



MEMORANDUM
COUNTY EXECUTIVE OFFICE
Procurement Services Division
County of Placer

TO: Board of Supervisors
DATE: December 15, 2020

FROM: Todd Leopold, County Executive Officer
By: Brett Wood, Purchasing Manager

SUBJECT: Debt Collection Services – State of California Franchise Tax Board

ACTION REQUESTED

Approve the award of a negotiated agreement with the State of California Franchise Tax Board Court-Ordered Debt Collections Program for collection services for County Executive Office’s Revenue Services Division in the maximum amount of \$1,350,000 for the three-year period of January 1, 2021 to December 31, 2023. Funded by the revenues collected, with no net cost to the County.

Authorize the Purchasing Manager to sign all required documents.

BACKGROUND

The County Executive Office’s Revenue Services Division (Department) has participated in the State Franchise Tax Board Court-Ordered Debt Collection Program (COD) since 1996 to supplement the Department's collection program and its efforts to collect unpaid delinquent court ordered fines, fees, and penalties.

On November 28, 2017 your Board approved the renewal of an agreement with the State Franchise Tax Board to utilize the COD program for a three-year period of January 1, 2018 through December 31, 2020. The COD program has been a consistently successful collection tool utilized by the Department due to its ability to issue wage garnishments and bank levies on individuals with delinquent court-ordered debt accounts that qualify for the program.

Under the standard agreement with the State Franchise Tax Board, the County pays an Administrative Fee in the maximum amount of 15% of the amount collected. The Department estimates the collection fees will be a maximum of \$1,350,000 for the three-year renewal period being requested. The complete agreement is on file with the Clerk of the Board.

Section 3.5A of the Procurement Policy allows an exception to competition for services obtainable from other government agencies. The agreement with the State of California Franchise Tax Board Court-Ordered Debt Collection Program meets this criterion.

FISCAL IMPACT

Although the State charges the County administrative fees for this service, there is no net fiscal impact to the County. The administrative fees are reimbursed to the Department by the revenues collected in accordance with the Comprehensive Cost of Collections Program, pursuant to Penal Code § 1463.007.

ATTACHMENT

FTB Contract – on file with Clerk of the Board.

