



CITY OF DEL REY OAKS

650 CANYON DEL REY BLVD., DEL REY OAKS, CALIFORNIA 93940
PHONE (831) 394-8511 FAX (831) 394-6421

DATE: August 26, 2025

TO: Honorable Mayor and City Council

FROM: John Guertin, City Manager

SUBJECT: Approve Contract with Avenu Insights & Analytics for Short-Term Rental Program Management Services

CEQA: Not applicable.

Discussion

In 2024, the City Council directed staff to pursue engaging a consultant to manage and enforce the City's Short-Term Rental (STR) program. This direction was in response to concerns regarding impacts to staff resources associated with overseeing compliance, enforcement, and administration of STR regulations. To support this effort, the Council allocated funding for a consultant contract in the Fiscal Year 2025-26 Adopted Budget.

Following this direction, staff evaluated available providers and recommends contracting with Avenu Insights & Analytics, LLC ("Avenu"). Avenu specializes in STR program management and tax compliance services for local governments and has extensive experience with California municipalities.

Under the proposed three-year agreement (effective August 1, 2025), Avenu will provide a comprehensive Short-Term Rental Compliance 360° Bundle, which includes:

Identification & Monitoring: Weekly data collection from over 80 STR platforms (e.g., Airbnb, Vrbo, Booking.com) to identify unpermitted properties and monitor activity.

Compliance Tools: A secure online portal for City staff, enabling real-time monitoring, enforcement tracking, and data reporting.

Complaint Hotline: A 24/7 staffed hotline and online tip form for residents to report STR-related concerns, with live operator escalation to property managers or enforcement staff.

Registration & Permitting Portal: Online STR registration system with document upload, automated notifications, and administrative approval workflow.

Tax Collection Portal: System for STR operators to remit Transient Occupancy Tax (TOT), with

late payment tracking, penalties, and delinquency reporting.

Compliance Outreach: Mailing services for notices to non-compliant operators, audit support, and annual training for City staff.

The Agreement also includes Discovery/Recovery Services (contingency-based revenue recovery from unregistered businesses) and Transient Occupancy Tax Compliance Services (audits of hotel and STR operators as requested).

Fiscal Impacts

Funding for the contract is included in the adopted Fiscal Year 2025-26 Budget. Compensation is structured as follows:

- **Year 1:** \$2,500 setup fee plus \$15,000 (or \$255 per STR property, whichever is greater).
- **Year 2:** \$15,750 (or \$255 per property, whichever is greater).
- **Year 3:** \$16,500 (or \$255 per property, whichever is greater).

Additional optional services, such as STR and hotel audits, are billed per-examination, and recovery services are compensated on a contingency fee basis tied to revenues collected.

Recommendation

Staff recommends that the City Council:

1. **Approve the Consultant Services Agreement** with Avenu Insights & Analytics, LLC, for Short-Term Rental Program Management Services, effective August 1, 2025, for an initial three-year term.
2. **Authorize the City Manager** to execute the Agreement on behalf of the City.

Attachments

- Avenu Insights & Analytics Consultant Services Agreement (STR Contract 2025)

Respectfully submitted,

John Guertin
City Manager

Consultant Services Agreement

This Consultant Services Agreement (the “Agreement”) is made as of August 1, 2025 (“Effective Date”) by and between **City of Del Rey Oaks**, a municipal corporation of the State of California (“CLIENT”) and **Avenu Insights & Analytics, LLC**, a Delaware limited liability company (“CONSULTANT”), collectively the Parties. In consideration of the mutual promises herein contained and other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the parties agree as follows:

A. Services

1. CONSULTANT will provide CLIENT with the Services described in EXHIBIT A, Statement of Work, which is attached hereto and incorporated by reference. CONSULTANT shall provide said services at the time, place, and in the manner specified in EXHIBIT A.
2. CONSULTANT shall furnish at its own expense all labor, materials, equipment and other items necessary to carry out the terms of this Agreement.

B. Compensation

1. Upon execution of this Agreement, CLIENT will pay CONSULTANT as outlined in EXHIBIT B, Compensation Schedule, incorporated and included herein.

