



Agenda Item: Discuss And Consider Approval To Award Contract For Short Term Rental Compliance And Hotel Occupancy Tax Collection And Distribution Services

Background: In 2015, the Galveston City Council approved an ordinance that authorized the Park Board of Trustees to register all short-term rentals (STRs) and collect Hotel Occupancy Tax (HOT) on a quarterly or monthly basis. In 2021, the City Council made the registration requirement annual.

An STR taskforce was convened by the Trustees and ratified by City Council in July 2021, to, among other things, draft a request for proposals (RFP) for a Software as a Service STR solution. The task force is made up of Park Board and City staff, and industry members. Smart City Policy Group was hired as a consultant to, among other things, assist the task force with drafting the RFP.

On May 23, 2022, staff issued an RFP from qualified companies to provide cloud-based computer software and services for the monitoring, enforcement support, and administration of the HOT and STR properties. In addition to monitoring and enforcing regulations, the software is meant to help the Park Board collect data on the extent of non-compliance issues, address identification, provide a web portal for applying and renewing HOT certificates, collection of HOT, and maintain a 24-hour hotline to take in short-term rental complaints. The task force established a scoring committee comprised of a subset of the task force to review and score the responses to the RFP.

Respondents were asked to submit a proposal that included a scope of services as determined by the task force. The scope of services includes the following:

- Task 1 – Create and maintain a database of short-term rental units.
- Task 2 - Maintain and issue Short-term Rental Registration Certificates, including annual renewal of registrations and collection of payments.
- Task 3 – Manage the receipt of payments for all Hotel Occupancy Taxes and fees, including interfacing with the Park Board’s accounting system.
- Task 4 – Program Communication
- Task 5 - Conduct ongoing assessment of short-term rentals for compliance with the city’s ordinance(s).
- Task 6 – Assist the Park Board and City with all code enforcement activities related to short-term rentals.
- Task 7 – Provide a Toll Free Support Number and online portal for complaints and code violations.

The scoring committee received responses to the RFP from four companies: 1) Deckard Technologies, 2) GovOS – MuniRevs, 2) Harmari STR, and 3) Granicus. All four responses were evaluated on the following criteria:

#	Evaluation Factors	Weight
1	Qualifications, Expertise, Experience of the Firm	30
2	Method of Performance/Customer Service	30
3	Cost Proposal	30
4	Local Preference	10

Total Potential Score: 100

The scoring committee met throughout the months of July and August to view product demos, ask questions of respondents, and discuss proposals. The pool was narrowed to two potential vendors. Customer references were conducted, and additional questions posed to the two finalists. Scoring was finalized in August 2022.

Staff Recommendation: After much consideration and deliberation, the scoring committee scored the proposal from Deckard Technologies the highest. While Deckard’s proposal was not the least expensive, the scoring committee felt the strong customer references and impressive compliance software tool put Deckard over the top.

Funding Source: GF-60-5124 HOT Expenses. Revenues generated from STR registration fees and the \$75,000 in HOT that is statutorily allowed to be used for an online registration/collection system, are currently sufficient to cover the costs of this project. Below is a breakdown of the 5-year projected cost of the contract:

Task	Year 1	Year 2	Year 3	Year 4	Year 5	Totals
1 & 5. Property ID	10,000	5,000	5,000	5,000	5,000	30,000
3. Monitoring	125,000	125,000	125,000	125,000	125,000	625,000
4. Outreach	15,000	5,000	5,000	5,000	5,000	35,000
2. Registration	50,000	50,000	50,000	50,000	50,000	250,000
3. Collection	50,000	50,000	50,000	50,000	50,000	250,000
6. Hotline	25,000	25,000	25,000	25,000	25,000	125,000
Totals:	275,000	260,000	260,000	260,000	260,000	1,315,000



Short-term Rental Compliance, Registration, and Collection Software

		Vendor #1				Vendor #2				Vendor #3				Vendor #4							
Site:	601 Tremont St	Vendor	Deckard Technologies				Vendor	GovOS - MuniRevs				Vendor	Harmari				Vendor	Granicus			
Client:	Accounting Department	Address	1620 5th Ave				Address	8310 N. Capital of Texas Hwy				Address	505 Consumers Rd				Address	1152 15th St. NW #800			
Project:	STR Software Tool	City, State	San Diego, CA				City, State	Austin, TX				City, State	Toronto, ON, Canada				City, State	Washington, DC			
Date:	15-Aug-22	Contact					Contact					Contact					Contact				
Requested By:	Bryson Frazier	Phone No.					Phone No.					Phone No.					Phone No.				
Item:		Fax No.					Fax No.					Fax No.					Fax No.				
Item	Description	Quantity	Unit	Unit Rate	Total Cost	Quantity	Unit	Unit Rate	Total Cost	Quantity	Unit	Unit Rate	Total Cost	Quantity	Unit	Unit Rate	Total Cost				
	Property ID, Monitor, Registration, & Collection	5 years	N/A	N/A	\$ 1,190,000.00	5 years	N/A	N/A	\$ 741,012.00	5 years	N/A	N/A	\$ 1,190,000.00	5 years	N/A	N/A	\$ 787,588.00				
	Complaint Hotline	5 years	N/A	N/A	\$ 125,000.00	5 years	N/A	N/A	\$ 60,000.00	5 years	N/A	N/A	\$ 300,000.00	5 years	N/A	N/A					
TOTALS					\$ 1,315,000.00				\$ 801,012.00				\$ 1,490,000.00				\$ 787,588.00				

Selected Vendor: Deckard Technologies

Quotes Attached: No - sealed bids available for review

Notes and Comments:

Authorized Approval: _____

Manager Review: _____

Awarded Date: _____

Approved By: _____