



# COUNTY OF HUMBOLDT

For the meeting of: 11/10/2020

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File #: 20-1359

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**To:** Board of Supervisors

**From:** Treasurer/Tax Collector

**Agenda Section:** Consent

**SUBJECT:**

Purchase of Prime Software from Hinderliter De Llamas and Associates (HdL)

**RECOMMENDATION(S):**

That the Board of Supervisors:

1. Approve and authorize the County Administrative Officer to execute the Second Amendment to the Agreement with HdL dated May 24, 2017 (Attachment 1), amending the agreement by adding HdL's 'Prime Software' (Attachment 2).

**SOURCE OF FUNDING:**

1100-112 General Fund

**DISCUSSION:**

Treasurer-Tax Collector Department (TTC) excise tax collections have significantly increased workload in the TTC department. Thus far staff have absorbed that workload without the addition of new full-time employees. However, to continue to effectively bill, collect, and accurately and efficiently report on this revenue source an investment in robust software is critical.

TTC staff have been using Progressive Solutions Quick Serve Suite software for business licenses and Transient Occupancy Tax (TOT) collections and tracking for many years. Following the passage of Measure S, excise taxes collections began and have grown dramatically year to year. TTC staff realized immediately that managing the billing and collection process on excel spreadsheets would not work as a long-term solution. Therefore, in 2018 TTC staff worked with the software development team at Progressive Solutions which then created a beta program for the county designed to bill and collect excise taxes. After two years of using that beta program it has become abundantly clear the program does not satisfy all the collection and reporting needs required for effective and efficient county operations.

HdL Prime Software has robust billing and reporting capabilities which will satisfy the needs of the TTC, the Planning and Building Department, and the County Administrative Office. HdL also offers business license and TOT software which will streamline those processes for TTC staff; including

online payment services.

The justification of this Sole Source purchase is due to the lack of software systems available for Measure S excise tax collection services; whereby HdL is the recognized leader in California for having the technical expertise in providing that service.

The county currently has an agreement with HdL for sales, use and transaction tax audit and information services; which was first amended on February 3, 2020 (Attachment 3). The new ‘Prime Software’ will be added as a second amendment under a continuity of service provision to the original HdL agreement.

FINANCIAL IMPACT:

There is a one-time cost of \$61,000 for set up, conversion, implementation and training. In addition there will be \$10,000 annual maintenance costs, which compares favorably to the \$10,668 currently being paid to Progressive Solutions; Maintenance costs have been included in the fiscal year 2020-21 Adopted Budget. There will also be an additional \$3,000 annual cost for HdL hosting the software platform but that arrangement will alleviate county Information Technology (IT) costs currently being expended for the county to host the Progressive Solutions software.

Staff will return at First Quarter Budget Review to supplement the budget accordingly.

STRATEGIC FRAMEWORK:

This action supports your Board’s Strategic Framework by facilitating public/private partnerships to solve problems and by facilitating the establishment of local revenue sources to address local needs.

OTHER AGENCY INVOLVEMENT:

None

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board may decide to not approve the agreement and purchase, but it is not recommended because the TTC must continue to collect excise tax, TOT, and issue business licenses and to do so with inefficient software is not operationally prudent.

ATTACHMENTS:

1. Hdl Agreement Dated 5.24.2017
2. Second Amendment to Agreement Dated 11.10.2020
3. First Amendment to Agreement Dated 2.3.2020

PREVIOUS ACTION/REFERRAL:

Board Order No.: None  
Meeting of: May 23, 2017  
File No.: 17-1922