C. General Provisions

1. **Term of the Agreement:** The term of this Agreement shall be for a period of three (3) years following the Effective Date (the “Term”). Either party shall have the right to terminate this Agreement in the event of a material breach by the other party. Any such termination may be made only by providing sixty (60) days prior written notice to the other party, specifically identifying the breach or breaches on which termination is based. Following receipt of such notice, the party in breach shall have thirty (30) days to cure such breach or breaches. In the event that such cure is not made, this Agreement shall terminate in accordance with the initial sixty (60) days’ notice. Provided, however, this Agreement is subject to termination upon not less than thirty (30) days written notice to CONSULTANT if CLIENT has failed to receive funds for the continued procurement of the Products or Services after every reasonable effort has been made by CLIENT to secure the necessary funding and if no substitute arrangement is made by CLIENT to obtain the same or similar System or Services from another source. CLIENT agrees to discontinue use of all hardware, software, and other CONSULTANT-owned materials no later than the effective date of termination and return the hardware, software, and other CONSULTANT-owned materials to CONSULTANT within thirty (30) calendar days after termination.
2. **Effect of Termination:** Notwithstanding non-renewal or termination of this Agreement, CLIENT shall be obligated to pay CONSULTANT for services performed through the effective date of termination for which CONSULTANT has not been previously paid. In addition, because the services performed by CONSULTANT prior to termination or non-renewal of this Agreement may result in the CLIENT’s receipt of revenue after termination which are subject to CONSULTANT’s fee, the CLIENT shall remain obligated after termination or non-renewal to provide to CONSULTANT such information as is necessary for CONSULTANT to calculate compensation due as a result of the receipt of revenue by the CLIENT. Termination of this Agreement for any reason will not affect any liabilities or obligations of either party arising before termination or out of events causing termination and will not affect any damages or other

remedies to which a party may be entitled under this Agreement, at law, or in equity, arising from any breach or default.

3. Independent Contractor: It is understood that CONSULTANT and its subcontractors, if any, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of the CLIENT. CLIENT understands that CONSULTANT may perform similar services for others during the term of this Agreement and agrees that CONSULTANT representation of other government sector clients is not a conflict of interest. CONSULTANT shall obtain no rights to retirement benefits or other benefits which accrue to CLIENT's employees, and CONSULTANT hereby expressly waives any claim it may have to any such rights.
4. Subcontractors: CONSULTANT shall have the right to hire subcontractors to provide the services described herein. CONSULTANT, in rendering performance under this Agreement shall be deemed an independent contractor and nothing contained herein shall constitute this arrangement to be employment, a joint venture, or a partnership. CONSULTANT shall be solely responsible for and shall hold CLIENT harmless from any and all claims for any employee related fees and costs including without limitation employee insurance, employment taxes, workman's compensation, withholding taxes or income taxes.
5. Notice: Any notice required to be given under this Agreement shall be in writing and either served personally, sent prepaid first-class mail, or by express mail courier (i.e. FedEx, UPS, etc.). Any such notice shall be addressed to the other party at the address set forth below. All notices, including notices of address changes, provided under this Agreement are deemed received on the third day after mailing if sent by regular mail, or the next day if sent overnight delivery.

If to CLIENT:

City of Del Rey Oaks

Attn: Karen Minami

650 Canyon Del Rey Road

Del Rey Oaks, CA 93940

Phone: (831) 394-8511

Email: kminami@delreyoaks.org

If to CONSULTANT:

Avenu Insights & Analytics, LLC

Attn: Contracts Department

5860 Trinity Parkway, Suite 120

Centreville, VA 20120

Email: contracts@avenuinsights.com

6. Representative or designees: CONSULTANT Primary Representative/Project Manager shall be:

Spencer Streeter, Client Services Manager

Email: spencer.streeter@avenuinsights.com

7. Indemnity: CONSULTANT shall indemnify, defend, and hold harmless the CLIENT, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) to extent occurring or resulting from CONSULTANT's negligent or unlawful performance of its obligations under or breach of the terms of this Agreement, unless such claims, liabilities, or losses arise out of, or are caused at least in part by the sole negligence or willful misconduct of the CLIENT. "CONSULTANT's performance" includes CONSULTANT's action or inaction and the action or inaction of CONSULTANT's officers, employees, agents and subcontractors.

