

Mayor and Council Communication

DATE: 02/14/23

M&C FILE NUMBER: M&C 23-0102

LOG NAME: 13P REJECT SHORT-TERM & HOTEL ONLINE PLATFORM AW

SUBJECT

(ALL) Authorize the Rejection of All Responses to Request for Proposals No. 22-0174 for Short-Term and Hotel Online Platform for the Financial Management Services Department to Refine the Scope of Services Based on the Registration Ordinance Requirements

RECOMMENDATION:

It is recommended that the City Council authorize rejection of all responses to Request for Proposals No. 22-0174 for short-term and hotel online platform for the Financial Management Services Department to refine the scope of services based on the registration ordinance requirements.

DISCUSSION:

Many of the City's Short Term Rental (STR) units are not registered on the City's HOT Online Application (HOT App) and report and pay Hotel Occupancy Tax (HOT) on a voluntary basis while traditional hotels are required to register and remit revenue details required to calculate and pay the HOT liability. Due to this concern, the Financial Management Services Department requested for Purchasing to issue Request for Proposals (RFP) 22-0174 for a third-party firm to provide a comprehensive, end-to-end solution for managing both traditional hotels and Short Term Rentals (STRs) on June 22, 2022. The selected firm would assume responsibility for the ongoing discovery, monitoring, and compliance of all hotel and STR, HOT accounts. Notice of the RFP was advertised in the *Fort Worth Star-Telegram* on June 22, 2022, June 29, 2022, July 6, 2022, July 13, 2022, and July 20, 2022. The City received four responses. After evaluation of the proposals, the pricing provided by each bidder exceeded the City's expectations. In addition, a revised scope of services is needed for the Code Compliance Department to be able to verify confirmed stays versus booked nights. Additionally, the pricing structure needs to be amended based on the current number of STRs. Therefore, staff requests to reject all bids for this procurement. The Financial Management Services Department will review the bid specifications and determine if a current City vendor can meet their needs. If it is determined that a current provider cannot support the City's needs, the Financial Management Services Department will revise the bid specifications and request a new bid be issued. In order to meet the May 1st STR registration deadline, the existing registration tool (e.g. HOT App) will be utilized until a provider is selected.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that approval of this recommendation will have no effect on City Funds.

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