

1st AMENDMENT TO AGREEMENT

This AMENDMENT TO AGREEMENT is dated for identification this 30th day of September 2022 and amends that certain agreement for business license tax consulting services dated April 5th, 2022, made by and between the Town of Los Gatos, ("Town,") and HdL Companies. ("Consultant.")

RECITALS

- A. Town and Consultant entered into a business license tax consulting services Agreement on April 5th, 2022, ("Agreement"), a copy of which is attached hereto and incorporated by reference as Attachment 2 to this Amendment.

AMENDMENT

1. 2.1 Scope of Services: Consultant shall also provide services as described in that proposal sent to the Town on September 27th, 2022, which is hereby incorporated by reference and attached as Attachment 1.
2. 2.2 Term and Time of Performance: This contract will remain in effect until December 31, 2023.
3. 2.6 Compensation: Compensation for Consultant's professional services shall be increased by \$73,000 for a total agreement not to exceed \$93,000. Payment shall be based upon Town approval of each task.
4. 3.4 Indemnification: In no event will Consultant be liable for any Town monies not received by Consultant, or any special, incidental, or consequential damages of any nature. Consultant's duty to indemnify and hold harmless Town shall not apply to claims for liability which arise from the issuance or non-issuance of any registration, license, permit, or exemption.
4. All other terms and conditions of the Agreement remain in full force and effect.

IN WITNESS WHEREOF, the Town and Consultant have executed this Amendment.

Town of Los Gatos

Approved as to Consent:

By: DocuSigned by:
Laurel Prevetti
853FEEA2EB39470...
Laurel Prevetti, Town Manager

By: DocuSigned by:
Robert Gray
D4C862857876418...
Robert Gray, CIO HdL Companies

Department Approval:

DocuSigned by:
Gitta Ungvari
8007F92FD1084FF...
Gitta Ungvari
Interim Finance Director

Approved as to Form:

Attest:

DocuSigned by:
Gabrielle Whelan
EFD6738A5534428...
Gabrielle Whelan, Town Attorney

DocuSigned by:
Wendy Wood
BF0EBCBE2C214F8...
Wendy Wood, CMC, Town Clerk

Hinderliter De Llamas & Associates
Tax and Fee Administration Services and Fees
Business License Tax and Fees
Town of Los Gatos

SCOPE OF SERVICES

Consultant will provide the following Services relative to Client's business license tax administration.

1. Operations Management Services

- 1.1. Establish and maintain database of Client businesses.
- 1.2. Receive and process applications, renewals and payments in a timely fashion.
- 1.3. Send renewal notices to active businesses within 30 days of the renewal period end date or at another interval specified by Client.
- 1.4. Provide businesses multiple options for submitting applications, renewals, payments, or support requests (including via website, email, mail, phone, and fax. Consultant license specialists will be available for live interactions Monday through Friday, 8:00am to 5:00pm Pacific).
- 1.5. Remit revenue to Client no less than monthly.
- 1.6. Provide Client staff access to website portal offering business registry inquiry, reporting, and electronic department approval capabilities.

2. Online Payment Processing – Consultant's services include PCI compliant payment processing services powered by FIS Global, which supports both credit card and eCheck transactions.

2.1. Client Responsibilities

- 2.1.1. As a condition to its receipt of the Service, Client shall execute and deliver any and all applications, agreements, certifications or other documents required by FIS Global, Networks or other third parties whose consent or approval is necessary for the processing of Transactions by FIS Global. "Network" is an entity or association that operates, under a common service mark, a system which permits participants to authorize, route, and settle Transactions among themselves, including, for example, networks operated by VISA USA and Mastercard, Inc., NYCE Corporation, American Express, and Discover.
- 2.1.2. Client hereby grants Consultant the full right, power and authority to request, receive and review any Data or records reflected in a Transaction report. Client represents and warrants that it has the full right and authority to grant these rights.

FEEES

3. Operations Management Services

- 3.1. Fees for performing operations management Services shall be \$17.00 for each processed account, which is any account for which an application or renewal/return was processed, or active account which was sent a renewal notice.

4.1.1 One-time project implementation fee of \$5,000.00.

- 3.2. Fees will be increased as of January 1st of each calendar year with reference to the 12-month percent change in the most recently published annual Consumer Price Index for All Urban Consumers (CPI-U), West Region, as reported by the U.S. Bureau of Labor Statistics (the "CPI Change"). Each annual increase in the Fees will be equal to the greater of two percent (2%) or the actual CPI Change and the lesser of ten percent (10%) or the actual CPI Change. For example, if the actual CPI Change is 1.5%, then the annual increase will be 2%, if the actual CPI Change is 3.5%, then the annual increase will be 3.5%, and if the actual CPI Change is 12%, then the annual increase will be 10%.

- 3.3. Fees related to travel and lodging expenses are billed at cost and apply to all meetings (including implementation, training, operations and support). Travel expenses only apply to out-of-scope travel and must therefore be pre-approved by Client.
- 3.4. Fees will be invoiced monthly to Client for Services performed during the prior month. Fees will be netted out of Client's monthly revenue disbursement. Client will submit payment for any balance due to Consultant within 30 days of receiving the invoice.
- 3.5. Fees related to travel and lodging expenses are billed at cost and applied to all meetings (including implementation, training, operations, and support). Travel expenses only apply to out-of-scope travel and must therefore be pre-approved by Client.
- 3.6. Fees will be invoiced monthly to Client for Services performed during the prior month. Fees will be netted out of Client's monthly revenue disbursement. Client will submit payment for any balance due to Consultant within 30 days of receiving the invoice.
4. **Payment Processing** – Consultant will configure payment processing services to utilize either a taxpayer funded model (convenience fee) or Client funded model, as directed by Client. Client may switch between these models upon written request to Consultant. Fees for each of these payment processing models are detailed here.
 - 4.1. Taxpayer funded model – Client authorizes Consultant to collect each convenience fee from the taxpayer at time of payment.
 - 4.1.1. Credit and debit card processing – 2.9% of transaction amount, minimum of \$2.00
 - 4.1.2. ACH/eCheck processing - \$1.25 per transaction
 - 4.2. Client funded
 - 4.2.1. Credit and debit card processing – 2.9% of transaction amount
 - 4.2.2. ACH/eCheck processing - \$0.50 per transaction
 - 4.3. Returned payments/NSF fee – Each occurrence of a card chargeback, returned payment or insufficient funds will incur a fee of \$25.00, to be applied to the taxpayer's account.
 - 4.4. Consultant reserves the right to review and adjust pricing related to payment processing services on an annual basis. Consultant will communicate any such adjustment to Client in writing, with 60 days advance notice. Items that will be considered in the review of fees may include, but are not limited to: regulatory changes, card association rate adjustments, card association category changes, bank/processor dues and assessments, average consumer payment amounts, card type utilization, and costs of service.