

13. Amendment to Professional Services Agreement with Michael Matthews for Consulting Services Related to School Separation

Recommended Action: Authorize the Mayor to execute Amendment No. 1 to the Professional Services Agreement with Michael Matthews for consulting services related to mediation, separation and the establishment of the Malibu Unified School District for a total contract amount of \$115,000.

Staff Contact: Deputy City Manager Brown, 456-2489, ext. 300



# Council Agenda Report

To: Mayor Uhring and the Honorable Members of the City Council

Prepared by: Joseph D. Toney, Assistant City Manager

Approved by: Steve McClary, City Manager

Date prepared: May 6, 2024

Meeting date: May 28, 2024

Subject: Professional Services Agreement with Granicus LLC

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**RECOMMENDED ACTION:** Authorize the Mayor to execute Amendment No. 2 to the Professional Services Agreement with Granicus LLC for short-term rental administration.

**FISCAL IMPACT:** No additional appropriation is required. Funding for this agreement is included in the Adopted Budget for FY 2023-24 in Account No. 100-7054-5100 (Finance-Professional Services), and is included in the FY 2024-25 Proposed Budget. The term of the amendment will not exceed \$46,081.19, for a total agreement not-to-exceed of \$310,162.57. The expenditures are offset by Transient Occupancy Tax revenues.

**STRATEGIC PRIORITY:** This item is part of the day-to-day operations identified in the Adopted FY 2023-24 Strategic Priority Project List.

**DISCUSSION:** On February 12, 2018, after conducting a request for proposals (RFP) process, the City executed an agreement with Host Compliance LLC for short-term rental (STR) administration. In November 2019, Host Compliance LLC was acquired by Granicus LLC.

On September 29, 2020, the City Council adopted Ordinance No. 468 (STR Enforcement Ordinance), which created a new permit system to regulate the STR of residential property and went into effect January 15, 2021. In November 2020, the City launched its inline STR permitting process and City staff have been successfully using the Granicus system to process permits and monitor STR listings.

On January 10, 2022, the City Council approved Amendment No. 1 to the agreement to increase the Compensation for Service and extend the term to February 2024. While the current contract lapsed in February and while the details of the Amendment were worked

out, Granicus has continued to provide excellent service consistent with Exhibit A. Staff recommends that the City Council authorize the Mayor to execute Amendment No. 2 to the Professional Services Agreement with Granicus LLC adjusting the scope, to include tax collection, extending the term until February 12, 2024, and increasing the Compensation for Services.

ATTACHMENTS: Amendment No. 2 to Professional Services Agreement with Granicus LLC.

## AMENDMENT NO. 2 TO AGREEMENT

THIS AMENDMENT NO. 2 TO AGREEMENT is made and entered in the City of Malibu on May 28, 2024, by and between the CITY OF MALIBU, hereinafter referred to as City, and Granicus LLC, a Minnesota Limited Liability Company, hereinafter referred to as Consultant.

The City and the Consultant agree as follows:

### RECITALS

- A. On February 13, 2018, the City entered into an Agreement with Host Compliance LLC for consulting and software services related to permitting, compliance monitoring and enforcement of the City's ordinances, regulations and tax rules related to short term rentals (the "Agreement").
- B. Host Compliance LLC was acquired by Granicus LLC, a Minnesota Limited Liability Company on November 8, 2019, and the parties assigned the Agreement to Granicus.
- C. On February 3, 2022, the City entered into Amendment No. 1 with Consultant to extend the term and increase the Compensation for Services.
- D. The City desires to amend the Agreement to increase the scope, extend the term, and increase the Compensation for Services, and Consultant has submitted a proposal for this purpose that is acceptable to the City.