8. Limitation of Liability: IN NO EVENT SHALL CONSULTANT, ITS EMPLOYEES, CONTRACTORS, DIRECTORS, AFFILIATES AND/OR AGENTS BE LIABLE FOR ANY SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, SUCH AS, BUT NOT LIMITED TO, DELAY, LOST DATA, DISRUPTION, AND LOSS OF ANTICIPATED PROFITS OR REVENUE ARISING FROM OR RELATED TO THE SERVICES, WHETHER LIABILITY IS ASSERTED IN CONTRACT OR TORT, AND WHETHER OR NOT CONSULTANT HAS BEEN ADVISED OF THE POSSIBILITY OF ANY SUCH LOSS OR DAMAGE. IN ADDITION, CONSULTANT'S TOTAL LIABILITY HEREUNDER, INCLUDING REASONABLE ATTORNEYS' FEES AND COSTS, SHALL IN NO EVENT EXCEED AN AMOUNT EQUAL TO THE FEES DESCRIBED IN EXHIBIT B. THE FOREGOING SETS FORTH THE CLIENT'S EXCLUSIVE REMEDY FOR CLAIMS ARISING FROM OR OUT OF THIS AGREEMENT. THE PROVISIONS OF THIS SECTION ALLOCATE THE RISKS BETWEEN CONSULTANT AND THE CLIENT AND CONSULTANT'S PRICING REFLECTS THE ALLOCATION OF RISK AND LIMITATION OF LIABILITY SPECIFIED HEREIN.
9. Insurance: CONSULTANT shall keep in full force and effect insurance coverage during the term of this Agreement, including without limitation statutory workers' compensation insurance; employer's liability and commercial general liability insurance; comprehensive automobile liability insurance; professional liability and fidelity insurance. The insurance certificate shall name the CLIENT, its agents, officers, servants and employees as additional insureds under the CGL and Automobile policies with respect to the operations and work performed by the named insured as required by written contract. The General Liability policy is Primary & Non-Contributory. Waiver of Subrogation applies under the General Liability and Workers' Compensation policies. The CGL insurance minimum coverage shall be at least \$1,000,000 per incident, claim or occurrence and \$2,000,000 aggregate. The Cybersecurity insurance minimum coverage shall be at least \$2,500,000 per incident, claim or occurrence. The Automobile Liability insurance minimum coverage shall be at least \$1,000,000 covering all owned, non-owned, and hired vehicles. The certificate shall provide that there will be no cancellation, termination, or non-renewal of the insurance coverage without a minimum 30-day written notice to the CLIENT, except in the case of cancellation for non-payment of premium which shall be at least 10-days written notice.
10. Equal Opportunity to Draft: The parties have participated and had an equal opportunity to participate in the drafting of this Agreement. No ambiguity shall be construed against any party upon a claim that that party drafted the ambiguous language.
11. Assignment: This Agreement shall be binding upon and inure to the benefit of the parties, their successors, representatives and assigns. CONSULTANT shall not assign this Agreement, or delegate its duties or obligations under this Agreement, without the prior written consent of CLIENT, which consent shall not be unreasonably withheld, delayed or conditioned. Notwithstanding the foregoing, CONSULTANT may assign this Agreement, in whole or in part, without the consent of CLIENT to any corporation or entity into which or with which CONSULTANT has merged or consolidated; any parent, subsidiary, successor or affiliated corporation of CONSULTANT; or any corporation or entity which acquires all or substantially all of the assets of CONSULTANT. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties and their successors or assigns.
12. Ownership of Documents: Except for CONSULTANT's preexisting proprietary information and processes, any and all documents, including draft documents where completed documents are unavailable, or materials prepared or caused to be prepared by CONSULTANT pursuant to this agreement shall be the property of the CLIENT at the moment of their completed preparation.

13. Intellectual Property Rights: The entire right, title and interest in and to CONSULTANT's database and all copyrights, patents, trade secrets, trademarks, trade names, and all other intellectual property rights associated with any and all ideas, concepts, techniques, inventions, processes, or works of authorship including, but not limited to, all materials in written or other tangible form developed or created in the course of this Agreement (collectively, the "Work Product") shall vest exclusively in CONSULTANT or its subcontractors. The foregoing notwithstanding, in no event shall any CLIENT-owned data provided to CONSULTANT be deemed included within the Work Product.
14. Public Release and Statements: Neither party or its representatives or agents shall disseminate any oral or written advertisement, endorsement or other marketing material relating to each other's activities under this Agreement without the prior written approval of the other party. Neither party shall make any public release or statement concerning the subject matter of this Agreement without the express written consent and approval of the other party. No party or its agent will use the name, mark or logo of the other party in any advertisement or printed solicitation without first having prior written approval of the other party. The parties shall take reasonable efforts to ensure that its subcontractors shall not disseminate any oral or written advertisement, endorsement or other marketing materials referencing or relating to the other party without that party's prior written approval. In addition, the parties agree that their contracts with all subcontractors will include appropriate provisions to ensure compliance with the restrictions of this Section.
15. Force Majeure: CONSULTANT shall not be in default of its obligations hereunder to the extent that its performance is delayed or prevented by causes beyond its control, including but not limited to acts of God, government, quarantines, pandemics, epidemics, fire, flood, earthquake, weather, climate change, elements of nature, war, terrorism, civil disturbance, labor disruptions, strikes, embargoes, power or telecommunications failures, inability to obtain supplies, breakdown of equipment or interruption in vendor services or communications, or cause beyond the reasonable control of CONSULTANT ("Force Majeure Event"). Upon the occurrence of a Force Majeure Event, the party that has experienced a delay or failure of performance caused by the Force Majeure Event will be excused from further performance or observance of the affected obligation(s) for as long as the extenuating circumstances prevail and that party continues to attempt to recommence performance or observance whenever and to whatever extent possible without delay. The party that experienced a delay or failure of performance caused by the Force Majeure Event will immediately notify the other party and describe in reasonable detail the circumstances causing the delay or failure of performance. The provisions of this Section shall survive termination of this Agreement.
16. Relationship of the Parties: This Agreement shall not constitute, create, give effect to, or otherwise imply a joint venture, partnership, or business organization of any kind. CONSULTANT and CLIENT are independent parties, and neither party shall act as an agent for or partner of the other for any purpose. Nothing in this Agreement shall grant to either party any right to make any commitments of any kind for or on behalf of the other party without the prior written consent of the other party. CONSULTANT shall not be restricted from providing products or performing services for others and shall not be bound to CLIENT except as provided under this Agreement.
17. Severability: If all or part of any term or condition of this Agreement, or the application of any term or condition of this Agreement, is determined by any court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of the terms and conditions of this Agreement (other than those portions determined to be invalid or unenforceable) shall not be affected, and the remaining terms and

