Such invoice shall contain a certification by a principal member of CONSULTANT specifying that the payment requested is for work performed in accordance with the terms of this Agreement. The parties anticipate that CONSULTANT will submit invoices as described in this Section 2.2 on a quarterly basis.

3. PERFORMANCE SCHEDULE

3.1 Time of Essence. Time is of the essence in the performance of each party's obligations under this Agreement, including without limitation the CONSULTANT's

performance of the services required hereunder and the AGENCY's payment of all sums due to CONSULTANT.

3.2 Schedule of Performance. All services rendered pursuant to this Agreement shall be performed in a timely and diligent manner.

3.3 Force Majeure. The time period for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the CONSULTANT, including, but not restricted to, acts of God or of the public enemy, fires, earthquakes, floods, epidemic, quarantine restrictions, riots, strikes, freight embargoes, acts of any governmental agency other than AGENCY, and unusually severe weather, if the CONSULTANT shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the forced delay when and if in his judgment such delay is justified, and the Contract Officer's determination shall be final and conclusive upon the parties to this Agreement.

3.4 Term. Unless earlier terminated in accordance with Section 7.4 of this Agreement, the term of this Agreement shall be three years from the date of this Agreement, and may be annually renewed for additional one year terms upon the mutual written agreement of the AGENCY Director and the CONSULTANT prior to the end of each one year term.

4. COORDINATION OF WORK

4.1 Representatives of Consultant. Nick O'Hare of Municipal Revenue Advisor's shall perform the services required by CONSULTANT hereunder. The AGENCY's express written approval shall be required prior to any change in the foregoing.

4.2 Contract Officer. The Contract Officer shall be AGENCY Director or such other person as may be designated by the AGENCY Director. It shall be the CONSULTANT's responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and the CONSULTANT shall refer any decisions, which must be made by AGENCY to the Contract Officer. Unless otherwise specified herein, any approval of AGENCY required hereunder shall mean the approval of the Contract Officer.

4.3 Transfer or Assignment; Successors and Assigns. Except as herein specifically permitted, neither party shall assign or transfer this Agreement, nor any of the rights or obligations hereunder, without the prior written consent of the other. All of the terms, conditions and provisions of this Agreement shall be binding on and inure to the benefit of the parties to this Agreement and any permitted successors and assigns.

4.4 Independent Consultant. Neither the AGENCY nor any of its employees shall have any control over the manner, mode or means by which CONSULTANT, its agents or employees, perform the services required herein, except as otherwise set forth. CONSULTANT shall perform all services required herein as an

independent contractor of AGENCY and shall remain at all times as to AGENCY a wholly independent contractor with only such obligations as are consistent with that role. CONSULTANT shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of AGENCY.

4.5 Agency Cooperation. The AGENCY shall provide CONSULTANT with any documents, records or other data or information pertinent to services to be performed by CONSULTANT hereunder which are reasonably available to the AGENCY. The AGENCY shall additionally provide CONSULTANT staff assistance and shall take prompt and appropriate action when doing so will assist in ensuring timely performance by CONSULTANT hereunder.

5. INSURANCE REQUIREMENTS, INDEMNIFICATION AND BONDS

5.1 Commencement of Work. CONSULTANT shall not commence work under this Agreement until all insurance certificates and endorsements have been received and approved by the AGENCY and City of Garden Grove (City). All insurance required by this Agreement shall contain a Statement of Obligation on the part of the carrier to notify the AGENCY AND CITY of any material change, cancellation, or termination at least thirty (30) days in advance.

5.2 Workers Compensation Insurance. For the duration of this Agreement, CONSULTANT and all subcontractors shall maintain Workers Compensation Insurance in the amount and type required by law, if applicable. If workers compensation is applicable, a waiver of subrogation endorsement in favor of AGENCY, City of Garden Grove, and their officers, officials, employees, agents, attorneys, and volunteers shall be obtained.

CONSULTANT has executed the Workers' Compensation Certificate for Sole Proprietors, attached hereto as Exhibit "B" and incorporated herein by this reference, and represents that it is a sole proprietorship and is not legally required to carry Workers' Compensation Insurance at the time of execution of this Agreement.

5.3 Insurance Amounts. CONSULTANT shall maintain the following insurance for the duration of this Agreement:

(a) Commercial general liability in the amount of \$1,000,000 per occurrence (claims made and modified occurrence policies are not acceptable).

(b) Automobile liability in the amount of \$1,000,000 combined single limit.

