



CITY OF GLENDALE, CALIFORNIA REPORT TO THE CITY COUNCIL

AGENDA ITEM

Report: Professional Services Agreement with HdL Companies to provide Business Registration Certificate (BRC) Management Services

1. Motion authorizing staff to enter into a new Professional Services Agreement with HdL Companies for a two-year contract with an option to renew for an additional year for management of the City's Business Registration Certificates.

COUNCIL ACTION

Item Type: Consent Calendar

Approved for July 20, 2021 **calendar**

ADMINISTRATIVE ACTION

Submitted by:

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Reviewed by:

Michele Flynn, Director of Finance

Michael J. Garcia, City Attorney

Approved by:

Roubik R. Golanian, P.E., City Manager

RECOMMENDATION

Staff recommends that the City Council authorize the City Manager, or his designee, to enter into a new professional services agreement with HdL Companies to provide Business Registration Certificate (BRC) management services for a two-year term with one one-year extension option. The services will include, but are not limited to, the registration of all businesses, renewals, payment processing, online services and business support.

BACKGROUND/ANALYSIS

On December 10, 2013, the City Council adopted Ordinance No.: 5818 for the Business Registration Certificate ("BRC") program as part of the streamlining of planning entitlements, which became effective on February 10, 2014. Before the BRC program, the City was unable to track businesses after they had been established. Through the BRC, the City is able to keep track of the number and types of businesses that continue in operation. The annual renewal of the BRC by applicants acts to ensure that Zoning Codes are being followed.

In 2015, the City Council authorized a three-year contract with HdL Companies ("HdL"), who specializes in municipal operations and has enhanced ongoing implementation of business registration services. This was a revenue neutral contract/expenditure and the net amount (after HdL fees) is used to offset the staff time dedicated to the BRC process. HdL has been instrumental in providing BRC-related customer service to businesses and easing the time burden on staff. HdL has also been willing to work with staff on multiple internal process and contract issues. In 2018, as work on the BRC registration process and the merger of several databases was still ongoing, staff requested and received approval for a three-year contract extension with HdL through October 21, 2021.

When notices of the BRC requirement initially went out, staff realized the level of additional assistance customers required and the need for follow-up by both City and HdL staff. As a result, a smaller number of registration notices were issued, in an attempt to stagger the registration and create a more customer-friendly approach. This allowed for a more reasonable response time for inquiries. City staff is working with HdL on potential improvements to the BRC application that may streamline the zoning review even further, allowing for the ability of more businesses to be registered. Once complete, notifications for registration will be sent to the remaining businesses in the database.

HdL has demonstrated the ability to assist the City in meeting zoning code compliance, notifying businesses of the application process, knowledge of the various municipal code requirements applicable to businesses in Glendale, and the outstanding items to streamline for a more efficient BRC process. Therefore, staff recommends that the City Council authorize a new professional services agreement with HdL, similar to the current agreement, to continue to provide BRC application and renewal services.

Following contract execution, staff will continue working to launch a new Land Management System (LMS) that may have the ability to process business registration

certificates in-house. Once the new LMS is operational, CDD may no longer require this service from an outside consultant. Approval of authority to enter into the agreement with HdL would allow for BRC services to continue uninterrupted while staff continues to fine tune the BRC process and LMS, with the intent to migrate the BRC database. The contract will allow the flexibility to either continue with HdL providing service or terminate if we are able to bring the function back in-house with a more efficient LMS and Licensing function.

FISCAL IMPACT

The new revenue contract will continue to charge the BRC fee which is calculated based on the cost to process the permit. The initial fee (includes new business registration certificate or changes to existing registration) is \$265.42. The renewal fee is \$59.48. HdL receives 30% of the initial fee and \$12 for each renewal, which is netted against the revenues collected. The net revenues will be remitted to the City's General Fund.

ALTERNATIVES

The following alternatives are presented for Council consideration:

Alternative 1: The City Council may authorize the City Manager to enter into a new professional services agreement with HdL Companies, allowing HdL to continue to provide BRC Management Services for a two-year term with one one-year extension option. This will allow the BRC program to continue to be implemented with existing technical resources while providing the business community immediate access to register in the program.

Alternative 2: The City Council may choose to take no action and not authorize the City Manager to enter into a professional services agreement with HdL Companies. If the Council chooses this option, BRC services would have to be brought back in house to be conducted by City staff. In order to match the online services provided by HdL, the City will need to invest in additional resources to create the online presence offered by HdL.

Alternative 3: The City Council may consider any other alternative not proposed by staff.

CAMPAIGN DISCLOSURE

In accordance with Council direction pursuant to the adopted City Campaign Finance Ordinance, the names and business addresses of the members of the board of directors, the chairperson, CEO, COO, CFO, subcontractors and any person or entity with 10% interest or more in the company proposed for contract in this Agenda Item Report is attached as Exhibit A.

EXHIBITS

Exhibit A Campaign Disclosure