conditions (or portions of terms or conditions) shall be valid and enforceable to the fullest extent permitted by law. If a judicial determination prevents the accomplishment of the purpose of this Agreement, the invalid term or condition (or portions of terms or conditions) shall be restated to conform to applicable law and to reflect as nearly as possible the original intent of the parties.

18. Waiver Or Forbearance: Any delay or failure of either party to insist upon strict performance of any obligation under this Agreement or to exercise any right or remedy provided under this Agreement shall not be a waiver of that party's right to demand strict compliance, irrespective of the number or duration of any delay(s) or failure(s). No term or condition imposed on either party under this Agreement shall be waived and no breach by either party shall be excused unless that waiver or excuse of a breach has been put in writing and signed by both parties. Waiver in any instance of any right or remedy shall not constitute waiver of any other right or remedy under this Agreement. Consent to or forbearance of any breach or substandard performance of any obligation under this Agreement shall not constitute consent to modification or reduction of the other obligations or forbearance of any other breach.
19. Entire Agreement: This Agreement constitutes the entire agreement between the parties hereto and supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter contained herein. Said Agreement shall not be amended, altered, or changed, except by a written amendment signed by both parties.
20. Headings: The section headings used in this Agreement are merely for reference and have no independent legal meaning and impose no obligations or conditions on the parties.
21. Governing Law: This Agreement shall be governed by, interpreted, construed, and enforced in accordance with the laws of the State of Virginia, without reference to the principles of conflict of laws.
22. Counterparts: This Agreement may be signed in separate counterparts including facsimile copies. Each counterpart (including facsimile copies) is deemed an original and all counterparts are deemed on and the same instrument and legally binding on the parties.
23. Invalidity: If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
24. Implementation: Implementation should begin as soon as possible from the signing of this Agreement (the "Implementation Date") for the performance of services under the terms of this Agreement.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS HEREOF, the parties have caused this Agreement to be executed on the date first written above.

“CLIENT”

City of Del Rey Oaks

a Municipal Corporation

By: _____

Name: _____


Title: _____

Date: _____

“CONSULTANT”

Avenu Insights & Analytics, LLC

a Delaware limited liability company

By:  Sabrina Stover

Name: Sabrina Stover

Title: CFO

Date: 7/25/2025

EXHIBIT A - STATEMENT OF WORK

This Statement of Work is incorporated in the Consultant Services Agreement (“Agreement”) by and between Avenu Insights & Analytics, LLC (“CONSULTANT”) and City of Del Rey Oaks (“CLIENT”).

A.1 SHORT-TERM RENTAL COMPLIANCE 360 BUNDLE

Scope of Work

CONSULTANT’s Short Term Rental Monitoring and Identification Services are designed to assist CLIENT in enhancing its short-term rental/lodging tax revenues by providing targeted web monitoring, web portal and identification services thereby producing previously unrealized revenue and improved compliance opportunities for CLIENT. Using its Short-Term Rental Compliance Software, CONSULTANT will be responsible for providing the following modules and components as part of this Agreement:

Identification Services - Bundled

- Validate STR listing data with at least two (2) different data points to public records
- Correctly identify single-family-dwelling STR listings with exact street address at least ninety-nine percent (99%) of the time
- Identify multi-family-dwelling STR listings with full name, exact address including unit number at least seventy-five (75%) of the time

