



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Treasurer – Tax Collector



Date: June 23, 2016

Board Meeting Date: October 4, 2016

Special Notice / Hearing: None

Vote Required: Majority

To: Honorable Board of Supervisors

From: Sandie Arnott, Treasurer-Tax Collector
Laura Williams, Revenue Services Division Manager

Subject: Agreement with Rash Curtis and Associates for secondary collection services.

RECOMMENDATION:

Adopt a resolution authorizing an agreement with Rash Curtis and Associates to provide secondary collection services of selected accounts, for the term December 7, 2016 through December 6, 2019, in an amount not to exceed \$375,000.

BACKGROUND:

The Revenue Services Division is responsible for collecting monies for services rendered or for fines against persons with outstanding debts to the County. Typical collection accounts include court fines, medical and clinic services, welfare over-payments and private defender fees. As part of the County's collection efforts, the division refers accounts to external collection agencies when County collection efforts have been exhausted. External collectors have access to information databases for locating debtors that the County does not have. In this way, the County assures that all practical efforts at collection have been pursued.

DISCUSSION:

In July 2016, the County solicited proposals from firms to perform second level collections services. Two firms submitted proposals and both were reviewed. Rash Curtis & Associates was selected for the following reasons:

- 1) Their recovery rate is competitive with other agencies that were part of the RFP process.
- 2) They currently provide collection services for another County hospital (Contra Costa Regional Medical Center) in California.

- 3) Their commission rate for regular collection accounts and legal accounts is comparable to the other agencies with experience collecting similar accounts.
- 4) They are based in California.

In the contract between Rash Curtis & Associates and the County of San Mateo, the commission rate for all accounts, except legal accounts, will be 18%. The commission rate for legal accounts will be 30%. A non-legal account is an account for which we have not initiated legal action against the defendant such as filing in small claims court. A legal account is an account for which we have initiated such legal proceedings.

The resolution contains the County's standard provisions allowing amendment of the County's fiscal obligations by a maximum of \$25,000 (in aggregate).

County Counsel has reviewed and approved the resolution and agreement as to form.

Approval of this resolution will contribute to the Shared Vision 2025 outcome of a Collaborative Community as our leaders forge partnerships, promote regional solutions, with informed and engaged residents, and approach issues with fiscal accountability and concern for future impacts.

PERFORMANCE MEASURE:

Measure	2017 Projected	2018 Projected	2019 Projected
Dollars Collected	\$350,000	\$375,000	\$400,000

FISCAL IMPACT:

The amount of the contract will be based on the amount of revenue collected by Rash Curtis & Associates/Professional Recovery Systems, Inc. and will range from 18% for non-legal accounts to 30% for legal accounts.

The amount of the contract will not exceed \$125,000 per fiscal year. The cost of the contract for the three year term is fully offset with revenue collected. There is no Net County Cost associated with this contract. Appropriation for the first year of this contract has been included in the FY 2016-17 Adopted Budget. The remaining contract amount and offsetting revenues will be included in the FY 2017-18 and FY 2018-19 budgets.