



**CITY OF CORONA
FRANCHISE FEE AND TOT COMPLIANCE AUDIT
REQUEST FOR PROPOSALS (RFP) 17-053CG
ADDENDUM NO. 1**

May 4, 2017

**Administrative Services Department - Purchasing Division
400 S. Vicentia Ave., Ste. 320
Corona, CA 92882**

**Contact: Carlos Garcia
Carlos.Garcia@ci.corona.us.gov
Telephone: (951) 279-3567**

Addendum No. 1 to Franchise Fee and TOT Compliance Audit, RFP 17-053CG, is issued to respond to “Requests for Information” as submitted by contractors via written requests.

By this reference, all provisions and attachments to this Addendum No. 1 are hereby incorporated into RFP 17-053CG. Prospective contractors shall account for all provisions pursuant to this Addendum No. 1 in submitting their proposal. Each contractor shall acknowledge receipt of this Addendum No. 1 in their proposal in the spaces provided therein.

A. Questions and Answers:

1. Question:

“Would the City be interested in identifying Airbnb, HomeAway or flipkey operators for TOT revenue Enhancement? Or is it restricted to traditional hotels/motels?”

Answer:

The City is not restricting this compliance audit service to traditional hotels/motels. We are open to identify Airbnb, HomeAway, vacation rental and other similar arrangements. A review of City ordinance might be necessary to determine if those short-term rental operations would be subject to TOT. Proposer should describe if they have expertise in reviewing/interpreting, as well as recommending changes to City's existing ordinance governing TOT.

2. Question:

“For the 4 franchise agreements and 31 hotels, does the City desire to have all of

the audits performed at the same time or was the intention to have ½ or a 1/3 of the audits performed each year over a number of years.”

Answer:

We would like to have all audits completed in the initial year. Based on “exceptions” identified, we will arrange follow-up reviews annually, bi-annually or with other intervals.

3. Question:

“For the three year lookback period, does the City desire to have the 3 year period end on June 30, 2017, a calendar year end, or some other period?”

Answer:

A 3-year period ending on June 30, 2017 is most desirable for TOT audit. For franchise fee with SCE and Gas Company, a calendar year would be more feasible as they provide us statement on calendar year basis.

4. Question:

“Is there a date in which the City would like all of the audits to be completed by?”

Answer:

Not a specific date, but preferably before 3/31/2018.

5. Question:

“For the Franchise Audits, do you know the locations of the corporate offices where the successful proposer will need to perform the testwork?”

Answer:

We have contacts with each franchisee, however, the City does not have the exact location of each one’s corporate offices, or if their accounting records are with the corporate offices or the local offices. Once we have the contract awarded, the City will reach out to each franchisee to inform them the audit and request they make all necessary records available for the auditor’s review.

Thank you,

Carlos Garcia
Purchasing Specialist IV
City of Corona