Targeted Website Monitoring

- Data collection and archiving from eighty (80) different short-term rental websites including Airbnb, HomeAway, Booking. Additional websites may be supported upon CLIENT request, for additional cost.
- Data collection is run at least once per week
- Collect and store calendar availability data for at least six (6) months each time listing data is collected
- Archive and estimate gross revenue via review or calendar bookings
- Generate statistics on and group by room type, occupancy rate, host name, owner name, STR density heatmaps, average nightly rates, and other metadata in a dashboard report
- Capture of time-stamped STR listings data in JPG
- Automated matching of STR listings to STR Licensees via proximity and host name

Web Portal for Monitoring

- 24/7 accessible web-portal with keyword-search
- Log into a secured, password-protected web-based graphical user interface
- Compatible with desktop, tablet, and mobile version of internet browsers
- Navigate listings by keyword search and by interactive map with dynamic filtering
- Reporting on sixty-nine (69) different data points and filtering/grouping
- Enter notes and track compliance activity on forty (40) different categories of compliance
- English Customer Support
- Generate a mailout of non-compliant STR operators within the interface
- Compare up to ten (10) STR listings with thumbnail photos at the same time

24/7 Complaint Hotline

- 24/7 hotline and online tipform, fielding all tips, complaints, and violation reports from residents, in regard to disruptions at an alleged short-term rental property. These violations are tracked and maintained in the STR database and become part of the compliance activity for a property.
- Live operator will receive these violation calls and (if the CLIENT so chooses) make outbound outreach to the designated responsible agent of the STR address in question and/or escalate to other enforcement agencies
- Any configuration change to the complaint call flow after thirty (30) days of go-live may result in additional charges

Registration and Permitting Portal

- Layout of form on multiple screens to reduce clutter with Next and Back buttons
- Compatible with desktop, tablet and mobile version of internet browsers
- Upload up to ten (10) supporting documents for registering via photo or attachment
- Allow host registrant data to be approved, rejected, or inspected from an administrative account accessible by an authorized user
- One-time data load of active registered STR properties via CSV file during onboarding
- Email notification of registration changes to both the registrant and the customer
- Configurable registration application, review, approval and/or renewal statuses
- Document notes on permit or renewal application throughout review process
- Allow manual payment processing by cash, check or point-of-sale by administrator
- Reporting and filtering by registration date, permit status, payment status, reconciliation report
- English Customer Support

Tax Collection Portal

- Layout of form on multiple screens to reduce clutter with Next and Back buttons
- Allow remittance over monthly, quarterly, or annual reporting periods
- Compatible with desktop, tablet and mobile version of internet browsers
- Report interface for reviewing tax remittances, delinquent payments and non-filers
- Email notification of tax remittances to both the registrant and the CLIENT
- Allow manual payment processing by cash, check or point-of-sale by administrator
- Apply and calculate penalty and interest for late remittances
- Reporting and filtering by filing period, permit status, delinquency report, reconciliation report
- English Customer Support

Compliance Outreach

- Print and Mail - Up to two (2) rounds of letters per non-compliant STR host per year

360 Full Service Registration and Tax Administration Services, and Reporting

- Print and Mail services (Registration, Citation, Violation Notices, Licenses, Renewals, Postage)
- Approving and rejecting permitting/licensing Staff Support
- One (1) Town Hall on-site meeting per year
- Short-Term Rental delinquency outreach
- Compliance audit of five percent (5%) of the Tax accounts included

CONSULTANT Deliverables

- Portal will begin archiving and monitoring, within sixty (60) days of contract signature, at a minimum, the following information (herein, the “Self-Service STR Report”):
 - STR unique id, website URL, duplicate STR ids
 - Approximate or exact STR address (and apartment number if applicable), city, state, postal code
 - Partial or full operator information (name, address, city, state, postal code)
 - Number of bedrooms
 - Maximum guests
 - Nightly rate
 - Number of reviews
 - Minimum nights
 - Permit numbers displayed on the ad (if any)
- CONSULTANT will provide CLIENT with login access to the system for up to 100 staff members
- Perform all on-going support of the system, including hardware and software throughout Term
- Provide online webinar style training on the system to CLIENT staff once per year for up to two (2) hours. On-site training or online training more than once per year will incur additional costs as outlined in Exhibit B.

