

# ORDINANCE No. 189202

\* Authorize a Request for Proposal for a new tax administrative software system in the Revenue Division (Ordinance)

The City of Portland Ordains:

Section 1. The Council finds:

1. The Bureau of Revenue and Financial Services, Revenue Division (Revenue) is responsible for the operation and maintenance of the City's multiple tax systems in support of collecting the Business License Tax, Transient Lodgings (hotel/motel) Tax, Arts Education and Access Income Tax, Enhanced Service Districts, and permitting fees. These tax systems are also used to collect revenues for other governments, notably Multnomah County tax programs including the Business Income Tax and the Transient Lodgings Tax.
2. These tax systems, which have been custom-developed over the past twenty years, are aging and expected to be unsupported by the vendor within three years.
3. Revenue must replace its multiple aging tax administration systems with a single modern integrated tax system that can administer existing and future tax programs. The solution must have data warehousing and robust audit functions, facilitate integrated usage of Federal Taxpayer Information (FTI) while meeting safeguarding requirements in IRS Publication 1075, allow City business and personal tax program taxpayers to access their accounts through a secure online portal, and support the ability to eFile tax returns via commonly available tax preparation software.
4. A replacement tax administration system is critical to the future success of Revenue. With legacy systems unsupported in three years, a new system is required to sustain basic revenue collection. Implementing a modernized system will also increase City general fund revenues through greater collections, improved audit selection, and higher rates of compliance via Modernized eFiling (MeF).
5. In the FY 2017-2018 budget, City Council authorized three years of funding for a project manager and other costs related to reviewing the business case for replacement, documenting business processes, issuing an RFP and other project work. Revenue is now prepared to issue a Request for Proposals (RFP).
6. Revenue estimates the total cost of the project to be \$20 million to \$30 million. This is a low confidence estimate that will not be finalized until Revenue has completed a competitive solicitation process. Revenue will develop a funding request and potential options for consideration during the FY 2019-2020 budget process.
7. Procurement of the new system through a competitive solicitation process will ensure the best value for the City of Portland.
8. Revenue seeks Council's authorization for Procurement Services to conduct a competitive solicitation process through the issuance of an RFP.

NOW THEREFORE, the Council directs:

- a. The Chief Procurement Officer is authorized to facilitate the competitive solicitation (RFP) process in accordance with City Code 5.33 to obtain the most responsible and responsive proposer, and negotiate a contract to replace the current tax administration software.
- b. Upon Council acceptance of the Chief Procurement Officer's Report, Procurement Services is authorized to execute a contract, provided the contract has been approved as to form by the City Attorney's office.

Section 2. The Council declares that an emergency exists because a delay in proceeding with the RFP and forthcoming purchase will result in continued risk of using the current multiple legacy tax administration systems. Therefore this ordinance shall be in full force and effect from and after its passage by the Council.

Passed by the Council: OCT 10 2018

Commissioner: Mayor Wheeler

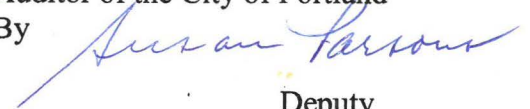
Prepared by: Thomas Lannom

Date Prepared: September 12, 2018

**Mary Hull Caballero**

Auditor of the City of Portland

By



Deputy

1056

540

Agenda No.

189202

## ORDINANCE NO.

a new Title

in the Revenue Division

\* Authorize a Request For Proposals for an integrated tax system, replacing multiple legacy systems administration software (Ordinance)

<b>INTRODUCED BY</b> Commissioner/Auditor: <b>Mayor Wheeler</b>	CLERK USE: DATE FILED <u>OCT 02 2018</u>
<b>COMMISSIONER APPROVAL</b> Mayor—Finance and Administration - Wheeler <i>MR</i> Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman Position 4/Safety - Eudaly	Mary Hull Caballero Auditor of the City of Portland By: <i>[Signature]</i> Deputy
<b>BUREAU APPROVAL</b> Bureau: OMF/BRFS/Revenue CAO: Tom Rinehart <i>TR</i> CFO, Bureau Head: Jennifer Cooperman <i>JC</i> Division Head: Thomas W. Lannom <i>TL</i> Prepared by: Thomas W. Lannom Date Prepared: Sept 25, 2018	<b>ACTION TAKEN:</b>
Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
<b>City Auditor Office Approval:</b> required for Code Ordinances	
<b>City Attorney Approval:</b> required for contract, code, easement, franchise, comp plan, charter <i>KAM</i>	
Council Meeting Date 10/10/18	

AGENDA	FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
<b>TIME CERTAIN</b> <input type="checkbox"/> Start time: Total amount of time needed: (for presentation, testimony and discussion)		YEAS	NAYS
<b>CONSENT</b> <input type="checkbox"/> <b>REGULAR</b> <input checked="" type="checkbox"/> Total amount of time needed: <u>15 minutes</u> (for presentation, testimony and discussion)	1. Fritz 2. Fish 3. Saltzman 4. Eudaly Wheeler	1. Fritz 2. Fish 3. Saltzman 4. Eudaly Wheeler	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>