(c) Professional liability in the amount of \$1,000,000 per occurrence; Insurance companies must be acceptable to AGENCY and have an AM Best's Guide Rating of A-, Class VII or better, as approved by the AGENCY. If the policy is written on a "claims made" basis, the policy shall be continued in full force and effect at all times during the term of the agreement, and for a period of three (3) years from the date of the completion of services provided. In the event of termination, cancellation, or material change in the policy, professional/consultant shall obtain continuing insurance coverage for

the prior acts or omissions of professional/consultant during the course of performing services under the term of the agreement. The coverage shall be evidenced by either a new policy evidencing no gap in coverage, or by obtaining separate extended "tail" coverage with the present or new carrier.

5.4 Additional Insurance Requirements.

(a) Insurance companies must be acceptable to AGENCY AND CITY and have a Best's Guide Rating of A-Class VII or better, as approved by the AGENCY AND CITY.

(b) An Additional Insured Endorsement for ongoing and completed operations for the policy under Sections 5.3(a) and (b) shall designate AGENCY, City of Garden Grove, and their officers, officials, employees, agents, attorneys, and volunteers as additional insureds for liability arising out of work or operations performed by or on behalf of the CONSULTANT. CONSULTANT shall provide to AGENCY AND CITY proof of insurance and endorsement forms that conform to AGENCY AND CITY's requirements, as approved by the AGENCY AND CITY.

(c) An Additional Insured Endorsement for the policy under Section 5.3(b) shall designate AGENCY, City of Garden Grove, and their officers, officials, employees, agents and volunteers as additional insureds for automobiles owned, leased, hired, or borrowed by the CONSULTANT. CONSULTANT shall provide to Agency and City proof of insurance and endorsement forms that conform to AGENCY AND CITY's requirements, as approved by the AGENCY AND CITY.

(d) For any claims related to this Agreement, CONSULTANT's insurance coverage shall be primary insurance as respects AGENCY, City of Garden Grove, and their officers, officials, employees, agents, attorneys, and volunteers. Any insurance or self-insurance maintained by the AGENCY AND CITY, its officers, officials, employees, agents, attorneys, or volunteers shall be by excess of the CONSULTANT's insurance and shall not contribute with it.

5.5 Indemnification. The CONSULTANT shall defend, indemnify and hold harmless the AGENCY and City of Garden Grove and their officers, employees, representatives and agents, from and against any and all actions, suits, proceedings, claims, demands, losses, costs, and expenses, including legal costs and attorneys' fees, for injury to or death of person(s), for damage to property (including property owned by the AGENCY) and for errors and omissions committed by CONSULTANT, its officers, anyone directly or indirectly employed by CONSULTANT, any contractor or subcontractor, and agents or anyone for whose acts any of them may be liable, arising directly or indirectly out of or related to CONSULTANT's negligence in the performance of this Agreement, except to the extent of such loss as may be caused by AGENCY's (or City's) own active negligence, sole negligence or willful misconduct, or that of their officers or employees.

5.6 Remedies Relating to Insurance. In addition to any other remedies the AGENCY AND CITY may have if CONSULTANT fails to provide or maintain any

insurance policies or policy endorsements to the extent and within the time herein required, the AGENCY AND CITY may, at its sole option:

(a) Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under this Agreement.

(b) Order the CONSULTANT to stop work under this Agreement and/or withhold any payment(s) which become due to CONSULTANT hereunder until CONSULTANT demonstrates compliance with the requirements hereof.

(c) Terminate this Agreement.

Exercise of any of the above remedies, however, is an alternative to any other remedies the AGENCY AND CITY may have and are not the exclusive remedies for CONSULTANT's failure to maintain or secure appropriate policies or endorsements. Nothing herein contained shall be construed as limiting in any way the extent to which CONSULTANT may be held responsible for payment of damages to persons or property resulting from CONSULTANT's or its subcontractors' performance of work under this Agreement.

6. RECORDS AND REPORTS.

6.1 Reports. CONSULTANT shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require, including records indicating source and amounts of repayments, and interest thereon.

6.2 Records. CONSULTANT shall keep such books and records as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the cost and the performance of such services. Books and records pertaining to costs shall be kept and prepared in accordance with generally accepted accounting principles. The Contract Officer shall have full and free access to such books and records at all reasonable times, including the right to inspect, copy, audit and make records and transcripts from such records. These records will be retained for three (3) years after the expiration of this Agreement, except for the following: if any litigation, claim, negotiation, audit or other action has been commenced before the expiration of such three (3) year period, the records shall be retained until completion of such action and resolution of all issues which arise from it, or until the end of three (3) years, whichever is later.

