

**AMENDMENT TO AGREEMENT  
BETWEEN THE COUNTY OF SAN MATEO AND  
HINDERLITER DE LLAMAS AND ASSOCIATES**

THIS AMENDMENT TO THE AGREEMENT, entered into this 1st day of July, 2024, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and Hinderliter de Llamas and Associates, hereinafter called "Contractor";

W I T N E S S E T H:

WHEREAS, pursuant to Government Code, Section 31000, County may contract with independent contractors for the furnishing of such services to or for County or any Department thereof;

WHEREAS, the parties entered into an Agreement to provide tax administrative and audit services for Transient Occupancy Tax (TOT) and Vehicle Rental Business License Tax (VRBLT) collections on July 1, 2022, with an initial term through June 30, 2024, for an amount not to exceed \$195,000; and

WHEREAS, the parties wish to amend the Agreement to extend the terms of the contract period from July 1, 2024 through June 30, 2026, and increase the dollar amount by \$215,000 to an amount not to exceed \$410,000.

**NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:**

1. Section 3 of the agreement is amended to read as follows:

In consideration of the services provided by Contractor in accordance with all terms, conditions, and specifications set forth in this Agreement and in Exhibit A, County shall make payment to Contractor based on the rates and in the manner specified in Exhibit B. County reserves the right to withhold payment if County determines that the quantity or quality of the work performed is unacceptable. In no event shall County's total fiscal obligation under this Agreement exceed Four Hundred Ten Thousand Dollars (\$410,000.00). In the event that the County makes any advance payments, Contractor agrees to refund any amounts in excess of the amount owed by the County at the time of contract termination or expiration. Contractor is not entitled to payment for work not performed as required by this agreement.

2. Section 4 is added to the agreement to read as follows:

Subject to compliance with all terms and conditions, the terms of this Agreement shall be from July 1, 2022 through June 30, 2026.

3. Original Exhibit B is replaced with Revised Exhibit B, (rev. 05/30/2024), a copy of which is attached hereto and incorporated into the Agreement by this reference.
3. **All other terms and conditions of the agreement dated July 1, 2022, between the County and Contractor shall remain in full force and effect.**

In witness of and in agreement with this Agreement's terms, the parties, by their duly authorized representatives, affix their respective signatures:

**For Contractor: HINDERLITER DE LLAMAS AND ASSOCIATES**

  
Contractor Signature

6.5.2024  
Date

Robert Gray  
Contractor Name (Please Print)



**For County:**

COUNTY OF SAN MATEO

  
By: Resolution No. 080583  
President, Board of Supervisors, San Mateo County

Date: August 13, 2024

ATTEST:   
By: Clerk of Said Board

## Exhibit B

**Revised 05/30/2024**

In consideration of the services provided by Contractor described in Exhibit A and subject to the terms of the Agreement, County shall pay Contractor based on the following fee schedule and terms:

### **1. Operations Management Services**

- 1.1. Fees for performing operations management services shall be \$782.18 per year for each quarterly or \$886.47 for each monthly filing entity.
  - 1.1.1. HdL's fee is an annual fee per entity and encompasses those services outlined in section one of the Scope of Services, which includes the performance of audits. The fee includes audit of 1/3 of entities per each one-year service period. Should County elect to terminate the agreement prior to the end of the contract term, County shall be required to pay the balance of the full two-year fee for each entity for which audits have already been conducted during that two-year service period.
- 1.2. 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%.

### **2. Short Term Rental Compliance**

- 2.1. Fees for performing short term rental compliance services shall be \$15,643.50 per year, billed annually and payable in advance of the performance of short-term rental compliance services.
  - 2.2. 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. Payment Processing** – Contractor will configure payment processing services to utilize either a taxpayer funded model (convenience fee) or County funded model, as directed by County. County may switch between these models upon written request to Contractor. Fees for each of these payment processing models are detailed here.
- 3.1. Taxpayer funded model – County authorizes Contractor to collect each convenience fee from the taxpayer at time of payment.
    - 3.1.1. Credit and debit card processing – 2.9% of transaction amount, minimum of \$2.00
    - 3.1.2. ACH/eCheck processing - \$1.25 per transaction
  - 3.2. County funded
    - 3.2.1. Credit and debit card processing – 2.9% of transaction amount
    - 3.2.2. ACH/eCheck processing - \$0.50 per transaction
  - 3.3. 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.
  - 3.4. Contractor reserves the right to review and adjust pricing related to payment processing services on an annual basis. Contractor will communicate any such adjustment to County 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.

4. **Travel Expenses** - Travel and lodging expenses are billed at cost and apply to all meetings; including process, pre-installation, installation, training, and support. Travel, lodging, and related costs must be pre-approved by County. Any travel, lodging, meal or incidental costs are only reimbursable at CONUS rates and any other applicable rates set by the Federal General Services Agency. HdL is dedicated to conserving public funds, and ensures and travel costs are indeed required and reasonable.
5. **Invoicing** - Fees will be invoiced monthly to County for Services performed during the prior month. County will submit payment for any balance due to Contractor within 30 days of receiving the invoice.