

**MEMORANDUM
COUNTY OF PLACER
DEPARTMENT OF ADMINISTRATIVE SERVICES
PROCUREMENT SERVICES DIVISION**

TO: Honorable Board of Supervisors
FROM: Brett Wood, Purchasing Manager *BW*
DATE: November 18, 2014
SUBJECT: Collection Services – State of California Franchise Tax Board

ACTION REQUESTED

1. Approve the renewal of a negotiated Blanket Purchase Order with the State of California Franchise Tax Board Court-Ordered Debt Collections Program for Collection Services for Administrative Services' Revenue Services Division in the maximum amount of \$1,170,000 for the period January 1, 2015 to December 31, 2017, funded by the current FY 2014-15 budget and future budgets for FY 2015-16, FY 2016-17, and FY 2017-18 with no new net County cost, and authorize the Purchasing Manager to sign the resulting BPO and associated documents.

BACKGROUND

The Administrative Services Department'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 efforts to collect unpaid delinquent court ordered fines, forfeitures, fees and penalties. 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 COD program is highly effective, due to its ability to use processes such as wage attachments, levies, and writs to improve collection rates. The COD program is used by the Department as an enhancement to other successful collection programs.

On November 8, 2011 your Board approved an agreement with the State to utilize this program for the period December 1, 2011 through December 31, 2014. The Department has been very pleased with the program and would like to continue using the State's services for another three-year period. The Department estimates the collection fees will not exceed \$1,170,000 for the next three years.

Section 1.3(e)(1) of the Purchasing Policy Manual 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

This agreement requires your Board's approval. Upon your approval, a new BPO will be issued to the State of California for the period January 1, 2015 through December 31, 2017 in the maximum amount of \$1,170,000. There is no fiscal impact to the County as the administrative fees are reimbursed to the Department through the Comprehensive Cost of Collections Program, Penal Code 1463.007.

cc: Jerry Gamez, Director – Administrative Services
Melissa Nunnink, Administrative & Fiscal Operations Manager – Administrative Services
Virginia Meyers, Revenue Services Manager – Administrative Services