NOW THEREFORE, in consideration of their mutual promises, obligations and covenants hereinafter contained, the parties hereto agree as follows:

- 1. Section 1.0 – Scope of the Consultant's Services, of the Agreement, is hereby amended as set forth in Exhibit A attached hereto.
- 2. Section 2.0 – Term of Agreement, of the Agreement, is hereby extended to February 12, 2025.
- 3. Section 4.0 – Compensation for Services, of the Agreement, is hereby amended as set forth in Exhibit A attached hereto within a not to exceed amount of \$46,081.19.
- 4. The Parties agree that this Amendment will be considered signed when the signature of a party is delivered physically or by facsimile transmission or scanned and delivered via electronic mail. Such facsimile or electronic mail copies will be treated in all respects as having the same effect as an original signature.
- 5. All terms and conditions of the Agreement not amended by this Amendment No. 2 remain in full force and effect.

This Agreement is executed on \_\_\_\_\_, at Malibu, California, and effective as of February 13, 2024.

CITY OF MALIBU:

\_\_\_\_\_  
STEVE UHRING, Mayor

ATTEST:

\_\_\_\_\_  
KELSEY PETTIJOHN, City Clerk  
(seal)

APPROVED AS TO FORM:

THIS DOCUMENT HAS BEEN REVIEWED  
BY THE CITY ATTORNEY'S OFFICE

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TREVOR RUSIN, Interim City Attorney

CONSULTANT:

DocuSigned by:

*Bernadette Foley*

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By: BERNADETTE FOLEY

Title: Senior Manager, Renewals

## Granicus Proposal for Malibu, CA

### ORDER DETAILS

**Prepared By:** Korgbae Freeman  
**Phone:**  
**Email:** korgbae.freeman@granicus.com  
**Order #:** Q-314912  
**Prepared On:** 29 Mar 2024  
**Expires On:** 31 March 2024

### ORDER TERMS

**Currency:** USD  
**Payment Terms:** Net 30 (Payments for subscriptions are due at the beginning of the period of performance.)  
**Current Subscription**  
**End Date:** 12 Feb 2024  
**Period of Performance:** 13 Feb 2024 - 12 Feb 2025

## PRICING SUMMARY

The pricing and terms within this Proposal are specific to the products and volumes contained within this Proposal.

Renewing Subscription Fees			
Solution	Billing Frequency	Quantity/Unit	Annual Fee
Mobile Permitting & Registration	Annual	1 Each	\$5,000.00
Tax Collection	Annual	1 Each	\$5,959.00
Address Identification	Annual	1 Each	\$17,340.00
Compliance Monitoring	Annual	1 Each	\$5,700.00
24/7 Hotline	Annual	439 Rental Units	\$4,482.19
Rental Activity Monitoring	Annual	1 Each	\$7,600.00
SUBTOTAL:			\$46,081.19

## PRODUCT DESCRIPTIONS

Solution	Description
Mobile Permitting & Registration	<p>Mobile-enabled online forms and back-end systems for streamlining the registration/licensing/permitting of individual short-term rental hosts. These registration forms and workflows include:- Parcel Number lookup and validation</p> <ul style="list-style-type: none"> <li>- E-Signatures</li> <li>- ACH, Debit, and Credit Payments exclusively powered by Stripe.com</li> <li>- Registration Number &amp; Certificate creation</li> <li>- Document Upload</li> <li>- Renewals</li> <li>- Email confirmation</li> <li>- Admin approval &amp; denial</li> </ul>
Tax Collection	<p>Tax Collection can be built as a separate mobile-enabled form or coupled with Mobile Permitting &amp; Registration in one single portal allowing your users to:- Report revenue monthly, quarterly, or annually and pay sales tax due (i.e TOT)</p> <ul style="list-style-type: none"> <li>- Remind users when they are registering for a permit/license to also report any back taxes</li> <li>- Collect ACH, Debit, and Credit Payments exclusively powered by Stripe.com</li> </ul>
Address Identification	<p>Ongoing monitoring of 60+ Short Term Rental websites including major platforms Airbnb, VRBO, HomeAway, Booking.com, FlipKey, &amp; Expedia. Our machine learning will deduplicate all known Listings into unique Rental Units, where our identification team will provide owner contact information for further enforcement. This product includes:- Ongoing monitoring of all listings in your jurisdiction</p> <ul style="list-style-type: none"> <li>- Updating listing activity and details every 3-5 days</li> <li>- Screenshot activity of every listing</li> <li>- Deduplication of listings into unique Rental Units</li> <li>- Activity dashboard and map to monitor trends and breakdown of compliance</li> </ul>
Compliance Monitoring	<p>Compliance monitoring provides up-to-date information for each identified Rental Unit and its compliance status. We configure your compliance definition specific to your jurisdiction rules and ordinances in order to provide up-to-date compliance status of each identified Rental Unit. Additionally, this product will:- Allow your team to send letters to non-compliant properties 24/7</p> <ul style="list-style-type: none"> <li>- Configure letter templates with your branding and letterhead</li> <li>- Add as many letter sequences as you need for escalation</li> <li>- Monitor properties that become compliant after letter enforcement</li> </ul>



