



Legislation Text

File #: 21-1748, **Version:** 1

Chief Administrative Office, Procurement and Contracts on behalf the Treasurer-Tax Collector, recommending the Board:

- 1) Make findings in accordance with County Ordinance 3.13.030 that it is appropriate to contract with Bid4Assets, Inc. as County's consultant for web-based services to advertise the auction of tax-defaulted properties because (A) "The work can be more economically and feasibly performed by an independent contractor or consultant than County employees;" and
- 2) Approve and authorize the Purchasing Agent to sign Agreement 6013 with Bid4Assets, Inc. as the County's consultant, with no cost to the County for the period of November 1, 2021 to December 21, 2028.

FUNDING: There is no County cost for contract. Fees are paid by the property purchasers.

DISCUSSION / BACKGROUND

Pursuant to Chapter 7, Part 6 of Division 1 and Sections 3694, 3698, 3698.5 and 3699 of the California Revenue & Taxation (R&T) Code, the Tax Collector has the power to sell property that has been tax defaulted for five or more years.

Under the Agreement, Bid4Assets will provide web-based services to advertise the auction of tax-defaulted properties. Services provided under the Agreement will include organizing, posting, hosting, and servicing of website advertised tax-defaulted properties (including pictures of the properties when needed) and due diligence information. These advertised properties will be auctioned on the Bid4Assets website at the direction of the County Treasurer-Tax Collector. For the duration of each auction, advertising on the Bid4Assets website will be available to the public 24 hours per day, seven days per week ("24/7"). Bid4Assets will collect information from successful purchasers for use by the County in the completion of deed certificates.

Bid4Assets was the first online real estate auction website to operate in the United States (U.S.) and has conducted online tax sales for 50 of the 58 counties in California. It serves counties in other States, the U.S Marshals Service, the U.S. Department of Treasury and also conducts private sector real estate auctions across the U.S.

Using Bid4Assets to conduct online auctions of tax-defaulted properties opposed to in-person auctions can mitigate the risk of COVID-19 exposure to staff conducting the auctions and members of the public who are interested in bidding on the properties. In accordance with County Ordinance 3.13.030, Contracting Out, subsection (A), it is appropriate to contract with Bid4Assets, Inc. because the work can be more economically and feasibly performed by an independent contractor or consultant than County employees. County IT does not have a platform to build an online auction where people can place deposits, bid and buy properties.

ALTERNATIVES

The Board of Supervisors could choose not to approve this Agreement and the Treasurer-Tax Collector Department could continue to conduct in-person auctions of tax-defaulted properties

utilizing County resources, including the Board Room, the County's videographer, IT staff, and the Treasurer-Tax Collector Department's management and staff which result in overtime and extra help hours.

PRIOR BOARD ACTION

N/A

OTHER DEPARTMENT / AGENCY INVOLVEMENT

Auditor/Controller

CAO RECOMMENDATION / COMMENTS

Approve as recommended.

FINANCIAL IMPACT

There is a cost savings in overtime and extra-help hours by contracting out the tax sale. Having an online auction vs. an in-person auction will save staff time that is spent to conduct the auction. In-person auctions vary in time based upon the number of properties that are being sold. Typically the Tax Collector, the Assistant Tax Collector, an Accounting Division Manager and two or three line staff conduct the auction, for an approximate amount of \$2,000 - \$4,000 in staff time, depending on the number of properties. There will not be an actual savings in general fund as holding an auction is a cost of doing business.

CLERK OF THE BOARD FOLLOW UP ACTIONS

N/A

STRATEGIC PLAN COMPONENT

Good Governance

CONTACT

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