CLIENT Assistance

CLIENT shall assist CONSULTANT by providing necessary information and assistance to include, but not be limited to, the following:

Prior to the start of the work to be performed, provide CONSULTANT with:

- All existing Short-Term Rental Permit, License and Tax records to be converted in a file format agreed to by the CONSULTANT and a time specified in the implementation plan.
- Provide a copy of all ordinances related to short-term rental, hotel occupancy, lodging tax, permits and or business registration.
- Provide CLIENT shape file (boundary file)
- Provide at no additional cost to the CONSULTANT Land Title, Land Ownership, and/or Parcel Ownership File
- Inform CONSULTANT of any circumstances concerning current existing payees.
- Inform CONSULTANT of the development of new lodging properties no later than the Certificate of Occupancy being granted.
- The most recent registration to collect the tax and returns for the time period requested as needed to compile a historical database for the period of the statute of limitations.
- Cooperate in the transition by reviewing proposed processing and materials, offering comments and suggestions, and providing timely approvals.
- Undergo training in the use of online applications.
- Provide authorization for CONSULTANT to act as an agent of the CLIENT to accept Registrations, Applications, Tax Returns, payments and to pursue compliance/collection efforts.
- Provide notification of payment receipt from non-compliant entities identified within two (2) business days of receipt.
- If applicable, provide the most recent sales tax and business license registry and payment history for the prior three (3) years.

Through the course of the Term, CLIENT shall:

- Pursue those Short-Term Rentals identified by CONSULTANT within thirty (30) days of the date they are first identified for non-compliance per CLIENT's ordinance
- In the event of a mis-identification, provide CONSULTANT with documentation and feedback
- Provide a valid email address(es) and/or phone number(s) to receive 24/7 nuisance escalations, and respond to escalations as required
- For 360 service only, provide a guideline for how to review, approve and/or reject registrations and/or answer any escalations that come from registrants and taxpayers

A.2 DISCOVERY/RECOVERY SERVICES

Scope of Work

Discovery/Recovery Services are designed to provide a full-service solution to the CLIENT'S designated tax or fee enforcement procedures. It does not replace current functions but provides a focused solution to the identification of entities subject to taxation and/or registration by the CLIENT, which are not properly registered, or otherwise not reporting taxes and/or fees to the CLIENT. In performing the Discovery/Recovery Services, CONSULTANT shall:

- Establish a comprehensive inventory of the entities subject to taxation by the CLIENT and the database elements needed to facilitate a comprehensive comparative analysis with the CLIENT'S records of those entities that are properly registered.
- Compare CONSULTANT'S database of business records with the CLIENT'S records to identify potential non-reporting and non-registered entities subject to taxation.
- For unregistered or non-reporting entities identified and confirmed, assist the entities, as necessary, to complete the CLIENT'S applicable registration and/or tax returns.
- Invoice entities (including supporting documentation) on behalf of the CLIENT for the number of identified deficiencies, with payment to be remitted to CONSULTANT.
- Exhaust reasonable efforts to collaborate with the taxpayer in submitting registration and/or tax returns and payment correctly. Where deemed reasonably appropriate, accounts may be turned over to audit or third party collection.
- Collect the number of identified deficiencies, together with required supporting documentation, and remit payment received to the CLIENT as agreed upon in the workplan. (CONSULTANT shall follow the CLIENT'S business rules in collecting partial payments or the tax in full at the CLIENT'S direction.)
- Provide call center open during normal business hours (7:30 a.m. - 4:30 p.m. CST.) to assist entities with questions concerning application of the CLIENT'S taxes, and reporting and remittance requirements.
- Educate entities regarding the CLIENT'S reporting requirements to prevent recurring deficiencies in future years.

CONSULTANT Deliverables

Throughout the course of the Agreement, CONSULTANT will:

- Provide reports addressing each taxpayer who has failed to register and/or report appropriate taxes, penalties, interest and any fees due.
- Provide a detailed payment listing showing all taxes and fees paid to CONSULTANT.
- Monitor and analyze the tax registry files of CLIENT no less than annually.
- Remit payment to the CLIENT for funds received on behalf of the CLIENT no less than once per month on or before the tenth (10th) day of the month following collection.

CLIENT Assistance

CLIENT shall assist CONSULTANT by providing necessary information and assistance to include, but not be limited to, the following:

