



County of San Mateo: Procurement Division

Waiver of Competitive Requirements for Commodities

All requests for the procurement of commodities **\$5,000 and over**, and services **\$200,000** and over should undertake a formal competitive process per Administration Memorandum B-1. Services under \$200,000 should still undertake an informal competitive process.

If a competitive procurement is not possible, then use this form to request bypass of the normal procurement requirements and justify the request for non-competitive procurement.

Department: Treasurer-Tax Collector	Date of Submission: 10/14/2021
Contact Name: Mina Naziruddin	Contact Phone Number: (650)-363-4398

REASON FOR WAIVER OF COMPETITIVE REQUIREMENTS:

- ☐ Emergency Name of Declared Emergency: [Click or tap here to enter text.](#)
- ☐ Commodity or Service is only available from a single source (e.g. Only service provider in Redwood City and locality is a required factor or continuity of service)
- ☒ Commodity or Service is only available from a sole source (e.g. Proprietary product)
- ☐ Restricted Availability of Goods or Service
- ☐ Other

<input type="checkbox"/> Commodity <input checked="" type="checkbox"/> Service	
Supplier Name: California State Association of Counties – Finance Corporation	Amount: N/A - No net county cost.

JUSTIFICATION FOR WAIVER OF COMPETITIVE REQUIREMENTS:

1. Provide a brief description of the commodity or service being procured.

The California State Association of Counties – Finance Corporation, hereinafter called “CSAC Finance” is a Collection House that collects outstanding debts of \$10 or more for offset against pending state personal income tax refunds, unclaimed property payments, and lottery winnings in a timely, cost-effective manner. Services include transmitting and processing debts through the California Franchise Tax Board. Services also include Social Security number lookup and validation function, an automated voice response system for debtor queries, specialized payment reports, and a toll-free helpline for technical assistance for the County. This program will improve collection efficiencies for those counties currently using the Franchise Tax Board’s offset service and can assist those counties not using the service to maximize debt collection through offset. This concept closely

aligns with the Tax Collector's collection needs due to the inability to perform Social Security number lookup and validation in-house. The state-level revenue event intercept services we are looking to procure would increase revenue and increase the accuracy of collections.

2. Was a competitive process attempted? If yes, describe the results. If no, explain why not.

Yes, a competitive process was attempted by conducting market research for the California Debt Offset Intercept Collections industry via Google to determine what vendors were available to bid in a Request for Proposal. Our Google search yielded only one vendor, CSAC Finance. We also called the State Tax Franchise Board to confirm that CSAC Finance is a sole source. The representative confirmed that there are no other collection houses in the market. This concluded our competitive process attempt because we verified that CSAC Finance is a sole source.

3. Explain why a noncompetitive procurement is necessary. The justification should explain the specific conditions and circumstances that clearly illustrate why the competitive procurement process is being bypassed. Failure to plan for the competitive procurement cannot be the basis for using a non-competitive procurement process.

The competitive procurement process is being bypassed because we found through our initial market research that this vendor is a sole source. We are unable to go out for a Request for Proposal because this is the only vendor available in the market that can place their bid. There are no other Collection Houses available in the market that can provide the following services we require: offset against pending state personal income tax refunds, unclaimed property payments, and lottery winnings while operates in a cloud environment and storing and searching for Social Security numbers. Since CSAC Finance has been confirmed as a sole source in this market, we are deeming noncompetitive procurement necessary.

4. Why is this the only Supplier that can provide this commodity or service? How were they chosen?

This is the only supplier that can provide this service because it is the only Collection House source available in our market. We contacted the vendor to confirm that their offerings would meet our needs. During our email communications the CSAC Finance representative, Spencer Bridgers, said the following "For unsecured property taxes, we are unaware of any other nonprofit such as CSAC Finance or any other entity private providing this service. As of 2019 we were also the only vendor approved by the FTB's Chief Security Officer to operate in a secured cloud environment." Having the ability to operate in an approved secured cloud environment is an important ability we need our vendor to possess. The State Franchise Tax Board itself does not offer Collection House services. CSAC Finance offers scrubs, collapses data, and appended Social Security numbers, which the State Franchise Tax Board does not. This means that the State can randomly match names and Social Security numbers, which leads to errors and incorrect hits. CSAC Finance stores the Social Security numbers for us and accurately matches taxpayer names to the Social Security number or else they will not intercept. This will increase efficiency and lead to accurate hits. The State Franchise Tax Board does not offer this. CSAC Finance was chosen primarily because of the vendor's ability to operate in an approved secured cloud environment and to search and store for Social Security numbers. Our department does not have employees available to take the time it would require searching and storing Social Security numbers if we went directly through the State. If CSAC Finance was not available, the Treasurer-Tax Collector would have to increase the level of manual workload through additional permanent staffing. This manual process would be prone to human error. This would be more costly than choosing to participate in the program with CSAC Finance which results in no cost to the County. In conclusion, if we had to accomplish this task without CSAC Finance, we would be incurring a significant cost and engaging in a process that is prone to human error.

5. How long as the Supplier been providing this commodity or service to your department (if applicable)?

N/A


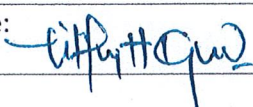
6. Describe the specific steps taken to determine that full and open competition could not have been used, or was not used, for this commodity or service (e.g. what research was conducted that resulted in the request for non-competitive procurement).

We met with Yen at procurement to verify the steps to take. We used Google to conduct market research. We found that CSAC Finance is the only Collection House for the intercept process for unsecured bills in the market. CSAC Finance representative, Spencer Bridgers, confirmed via email that they are the only Collection House vendor in the market that is approved by the Franchise Tax Board's Chief Security Officer as of 2019 to operate in a cloud environment. We also called the State Franchise Tax Board, and a representative was able to confirm that there is no other vendor available in the market like CSAC Finance. Therefore, we were able to determine that the full and open competition could not be used, as CSAC Finance is the only available Collection House vendor available.

7. Include any other information justifying the use of non-competitive procurement in this specific instance.

Please review the supporting documentation attached. This includes an email from the CSAC Finance representative Spencer Bridgers, Google market research results of the California Debt Offset Intercept Collections industry, and CSAC Finance PowerPoint found by clicking on the Google search result listed as "CalTRECS Debt Offset FAQ's – CSAC Finance Corporation". The supporting documentation shows CSAC Finance as the sole source Collection House agency in the market.

This waiver of Competitive Requirements is being submitted by:

Requester Name: Mina Naziruddin	Date: 10/14/2021
Manager name: Kathy Nunes	Date: 10/14/2021
Manager Signature: 	
Department head designee name: Tiffany Htwe	Date: 10/14/2021
Department head Signature: 	

Procurement Division

☐ **Approved**

☐ **Denied**

Notes:

Procurement Manager: Jas Sandhar	Date: Click or tap to enter a date. 10/15/2021 2:38 PM PDT
Procurement Manager Signature: <div data-bbox="617 493 820 577"><small>DocuSigned by:</small> <i>Jas Sandhar</i> <small>4D24705908FB42D...</small></div>	

Procurement Division

JP

☒ Approved

☐ Denied

Notes:

Procurement Manager: Jas Sandhar	Date: Click or tap to enter a date. 10/15/2021 2:38 PM PDT
Procurement Manager Signature: <div>DocuSigned by: <i>Jas Sandhar</i> 4D24705908FB42D</div>	