6.3 Ownership of Documents. Originals of all drawings, specifications, reports, records, documents and other materials, whether in hard copy or electronic form, which are prepared by CONSULTANT, its employees, subcontractors and agents in the performance of this Agreement, shall be the property of AGENCY AND CITY and shall be delivered to AGENCY AND CITY upon the termination of this Agreement or upon the earlier request of the Contract Officer, and CONSULTANT shall have no claim for further employment or additional compensation as a result of the exercise by AGENCY AND CITY of its full rights of ownership of the documents and materials hereunder. CONSULTANT may retain copies of such documents for its own use. CONSULTANT shall have an unrestricted right to use the concepts embodied herein. CONSULTANT shall cause all

subcontractors to assign to AGENCY AND CITY any documents or materials prepared by them, and in the event CONSULTANT fails to secure such assignment, CONSULTANT shall indemnify AGENCY AND CITY for all damages suffered thereby.

6.4 Release of Documents. The drawings, specifications, reports, records, documents and other materials prepared by CONSULTANT in the performance of services under this Agreement shall not be released publicly without the prior written approval of the Contract Officer or as required by law. CONSULTANT shall not disclose to any other private entity or person any information regarding the activities of the AGENCY, except as required by law or as authorized by the AGENCY.

7. ENFORCEMENT OF AGREEMENT

7.1 California Law. This Agreement shall be construed and interpreted both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Orange, State of California, or any other appropriate court in such county, and CONSULTANT covenants and agrees to submit to the personal jurisdiction of such court in the event of such action.

7.2 Waiver. No delay or omission in the exercise of any right or remedy of a nondefaulting party on any default shall impair such right or remedy or be construed as a waiver. AGENCY's consent or approval of any act by CONSULTANT requiring AGENCY's consent or approval shall not be deemed to waive or render unnecessary AGENCY's consent to or approval of any subsequent act of CONSULTANT. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

7.3 Rights and Remedies are Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

7.4 Termination Prior To Expiration Of Term. Either party may terminate this Agreement at any time, (i) without cause, upon thirty (30) days' written notice to the other party, or (ii) upon the default of the other party, upon ten (10) days' written notice to the party alleged to be in default hereunder. Upon receipt or delivery of any notice of termination, CONSULTANT shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. CONSULTANT shall be entitled to compensation for all services rendered prior to the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with the Scope of Services and Compensation (Exhibit "A").

7.5 Attorneys' Fees. If either party commences an action against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs of suit from the losing party.

8. OFFICERS AND EMPLOYEES; NON DISCRIMINATION

8.1 Non liability of Officers and Employees. No officer or employee of the AGENCY shall be personally liable to the CONSULTANT, or any successor in interest, in the event of any default or breach by the AGENCY or for any amount which may become due to the CONSULTANT or to its successor, or for breach of any obligation under the terms of this Agreement. No officer or employee of the CONSULTANT shall be personally liable to the AGENCY, or any successor in interest, in the event of any default or breach by the CONSULTANT or for any amount which may become due to the AGENCY or to its successor, or for breach of any obligation under the terms of this Agreement.

8.2 Conflict of Interest. No officer or employee of the AGENCY shall have any personal interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects his personal interest or the interest of any corporation, partnership or association in which he is, directly or indirectly, interested, in violation of any State statute or regulation. The CONSULTANT warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

8.3 Covenant Against Discrimination. CONSULTANT covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the performance of this Agreement. To the extent required by law, CONSULTANT shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin or ancestry.

9. MISCELLANEOUS PROVISIONS

9.1 Notice. Any notice, demand, request, consent, approval, communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first class mail to the address set forth below. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated by the third business day following mailing, or if notice is given in another manner, when received.

To AGENCY: GARDEN GROVE AGENCY FOR COMMUNITY
DEVELOPMENT
11222 Acacia Parkway
Garden Grove, California 92840
Attention: Economic Development Department

To CONSULTANT: Municipal Revenue Advisor's
2055 Woodburn Avenue
Thousand Oaks, CA 91361
Attention: Nick O'Hare

9.2 Integrated Agreement. This Agreement contains all of the agreements of the parties and all previous understandings, negotiations and agreements are integrated into and superseded by this Agreement.

9.3 Amendment. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing signed by both parties.

9.4 Severability. In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder.

9.5 Authority. The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by so executing this Agreement the parties hereto are formally bound to the provisions of this Agreement.

9.6 Captions and Titles. Captions and titles are inserted solely for convenience and do not affect the construction or interpretation of any provision.

[Signatures appear on following page.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

AGENCY:

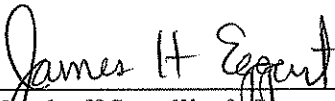
**GARDEN GROVE AGENCY FOR
COMMUNITY DEVELOPMENT**, a public
body, corporate and politic

By: _____

ATTEST:

Agency Secretary

APPROVED AS TO FORM:



Woodruff Spradlin & Smart
City Attorney

CONSULTANT:

MUNICIPAL REVENUE ADVISOR'S,
a California corporation

By: 

Title: President

Date: 2/7/2011

If CONSULTANT is a corporation, a Corporate Resolution and/or Corporate Seal is required. If a partnership, a Statement of Partnership must be submitted to AGENCY.