- the most recent registration to collect the tax and
- returns for the time period requested as needed to compile a historical database for the period of the statute of limitations;
- all existing License and Tax records to be converted in a file format agreed to by the CONSULTANT and a time specified in the implementation plan.
- Provide a copy of all ordinances related to sales tax, rental, hotel occupancy, lodging tax, permits and or business registration.
- **Distribution Confirmation:** The CLIENT will fill in the account information requested on **Attachment A**, sign and attach the same to the fully executed Agreement. Should there be any changes to the account or percentages in Attachment A, the CLIENT shall immediately notify CONSULTANT in writing of all changes in amounts to be deposited into the accounts of designated recipients.
- **Changes to Attachment A:** The CLIENT shall notify CONSULTANT in writing immediately of all changes in amounts to be deposited into the accounts of designated recipients. An amended Attachment A shall be prepared and executed by the Parties as soon as reasonably possible. In addition, CONSULTANT shall provide documentation confirming each change under the preceding sentence with the first monthly report reflecting the applicable change. If the changes reflected in the monthly report do not properly reflect the intended changes of the CLIENT, then the CLIENT shall immediately notify CONSULTANT and, thereafter, CONSULTANT shall take the steps necessary to ensure that designated recipients receive the amounts intended by the CLIENT.
- CLIENT agrees to examine reports immediately. If no error is reported by the CLIENT to CONSULTANT within thirty (30) days, the statement will be deemed accurate.

A.3 LOCAL TRANSIENT OCCUPANCY TAX COMPLIANCE SERVICES

Objectives and Methods

CONSULTANT's Local Transient Occupancy Tax Compliance Service is intended to assist the CLIENT in maximizing tax revenue it is entitled to through an examination of records and education of the lodging providers to ensure the appropriate collection and remittance of the occupancy tax.

Scope of Work

Examination Services

- Establish a comprehensive inventory of all registered lodging providers subject to taxation by the CLIENT.
- Enter and analyze lodging provider return data received from the CLIENT.
- Provide CLIENT staff with a draft engagement announcement letter to be sent to each lodging provider requiring examination.
- In coordination with CLIENT staff, schedule, and conduct reviews at the property locations or remotely of those providers identified and authorized for examination.
- Verify accuracy of filed lodging tax returns with annual and monthly activity summaries and P&L statements.
- Review a random sample of the daily and monthly summaries to determine if the daily summaries reconcile to the monthly summaries if applicable.

- Review bank statements to verify that deposits reconcile with the reported revenue on the lodging tax returns if necessary.
- Review a random sample of exempted guest revenue for proper qualifying documentation and trace registration and/or other source documents to verify compliance with the CLIENT ordinance.
- For each error/omission identified and confirmed, submit substantiating documentation to designated CLIENT staff to facilitate collection of revenue due from lodging providers for prior periods.
- Coordinate with designated CLIENT official(s) as necessary to review findings and recommendations.
- Prepare draft notices of deficiency determination, commendation, and credit letters, as applicable, for CLIENT to advise lodging providers of examination results.

Additional Consulting

- Assist CLIENT in reviewing any matters submitted in extenuation and mitigation by lodging providers in contesting a deficiency determination.
- Prepare and document any changes to the review findings and provide revised tax amounts due to the CLIENT.

CONSULTANT Deliverables

Examination Services

- Provide CLIENT staff with a draft Announcement Letter to be sent to each lodging provider to be examined on CLIENT letterhead.
- For each error/omission identified and confirmed, submit a written report substantiating documentation to designated CLIENT staff to facilitate collection of revenue due from lodging providers for prior periods together with draft notices of deficiency determination, and/or credit, or commendation letters as applicable.

Additional Consulting

- Prepare and document any changes to the review findings and provide revised tax amounts due to the CLIENT.
- Review any extenuation or mitigation proffered to deficiency determinations and prepare draft response to CLIENT staff.
- Provide other collections advice upon request.

CLIENT Assistance

- Provide CONSULTANT with:
 - a. List of all properties registered within CLIENT's jurisdiction.
 - b. Thirty-six (36) months of returns for all properties (or properties CLIENT selected)
- CLIENT agrees to provide signed authorization letters on CLIENT letterhead as needed within thirty (30) days of request.
- CLIENT agrees to provide CONSULTANT with its ordinances, codes, and tax rates within thirty (30) days of the effective date of the Agreement, and notice of any changes thereafter in the ordinances, codes, and tax rates levied by the CLIENT.
- CLIENT agrees to timely sign subpoenas, as required.
- CLIENT agrees to timely sign and approve letters and notices, as required.

EXHIBIT B – COMPENSATION SCHEDULE

This Compensation Schedule is incorporated in the Consultant Services Agreement (“Agreement”) by and between Avenu Insights & Analytics, LLC (“CONSULTANT”) and City of Del Rey Oaks (“CLIENT”).

B.1 SHORT-TERM RENTAL COMPLIANCE 360 BUNDLE

Fees for the Short-Term Rental Monitoring and Identification Services described in Exhibit A will be billed in accordance with the schedule set forth below. Payments are due within forty-five (45) days of invoice receipt.