Solution	Description
24/7 Hotline	<p>24/7 web and phone hotline for your community to report short term rental complaints such as parking, trash, noise disturbances, and illegal short term rentals. This product include:- Mobile-enabled online web form for citizens to submit tips or complaints (text, videos, and photos)</p> <ul style="list-style-type: none"> <li>- 24/7 call center for citizens to contact and report complaints verbally</li> <li>- Recordings for all call center complaints</li> <li>- Email notifications to your team when complaints are logged</li> <li>- Automatic outbound IVR calls and SMS messages to permit emergency contacts notifying them of the complaint</li> <li>- SMS support for emergency contacts to mark a complaint as acknowledged or resolved with the ability to send resolution notes</li> <li>- Hotline Dashboard for tracking complaint volumes, trends, and categories</li> <li>- Ability to upload Notes/Comments to each complaint</li> </ul>
Rental Activity Monitoring	<p>Ongoing monitoring of Short Term Rental listings for signs of rental activity including historical revenue estimates &amp; occupancy. Coupled with our Tax Collection product, users can also compare historical revenue estimates to actual reported revenue to identify those that may be underreporting and underpaying sales tax (i.e. TOT).</p>

## TERMS & CONDITIONS

- This quote, and all products and services delivered hereunder are governed by the terms located at <https://granicus.com/legal/licensing>, including any product-specific terms included therein (the "License Agreement"). If your organization and Granicus has entered into a separate agreement or is utilizing a contract vehicle for this transaction, the terms of the License Agreement are incorporated into such separate agreement or contract vehicle by reference, with any directly conflicting terms and conditions being resolved in favor of the separate agreement or contract vehicle to the extent applicable.
- If submitting a Purchase Order, please include the following language: The pricing, terms and conditions of quote Q-314912 dated 29 Mar 2024 are incorporated into this Purchase Order by reference and shall take precedence over any terms and conditions included in this Purchase Order.
- This quote is exclusive of applicable state, local, and federal taxes, which, if any, will be included in the invoice. It is the responsibility of Malibu, CA to provide applicable exemption certificate(s).
- Any lapse in payment may result in suspension of service and will require the payment of a setup fee to reinstate the subscription.
- A one time credit in the amount of \$5,959.00 will be applied to the 2024-2025 renewal term.
- A second credit in the amount of \$3,965.86 will be applied to the 2024-2025 renewal term.

## BILLING INFORMATION

<b>Billing Contact:</b>		<b>Purchase Order Required?</b>	<input type="checkbox"/> - No <input type="checkbox"/> - Yes
<b>Billing Address:</b>		<b>PO Number:</b> <i>If PO required</i>	
<b>Billing Email:</b>		<b>Billing Phone:</b>	

**If submitting a Purchase Order, please include the following language:**

*The pricing, terms, and conditions of quote Q-314912 dated 29 Mar 2024 are incorporated into this Purchase Order by reference and shall take precedence over any terms and conditions included in this Purchase Order.*

## AGREEMENT AND ACCEPTANCE

By signing this document, the undersigned certifies they have authority to enter the agreement. The undersigned also understands the services and terms.

<b>Malibu, CA</b>	
<b>Signature:</b>	
<b>Name:</b>	
<b>Title:</b>	
<b>Date:</b>	