



STAFF REPORT
2/28/2024

TO: Honorable Mayor and City Council Members

FROM: Celina Jimenez, Director of Economic Development
Cesar Lucrecio, Economic Development Technician

SUBJECT: Award a Contract to Deckard Technologies, Inc., of San Diego, California, for Short Term Rental Monitoring, Compliance, Enforcement, and Tax Collection Services in the Amount of \$27,750

STAFF RECOMMENDATION:

Staff Recommends that the City Council consider awarding a contract to Deckard Technologies, Inc., of San Diego, California, for Short-term Rental Compliance Services in the amount of \$27,750 for the initial one-year period of February 29, 2024 through January 31, 2025 with the option to extend the contract for four (4) additional one-year periods, subject to departmental and City Manager concurrence and available funding, and authorize the City Manager to execute the contract agreement.

BACKGROUND:

The City's short-term rental (STR) monitoring and compliance program was launched in May 2018 and since then, the City's STR market grew to approximately 350 STRs, so it was determined that the City should solicit proposals from qualified firms to offer professional services to ensure the City has access to the most comprehensive and effective services in an effort to provide for a synergistic approach to managing the City's STR program for all departments involved.

Staff from Development Services, Finance, and Economic Development collaborated in the solicitation process to obtain proposals and identify the most qualified firm to provide these services. The scope of services included an optional TOT collection component so that customers could remit payments related to their STR in one portal. A total of three (3) firms submitted proposals that included the following:

- Deckard Technologies, Inc.
- GovOS
- Host Compliance

The review panel consisted of subject matter experts from Finance, Economic Development, and

Development Services, who reviewed the responses in accordance with the needs of the city. The panel determined that all three firms would be interviewed. Of the three firms interviewed, the panel selected Deckard Technologies Inc. as the most qualified firm.

Firm	Location	Rank	Annual Fee
Deckard Technologies, Inc.	San Diego, CA	1	\$27,750
Host Compliance	Seattle, WA	2	\$23,310
GovOS	Austin, TX	3	\$38,847

DISCUSSION/ANALYSIS:

Deckard Technologies (“Deckard”) provided services, and all were positive. Overall, Deckard Technologies was described as professional, very responsive, and a great partner. On implementation, meeting deadlines, and providing support to staff, all were extremely pleased if an issue was identified (as it occurs with all new software); they worked immediately to fix it and were always able to reach someone whenever needed, all deadlines were met, and the only time Deckard submitted for a contract amendment was when the municipality requested something additional that was not part of the scope of services. One of the references initially contracting with Deckard was only for TOT collection, but soon realized they needed a better resource on the compliance side and expanded their contract and have since renewed it for additional years.

Key service and features that Deckard Technologies will provide that set them apart from the other firms include:

- ✓ A user-friendly, intuitive, public-facing online portal in which residential STR businesses to apply for or renew a TOT certificate, STR permit, and/or a residential business license as applicable.
- ✓ The portal will collect any STR permit fees, residential business license fees, or other fees in the future as required by the City and remit them to the county. Applicants will be prompted via email to pay annual fees. Fees not paid will be flagged for City staff.
- ✓ A TOT Certificate and STR Permit information will be made available directly within the Rentalscape system to aid in both revenue services and code enforcement activities.
- ✓ Providing automatic notification to applicants via email for renewal of applicable permits when required.
- ✓ One dynamic form for the processing of TOT certificates, STR permits, and/or business licenses together. The form will include sequential, step-by-step processing of the permits.
- ✓ Real-time Dashboard for staff that identifies STR violations daily, including advance bookings.

- ✓ The advance bookings calendar could also assist staff in identifying the need for additional resources when bookings are at all-time highs.
- ✓ A “sign-off” for Deckard to mail the notice of violation as opposed to identifying violations and having staff complete the administrative tasks of printing, copying, stuffing envelopes, and physically mailing the notices.
- ✓ Provides aggregated revenue, bookings, and property data that can be compared to TOT remittance to see if any hosts/owners are underreporting.
- ✓ A separate public-facing online portal for the public to look up permitted STR property locations, registration statuses and links for complaint information, rules and regulations, or other information as determined by the City
- ✓ Unlimited training for staff

Staff has attached a draft contract with Deckard for STR Compliance Services in the amount of \$27,750 for the initial one-year period of February 29, 2024 through January 31, 2025 plus 4 additional one-year extensions based on satisfactory performance.

FISCAL IMPACT

Funds have been budgeted to cover the cost of this contract for the portion of the term within FY 23/24. The remainder of the contract period will be included in the 2024/2025 budget request. The renewal options will be reviewed and approved pending satisfactory performance.

ATTACHMENTS:

1. Professional Services Agreement with Exhibits
2. Deckard Technologies Proposal