Description	Invoice Date	Invoice Amount
Year 1 STR Portal Setup / Onboarding	+30 days after signature	\$2,500
Year 1 STR Report	+60 days after signature	\$15,000 or \$255 per property, whichever is greater
Year 2 Maintenance	August 1, 2026	\$15,750 or \$255 per property, whichever is greater
Year 3 Maintenance	August 1, 2027	\$16,500 or \$255 per property, whichever is greater

ADDITIONAL CONSULTING

CLIENT may request that CONSULTANT provide additional consulting services at any time during the Term of this Agreement. If CONSULTANT and CLIENT agree on the scope of the additional consulting services requested, then CONSULTANT shall provide the additional consulting on a Time and Materials basis. Depending on the personnel assigned to perform the work, standard hourly rates range from one hundred dollars (\$100) per hour to three hundred fifty dollars (\$350) per hour. These additional consulting services will be invoiced at least monthly based on actual time and expenses incurred.

TRAVEL AND OUT-OF-POCKET

CLIENT shall reimburse CONSULTANT for reasonable travel and other out-of-pocket expenses associated with the performance of field audits and/or field examinations, including but not limited to lodging, parking, mileage, per diem, etc. (Mileage and per diem shall be according to IRS regulations). Such reimbursement shall be billed incrementally.

B.2 DISCOVERY/RECOVERY SERVICES

The Discovery/Recovery Services shall be provided for a contingency fee of fifty percent (50%) of the additional delinquent revenue received by CLIENT for the services. The fifty percent (50%) contingency fee shall apply to the current license/fee year and/or period, all eligible prior period revenues collected, and any applicable penalties, interest, and late charges. The contingency fee is also due on all payments made direct to the CLIENT. The contingency fee only applies to revenue actually received by CLIENT. The term “current license/fee year/period” shall mean the most recent year or period for which local license and/or fees are due and payable to CLIENT, and in which CONSULTANT has identified deficiencies.

B.3 LOCAL TRANSIENT OCCUPANCY TAX COMPLIANCE SERVICES

CLIENT agrees to a work plan and compensation schedule for the Local Transient Occupancy Tax Compliance Services, per the charts below.

Description	Period	Min # Examinations	Compensation
Hotel Examination	Year 1	per Client request	\$2,000 per examination
Hotel Examination	Year 2	per Client request	\$2,100 per examination
Hotel Examination	Year 3	per Client request	\$2,210 per examination

Description	Period	Min # Examinations	Compensation
STR Examination	Year 1	per Client request	\$750 per property
STR Examination	Year 2	per Client request	\$800 per property
STR Examination	Year 3	per Client request	\$855 per property

ADDITIONAL CONSULTING

CLIENT may request that CONSULTANT provide additional consulting services at any time during the Term of this Agreement. If CONSULTANT and CLIENT agree on the scope of the additional consulting services requested, then CONSULTANT shall provide the additional consulting on a Time and Materials basis. Depending on the personnel assigned to perform the work, standard hourly rates range from one hundred dollars (\$100) per hour to three hundred fifty dollars (\$350) per hour. These additional consulting services will be invoiced at least monthly based on actual time and expenses incurred.

TRAVEL AND OUT-OF-POCKET

CLIENT shall reimburse CONSULTANT for reasonable travel and other out-of-pocket expenses associated with the performance of field audits and/or field examinations, including but not limited to lodging, parking, mileage, per diem, etc. (Mileage and per diem shall be according to IRS regulations). Such reimbursement shall be billed incrementally.

ATTACHMENT A

Distribution Confirmation

July 18, 2025

City of Del Rey Oaks
Attn: Karen Minami
650 Canyon Del Rey Road
Del Rey Oaks, CA 93940

Dear Ms. Minami,

Funds will be distributed in the following accounts pursuant to this Agreement:

Agency	Routing #	Account #	Distribution %	Tax Type

If at any time there are any discrepancies between the schedule set out above and the CLIENT's records, please notify us in writing immediately.

IT IS YOUR RESPONSIBILITY TO PROVIDE NOTICE TO US OF ANY CHANGES IN TAX RATES OR IN THE DISTRIBUTION OF FUNDS. NOTICE MUST BE IN WRITING AND SENT, VIA CERTIFIED MAIL, TO:

Avenu Insights & Analytics, LLC
600 Beacon Parkway West, Suite 900
Birmingham, AL 35209
Attn.: Connie Taylor, Client Relations Manager

Thank you for your assistance. If you have any questions, or if I may be of assistance, please let me know.

Connie Taylor, Client Relations Manager
Avenu Insights & Analytics, LLC
Phone: 213-246-2445, Fax: 205-423-4097
E-mail: connie.taylor@avenuinsights.com

I have reviewed the above distribution and verify that it is correct.

City of Del Rey Oaks, California

By: _____

Name: _____

Title: _____

Date: _____