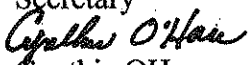
CORPORATE RESOLUTION

Resolved, that the Corporation enter into a Contract with the Garden Grove Agency for Community Development for the general purposes as specified in the Contract and all the terms and conditions as are set forth in an agreement between the parties as annexed hereto.

Resolved, that Nicholas OHare, President is authorized to execute the Agreement.

The undersigned hereby certifies that she is the duly elected and qualified Secretary and the custodian of the books and records of Municipal Revenue Advisors, Inc., a corporation duly formed pursuant to the laws of the State of California and that the foregoing is a true record of a resolution adopted at a meeting of the President, Incorporator and Secretary and that said meeting was held in accordance with the state law and the Bylaws of the above named Corporation on Friday, March 4, 2011, and that said resolution is now in full force and effect without modification or rescission.

IN WITNESS WHEREOF, I have executed this Resolution as Secretary and have hereunto affixed my Signature as Secretary of Municipal Revenue Advisors, Inc.

Secretary

Cynthia OHare

**City of Garden Grove
Scope of Services and Compensation**

I. Scope of Services

Municipal Revenue Advisors (MRA) will provide the following Services to the City of Garden Grove (City).

A. Sales Tax Information Service

Sales Tax Information Service includes:

1. Comprehensive Integrated Database (Business Inventory) based on City-wide data that includes sales and use tax and business license, as well as other relevant data sources; delivery quarterly with updated data.
 - Including a report comparing Business License Gross Receipts (audited by the City or not) and the sales tax reported to the SBOE.
2. Preparation of AB990 or 549 submittals for businesses that have been identified by MRA with its Comprehensive Integrated Database as not properly registered and/or not properly allocating to the City. The City will send the submittals to the BOE.
 - MRA will exclude from compensation businesses listed in SBOE Audit report regarding the City's most recent field SBOE audit when such report is provided to MRA (By excluding these business MRA will not have to wait until the SBOE sends the report to the City, as it will take several weeks to create and test our data base. Delaying much further will push any recoveries out of FY 2010-2011.)
 - MRA will provide to City staff the necessary information for reporting to the SBOE those businesses with significant sales tax shortfalls to the City that have been identified by MRA.

B. Use Tax on City Purchases/ Contracts

Use Tax on City Purchases/Contracts Service includes:

1. Review the City's Chart of Accounts (vendors) and identify those purchases and contracts for which the City can self assess and report the use tax to the SBOE, thereby increasing its share of the tax received from 3.35% of the 1% local share to 100% of the 1% local share.
2. Assist City staff with the in-house self accrual process and tax filings; and identify the increased revenue subsequently received by the City.

C. Business Cooperation Program (BCP) Service

BCP Service City includes:

1. Identify major business and institutions in Garden Grove to visit with City Economic Development staff; and present to them on a "Good Corporate Citizen" basis how changes they make to their sales and use tax reporting can increase revenue received by the City. For every purchase or sale made by businesses and institutions in the City one of three actions can happen to the local 1% share of the tax;

- i. The City gets 0%
- ii. The City gets 3.35%, or
- iii. The City gets 100%.

This service is about moving the 0% and 3.35% transactions to 100%.

D. Refunds on City Purchases

Refunds on City Purchases Service includes:

1. Review the City's chart of accounts (vendors) to identify vendors where there has been a potential overpayment and perform necessary research to determine if an overpayment has occurred and amount of the overpayment.
2. Where overpayments have occurred, MRA will prepare the necessary refund claim, and present the claim on behalf of the City to the vendor; or in other instances MRA will prepare the refund claim and the City will then forward it to the proper government agency.
3. MRA will work with the City to establish internal procedures to prevent overpayments in the future.

II. Compensation

A. Sales Tax Information Service

1. \$500 per quarter: Delivery of a quarterly updated Comprehensive Integrated Database. The quarterly charge will be payable when MRA's efforts generate sufficient new revenue so that the \$500.00 payments can be made from the City's share of the new revenue:
2. 10% contingency on Net New Sales Tax Revenue to the City for 11 quarters: Preparation of AB990 or 549 submittals for businesses that have been identified by MRA as not properly registered and/or not allocating the City.

B. Use Tax on City Purchases/ Contracts

1. 15% of revenue that would not have otherwise been received. For a maximum of 11 quarters on existing and new vendors/contractors.

C. Business Cooperation Program (BCP)

1. 20% of revenue that would not have otherwise been received. For a maximum of 11 quarters for point of sale changes and a maximum of 11 quarters for any vendor to a BCP participant.

D. Refunds on City Purchases

1. 15% of revenue recovered to the City.