



# City of Emeryville

CALIFORNIA

## MEMORANDUM

**DATE:** July 15, 2025  
**TO:** LaTanya Bellow, City Manager  
**FROM:** Sharon Friedrichsen, Finance Director  
**SUBJECT:** **Resolution Of The City Council Of The City Of Emeryville Authorizing The City Manager To Amend A Professional Services Contract With Hinderliter De Llamas & Associates (HdL Companies) For An Additional Amount Not To Exceed \$130,000 For Fiscal Years 2025-26 And 2026-27 For Business License Tax And Fees Administration Services**

### RECOMMENDATION

Staff recommends that the City Council approve the Resolution Amending the Agreement with Hinderliter De Llamas & Associates (HdL Companies) for an additional amount not to exceed \$130,000 for Fiscal Years 2025-26 and 2026-27 for Business License Tax and Fees Administration Services.

### BACKGROUND

In 2021, the City of Emeryville issued a Request for Proposals (RFP) for Business License Tax and Fees Administration Services. Two firms responded to the RFP, a panel of finance experts reviewed the proposals and recommended that the City award the contract for these services to Hinderliter De Llamas & Associates (now known as HdL Companies) for a 3-year term ending on June 30, 2025.

HdL provides business license tax services for 160 of the 483 cities in California. This includes several other neighboring cities such as the City of Oakland. As a California based company, HdL employees are knowledgeable in California tax laws and have extensive experience in business license tax administration and discovery.

Utilizing a web-based contracted service for the processing of both new and renewal business license tax applications provides efficiencies for the City and the Finance Department. However, the Finance Department continues to assist members of the public who have business license tax questions at City Hall and other City staff who rely on information from the business license system and are the main contact with HdL. Staff recommend continuing using HdL for this service.

### DISCUSSION

Some of the customer service and processes improvements the City and business taxpayers have realized by utilizing the HdL system include:

- Online application and renewal filing for businesses
- Online instant access to reporting

- Payment lock-box processing
- Extended hours customer service support for businesses

In addition, HdL oversees all business license tax compliance services related to revenue and discovery audits to ensure unlicensed businesses are identified and comply with City ordinances. Compliance management consists of the following services:

- **Discovery** – Balancing enforcement with customer service, the Discovery Service will ensure compliance with the Emeryville Municipal Code by finding unregistered businesses operating not only from brick-and-mortar stores, but with a unique approach to finding home based and out-of-city businesses that would otherwise be overlooked.
- **Audit** – The Business Tax Audit program confirms that registered businesses are compliant with local reporting requirements. Audits allow the City to maintain its fiduciary and tax administration responsibilities as well as ensure a level playing field for those businesses that are reporting accurately.
- **Collections** –The Collections program provides collection services on known delinquencies as well as unknown debt from non-responsive and closed businesses. In addition to increased revenues, HdL provides key demographic updates to the registration data referred for collections. The result is increased tax and license revenues as well as a cleaner more reliable registration file.

## **FISCAL IMPACT**

The cost of HdL's proposal is \$17.16 per business in the 2025-26 fiscal year with a slightly higher per business charge in the 2026-27 fiscal year based on the Consumer Price Index (CPI). With 3,500 licensed businesses in the City, this equates to a cost of \$60,060 for the system and services during the 2025-26 fiscal year and a slightly higher cost in the 2026-27 fiscal year based on the CPI increase. The cost is partially offset by a \$12 per year charge that is paid by each business in the City of Emeryville. However, City staff are exploring increasing the fee for full cost recovery as part of the overall review of business license tax structure and will update the fees in the next fiscal year.

In addition, HdL's proposal shares the recovery of funds from the audit and collections programs, with 65% retained by the City and 35% retained by HdL for audit services and 25% retained by HdL for collection services. The not to exceed amount of the contract amendment only includes the costs for business license tax administration (operational management services).

## **STAFF COMMUNICATION WITH THE PUBLIC**

There has not been any communication with the public on this item.

## **CONFLICT OF INTEREST**

None.

## CONCLUSION

HdL's Business License Tax services have been a significant enhancement to the City's Business License Tax program. The City's Administrative Instructions (No. 605) pertaining to Purchasing and Accounts Payable Procedures states contracts with an ongoing nature, or which provide services on an as-needed basis, should be procured at least every five years. This amendment would bring the total length of the contract to just under 5 years. Therefore, City staff recommends that the City Council approve the Resolution Amending the Agreement with Hinderliter De Llamas & Associates (HdL Companies) to Provide Business License Tax and Fees Administration Services for the 2025-27 and 2026-27 Fiscal Years.

**PREPARED BY:** Brian Moura, Finance Consultant (RGS)

**APPROVED AND FORWARDED TO THE  
CITY COUNCIL OF THE CITY OF EMERYVILLE:**



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LaTanya Bellow, City Manager

## ATTACHMENTS

- Attachment A – Professional Services Contract with HdL
- Draft Resolution
  - Exhibit A – First Amendment to Professional Services Contract with HdL