

CITY OF MERCED
REQUEST FOR PROPOSALS
FOR
BUSINESS LICENSE TAX COMPLIANCE SERVICES AND
ORDINANCE/FEE STUDY
AUGUST 18, 2025



FINANCE DEPARTMENT
678 WEST 18TH STREET
MERCED, CA 95340

CITY OF MERCED
REQUEST FOR PROPOSALS
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CITY OF MERCED
REQUEST FOR PROPOSALS
AUGUST 18, 2025

I. INTRODUCTION

A. General Information

The City of Merced (City) is requesting proposals from qualified firms for business license tax compliance services and ordinance/fee study.

Respondents to this Request for Proposal (RFP) must submit response proposals in accordance with the instructions in Section III, B.

Proposals received become part of the official files of the City and will not be returned to the bidders. The City reserves the right to reject any or all proposals submitted.

There is no expressed or implied obligation for the City to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

During the evaluation process, the City reserves the right, where it may serve it's best interest, to request additional information or clarification from firms submitting proposals, or to allow corrections of errors or omissions. At the City's discretion the firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The City reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the terms and conditions contained in this RFP and its appendices, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the firm selected.

It is anticipated that the selection of a firm and the approval of the contract will be at the October 6, 2025, City Council meeting.

B. Background Information

The City of Merced is located in the Central Valley of California. The City of Merced is a charter city that spans 23 square miles with a population of over 98,000 people.

The City was incorporated in 1889 and operates under a council-manager form of government. The mayor is elected by the citizens and serves for a four-year term. Council members serve for four years, with two or three seats up for election every two years. The city manager is appointed by the city council. The finance officer is also appointed by the city council and works under the direction of the city manager. The City provides police and fire public safety, water, sewer and refuse collection, planning, zoning and building, housing, recreation, and general administrative services. The City is also responsible for maintaining all streets, trees and parks located within the city limits and operates the Merced Regional Airport.

The City's Fiscal Year 2025-26 operating and capital budget is over \$439 million. The City has approximately 562 full-time employees.

The City issues approximately 5,670 business licenses annually, of which 1,223 have home occupation permits.

The City's most recent budget and comprehensive annual financial report is available at www.cityofmerced.org.

II. NATURE OF SERVICES REQUIRED

A. General

It is the City's intent to select a qualified firm to complete a business license tax ordinance and fee study as well as tax compliance audit.

B. Scope of Work

Business License Ordinance and Fee Study Scope of Work

The scope of work may include, but may not be limited to:

- ♦ Analyze Merced Municipal Code Chapter 5 existing business tax structure .
- ♦ Develop alternative tax structure options.
- ♦ Assess how each option supports funding goals.
- ♦ Participate in conference calls or attend meetings, as requested, with staff, city council, and/or community members/business owners.

Business License Tax Compliance Services Scope of Work

The scope of work may include, but may not be limited to:

- ♦ Perform Business License Tax Compliance Audit
- ♦ Participate in conference calls or attend meetings, as requested, with staff, city council, and/or community members/business owners.

III. PROPOSAL REQUIREMENTS

A. Inquiries

Inquiries concerning the RFP must be made in writing only to:

Venus Rodriguez, Finance Officer
City of Merced
Finance Department
678 West 18th Street
Merced, CA 95340
rodriguezv@cityofmerced.gov

B. Submission of Proposals

Response proposals must be submitted in a sealed envelope, clearly marked with “Bid for Business License Tax Compliance Services and Ordinance/Fee Study” and the name of the proposing firm. Proposal are due on September 2, 2025 by 5:00 p.m. PST and must include the following items to be accepted and considered for further evaluation:

1. One (1) original proposal, two (2) copies and one (1) electronic copy to (in a USB flash drive) to include the following:

- a. Title Page

showing the RFP subject, the firm’s name, the name, address, and telephone number of a contact person; and the date of the proposal.

- b. Table of Contents.

- c. Transmittal Letter.

A signed letter of transmittal briefly stating the proposer’s understanding of the work to be done and a statement about why the firm is best qualified to perform the services.

- d. Detailed Proposal.

- e. Proposer Warranties.

The proposer shall agree to Proposer Warranties by signing a copy of Appendix A attached to this proposal.

- f. Pricing

Provide two separate fees for Business License Tax Ordinance/Fee Study and Business License Compliance Audit.

Provide a list of all out-of-pocket items for which proposer will seek reimbursement.

Certification that the person signing the proposal is authorized to represent the firm, submit the proposal and sign a contract with the City of Merced.

2. Proposer should send the response proposal to the following address:

Venus Rodriguez, Finance Officer
City of Merced
Finance Department
678 West 18th Street
Merced, CA 95340

C. Technical Proposal

1. General Requirements

The purpose of the technical proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to contract with the City to perform the services described in this RFP. As such, the substance of proposals will carry more weight than their form or manner of presentation. The technical proposal should demonstrate the qualifications of the firm and of the staff to be assigned to this engagement.

