

**LAKE COUNTY  
FIRST AMENDMENT TO  
AGREEMENT FOR SALES, USE AND TRANSACTIONS TAX SERVICES**

**1. PARTIES AND DATE.**

This First Amendment to the Agreement for Sales, Use and Transactions Tax Services ("First Amendment") is entered into on the \_\_\_\_ day of \_\_\_\_\_, 2021, by and between the Lake County, organized under the laws of the State of California, with its principal place of business at 255 N Forbes St, Lakeport, CA 95453-0489 ("County") and Hinderliter de Llamas and Associates, a California corporation, with its principal place of business at 120 S. State College Blvd., Suite 200, Brea, CA 92821 ("Consultant"). County and Consultant are sometimes individually referred to herein as "Party" and collectively as "Parties."

**2. RECITALS.**

- 2.1 Agreement. The Parties entered into that certain Agreement for Sales, Use and Transaction Tax Services dated April 7, 1998 ("Agreement").
- 2.2 First Amendment. The Parties now desire to amend the Agreement for ongoing consultation to upgrade services.

Amendment adds Web Services and Mailer Quarterly Reports. See Exhibit A.

- 2.3 Compensation. Section VI Consideration of the Agreement is hereby amended as follows:


See Exhibit A.

2.4 Remaining Provisions of Agreement. Except as otherwise specifically set forth in this First Amendment, the remaining provisions of the Agreement shall remain in full force and effect.

COUNTY OF LAKE

HINDERLITER DE LLAMAS & ASSOC.

\_\_\_\_\_  
Chairman, Board of Supervisors

DocuSigned by:  
  
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\_\_\_\_\_  
Andrew Nickerson, President

ATTEST:  
Carol J. Huchingson  
Clerk of the Board of Supervisors

APPROVED AS TO FORM:  
Anita L. Grant  
County Counsel

  
\_\_\_\_\_

By: \_\_\_\_\_

## **EXHIBIT A**

### **SCOPE OF SERVICES**

The CONTRACTOR shall perform the following services (collectively, the "Services");

#### **A. SALES TAX AND ECONOMIC ANALYSIS SERVICES**

1. CONTRACTOR shall establish a special database that identifies the name, address and quarterly allocations of all sales tax producers within the COUNTY for the most current and all quarters back to fiscal year 1996-1997 or earlier, if the COUNTY has prior historical sales tax data available on computer readable magnetic media. This database will be utilized to generate special reports to the COUNTY on: major sales tax producers by rank and category, sales tax activity by categories, or business districts, identification of reporting aberrations, and per capita and outlet comparisons with regional and statewide sales.
2. CONTRACTOR shall provide updated reports following each calendar quarter identifying changes in sales by individual businesses, business groups and categories and by geographic area. These reports may include, without limitation, quarterly aberrations due to State audits, fund transfers, and receivables along with late or double payments, and quarterly reconciliation worksheets to assist with budget forecasting. CONTRACTOR shall mail the COUNTY these reports quarterly.
3. CONTRACTOR shall additionally provide following each calendar quarter a summary analysis for the COUNTY to share with Council Members Chambers of Commerce, other economic development interest groups and the public that analyze COUNTY'S sales tax trends by major groups, and geographic areas without disclosing confidential information.
4. CONTRACTOR shall make available to COUNTY staff CONTRACTOR's web-based sales tax computer software program containing sellers permit and quarterly allocation information for all in-county business outlets registered with the Department of Tax and Fee Administration and updated quarterly. This software shall allow COUNTY staff to search businesses by street address, account number, business name, business type and keyword, arrange data by geographic area, and print out a variety of reports.

#### **B. ALLOCATION AUDIT AND RECOVERY SERVICES**

1. CONTRACTOR shall conduct initial and on-going sales, use and transactions tax audits to identify and correct distribution and allocation errors, and to proactively affect favorable registration, reporting or formula changes thereby generating previously unrealized sales, use and transactions tax income for the COUNTY and/or recovering misallocated tax from previously properly registered taxpayers. Common errors that will be monitored and corrected include, but are not limited to: transposition errors resulting in misallocations; erroneous consolidation of multiple outlets; formula errors, misreporting of "point of sale" to the wrong location; delays in reporting new outlets; misallocating use tax payments to the allocation pools or wrong jurisdiction; and erroneous fund transfers and adjustments.
2. CONTRACTOR shall initiate contacts with state agencies, and sales management and accounting officials in companies that have businesses where a probability of error exists to verify whether current tax receipts accurately reflect the local sales

activity. Such contacts will be conducted in a professional and courteous manner.

3. CONTRACTOR shall (i) prepare and submit to the Department of Tax and Fee Administration information for the purpose of correcting allocation errors that are identified and (ii) follow-up with individual businesses and the California Department of Tax and Fee Administration to promote recovery by the COUNTY of back or prospective quarterly payments that may be owing.
4. If during the course of its audit, CONTRACTOR finds businesses located in the COUNTY that are properly reporting sales and use tax but have the potential for modifying their operation to provide an even greater share to the COUNTY, CONTRACTOR may so advise COUNTY and work with those businesses and the COUNTY to encourage such changes.

### **COMPENSATION**

- A. CONTRACTOR shall provide the sales tax and economic analysis Services described in the above for a fee of **\$450** per month, commencing with the month of the Effective Date (hereafter referred to as "monthly fee"). The monthly fee shall be invoiced quarterly in arrears, and shall be paid by COUNTY no later than 30 days after the invoice date. The monthly fee shall increase annually following the month of the Effective Date by the percentage increase in the "CPI" for the preceding twelve month period. In no event shall the monthly fee be reduced by this calculation. For purposes of this Agreement, the "CPI" shall mean the Consumer Price Index - All Urban Consumers for the surrounding statistical metropolitan area nearest COUNTY, All Items (1982-84 = 100), as published by the U.S. Department of Labor, Bureau of Labor Statistics, or, if such index should cease to be published, any reasonably comparable index selected by CONTRACTOR.
- B. Any invoices not paid in accordance with the Thirty (30) day payment terms, shall accrue monthly interest at a rate equivalent to ten percent (10%) per annum until paid.
- C. CONTRACTOR unilaterally retains the right to divide any recovery bills in excess of \$25,000 over a one (1) year period (Four (4) quarterly billings).