

BUDGET AND FINANCE COMMITTEE REPORT relative to a proposed agreement with Fast Enterprises, LLC for integrated tax solution and associated implementation services.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. AUTHORIZE the Director, Office of Finance, or designee, to execute the proposed agreement with FAST Enterprises, LLC, to provide an integrated tax solution system to replace the LATAX legacy system, with a term of five years, from March 1, 2026 through February 28, 2031, and two five-year options to extend; the maximum allowable compensation for the initial term shall not exceed \$57,835,051; the maximum allowable compensation for the entirety of the contract shall not exceed \$102,503,951; subject to approval of the City Attorney as to form.
2. INSTRUCT the Office of Finance to ensure FAST Enterprises, LLC submits current insurance documentation in compliance with contractual requirements, including a Certificate of Insurance that meets the City's Risk Management requirements, prior to executing the agreement.
3. TRANSFER and APPROPRIATE \$5.8 million from the Unappropriated Balance Fund No. 100/58, Account No. 580245 (LATAX Replacement Project), to the Office of Finance, General Fund No. 100/39, Contractual Services Account No. 003040, to pay for anticipated system implementation services through the end of Fiscal Year.

TIME LIMIT FILE – APRIL 13, 2026

(LAST DAY FOR COUNCIL ACTION – MARCH 27, 2026)

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that partial funding in the amount of \$2.0 million for the first year of the proposed agreement is available in the Office of Finance's Contractual Services Account, and the remaining \$3.7 million is set aside in the Unappropriated Balance. Upon review of revenue milestones in the next few months, the CAO's Office will confirm transfer of the remaining funds, as needed. Funding for subsequent years is subject to approval by the Mayor and Council through the annual budget process. There is no additional impact to the General Fund.

Financial Policies Statement: The CAO reports that the recommendations stated in the report are in compliance with the City's financial obligation is limited to the appropriation of funds in the budget.

Community Impact Statement: None submitted

SUMMARY

At its meeting held on February 17, 2026, your Budget and Finance Committee considered the CAO report, dated February 11, 2026, relative to authorizing the Office of Finance to execute a proposed agreement with FAST Enterprises, LLC, to provide an integrated tax solution system to replace the LATAX legacy system. FAST Enterprises, LLC will provide an integrated tax solution system designed to streamline, automate, and integrate processes and systems to improve accuracy, efficiency, and productivity for City personnel. The term of the proposed agreement is for five years, from March 1, 2026 through February 28, 2031, with two five-year extension options; and, the maximum allowable compensation for the initial term shall not exceed \$57,835,051. The Committee and Office of Finance representatives discussed the development of the scope of work for the LATAX Replacement Project. Councilmember Yaroslavsky introduced a Motion, seconded by Councilmember Blumenfield, to amend Recommendation No. 1 in said CAO report to include the not-to-exceed amount of \$102,503,951 as the maximum allowable compensation for the entirety of the contract; and, to add Recommendation No. 3 for the transfer and appropriation of \$5.8 million from the Unappropriated Balance to the Office of Finance to pay for anticipated system implementation services through the end of Fiscal Year, as detailed above.

After an opportunity for public comment was held, the Committee moved to approve the item as amended, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
YAROSLAVSKY:	YES
BLUMENFIELD:	YES
HUTT:	YES
McOSKER:	YES
HERNANDEZ:	YES

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-NOT OFFICIAL UNTIL COUNCIL ACTS-