The technical proposal should address all questions outlined in this RFP. The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the RFP. While additional data may be presented, responses to questions 2a through 2e, must be included. They represent the criteria against which the proposal will be evaluated.

2. Questions

- a. Has your firm previously done any work for the City of Merced or any other city in California?
Describe your firm's experience with business license ordinance/fee studies and compliance audits.
- b. Discuss your firm's ability to meet the outlined scope of work in Section IIB.
- c. Describe your staffing capability. Your response should provide qualifications, identify the project team and provide an organization chart with each key staff's responsibilities and reporting relationships defined for the proposed team. Please provide brief resumes of your proposed team members in an appendix
- d. Provide three references from similar projects including the City's name, contact information and a description of work performed.
- e. Describe the methodology in conducting a business license ordinance/fee study and what deliverables to expect.
- f. Describe the methodology in conducting a business license compliance audit and what deliverables to expect.
- g. Please discuss any other factors not requested that you believe should be considered by the City.

IV. EVALUATION CRITERIA AND SELECTION PROCESS

A. Evaluation Criteria

A team established by the City will review and evaluate the proposals based upon demonstrated competence, completeness of proposal, recent relevant experience and

professional qualifications, and pricing.

B. Oral Presentation

During the evaluation process, any one of the firms may be required to make an oral presentation. Such presentation will provide the firm an opportunity to answer any questions on their proposal. Not all firms may be asked to make such presentations.

C. Final Selection

It is anticipated that a contract will be approved at the October 6, 2025, city council meeting.

D. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this RFP unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the firm selected.

The City reserves the right without prejudice to reject any or all proposals.

APPENDIX A

PROPOSER WARRANTIES

Proposer warrants that upon acceptance and during the term of the engagement they shall maintain in full force and effect at its own cost and expense the following insurance coverage:

Workers' Compensation Insurance: Full Workers' Compensation Insurance shall be provided with a limit of at least One Hundred Thousand Dollars (\$100,000.00) for any one person and as required by law, including Employer's Liability limits of One Million Dollars (\$1,000,000.00) per accident. The policy shall be endorsed to waive the insurer's subrogation rights against the City.

General Liability: Firm shall obtain and keep in full force and effect coverage at least as broad as ISO commercial general liability coverage occurrence Form CG 0001 and shall maintain limits of no less than One Million Dollars (\$1,000,000.00) per occurrence for bodily injury, personal injury and property damage. The City, its officers, employees, volunteers, and agents are to be named additional insureds under the policy, as respects liability arising out of work or operations performed by or on behalf of the Firm. The policy shall stipulate that this insurance will operate as primary insurance for work performed by Firm and its sub-contractors, and that any other insurance or self insurance maintained by City or other insureds shall be excess and non-contributory. Firm shall maintain its commercial general liability coverage for three (3) years after completion of the work and shall add an additional insured endorsement form acceptable to the City naming the City of Merced, its officers, employees, agents and volunteers for each year thereafter for at least three (3) years after completion of the work. Copies of the annual renewal and additional insured endorsement form shall be sent to the City within thirty (30) days of the annual renewal.

Automobile Insurance: Firm shall obtain and keep in full force and effect an automobile policy of at least One Million Dollars (\$1,000,000.00) per accident for bodily injury and property damage. The City, its officers, employees, volunteers, and agents are to be named additional insureds under the policy, as respects automobiles owned, leased, hired or borrowed by the Firm. The policy shall stipulate that this insurance will operate as primary insurance for work performed by Firm and its sub-contractors, and that any other insurance or self insurance maintained by City or other named insureds shall be excess and non-contributory.

Professional Liability Insurance: Firm shall carry professional liability insurance appropriate to Firms profession in the minimum amount of One Million Dollars (\$1,000,000.00).

Qualifications of Insurer: The insurance shall be provided by an acceptable insurance provider, as determined by City, which satisfies all of the following minimum requirements; an insurance carrier admitted to do business in California and maintaining an agent for service of process within this State; and, an insurance carrier with a current A.M. Best Rating of A:VII or better (except for workers' compensation provided through the California State Compensation Fund).

Certificate of Insurance: Firm shall complete and file with the City prior to engaging in any operation or activity set forth above, certificates of insurance evidencing coverage as set forth above and which shall provide that no cancellation or expiration by the insurance company will be made during the term of the engagement, without thirty (30) days written notice to the City prior to the effective date of such cancellation, including cancellation for non-payment of premium. In addition to any other remedies City may have, City reserves the right to withhold payment if Auditor's insurance policies are not current.

Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the express prior written permission of the City of Merced.

Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: _____

Name (typed): _____

Title: _____

Firm: _____

Date: _____