

PLACER COUNTY

ADMINISTRATIVE SERVICES DEPARTMENT

MEMORANDUM

TO: Honorable Board of Supervisors

FROM: Clark L. Moots, Director of Administrative Services 

DATE: April 6, 2010

SUBJECT: Recommendation to Approve Change Order #1 to BPO16517 with the State of California Franchise Tax Board for Court-Ordered Debt Collection Services

ACTION REQUESTED

Approve Change Order #1 to BPO16517 with the State of California Franchise Tax Board for Court-Ordered Debt Collection Services and authorize the Purchasing Manager to sign the resulting Change Order in the requested amount of \$630,000.

BACKGROUND

On January 13, 2009 your Board approved the award of a Blanket Purchase Order (BPO) with the State of California Franchise Tax Board for Court-Ordered Debt Collection Services to support the Administrative Services Department Revenue Services Division (Department). A BPO was issued for the period of January 13, 2009 through November 30, 2011. The estimated BPO amount of \$500,000 was based on Fiscal Year 2008/09 revenues collected through the Court-Ordered Debt Collection Program in the amount of \$2.2 million.

The Department has utilized the State Franchise Tax Board Court-Ordered Debt Collection Program since 1996 to supplement the Department's efforts to collect unpaid delinquent court ordered fines, forfeitures, fees and penalties. Under the agreement with the State Franchise Tax Board, the County pays an Administrative Fee in the maximum amount of 15% of the amount collected. The Administrative Fee is reimbursed to the Department through Penal Code 1463.007, Cost of Collections.

During the past several months the Revenue Services Division has implemented new technologies and automated many workflow procedures that have resulted in a significant increase in revenues collected under the program. These new technologies and procedures have allowed for delinquent accounts to be transferred to the State Franchise Tax Board Court Ordered Debt Collection Program on a weekly basis reducing the previous two to three weeks of processing time that was occurring under the old manual process.

With 22 months remaining on the current BPO, the Department projects an additional \$4,992,000 in revenues will be collected through the Court-Ordered Debt Collection Program. Based on these estimates and the 15% Administrative Fee associated with the cost of collections, an increase in the amount of \$630,000 to cover these expenditures through November 30, 2011 is being requested. Section 2.1(g) of the Purchasing Policy Manual requires your Board's approval for Change Orders greater than ten percent or \$49,999.99.

FISCAL IMPACT

The requested Change Order will not have an impact to the County's General Fund as the Administrative Fees for the State Franchise Tax Board Court Ordered Debt Collection Program are reimbursed through Penal Code 1463.007, Cost of Collections.

Cc: Sandy Conte, Revenue Services Manager
Jim Boggan, Purchasing Manager

Attachment: Fiscal Impact Statement

FISCAL IMPACT STATEMENT

TO: Honorable Board of Supervisors

FROM: Clark L. Moots, Director of Administrative Services 

DATE: April 6, 2010

SUBJECT: **Fiscal Impact Statement**
Recommendation to Approve Change Order #1 to BPO16517 with the State of California
Franchise Tax Board for Court-Ordered Debt Collection Services

The Administrative Services Department's Revenue Services Division (Department) projects an additional \$4,992,000 in revenues will be collected through the Court Order Debt Collection Program. Based on these estimates and the 15% Administrative Fee associated with the cost of collections, an increase in the amount of \$630,000 to cover these expenditures through November 30, 2011 is being requested.

The requested Change Order will not have an impact to the County's General Fund as the Administrative Fees for the State Franchise Tax Board Court Ordered Debt Collection Program are reimbursed through Penal Code 1463.007, Cost of Collections.

