

WESTMORELAND COUNTY TAX COLLECTION COMMITTEE
TAX COLLECTOR REQUEST FOR PROPOSAL
MARCH 2022

The Westmoreland County Tax Collection Committee (“TCC”) requests proposals for tax collection services according to the following terms.

All proposals must be sealed, clearly marked “TCC RFP” and delivered by **MARCH 25, 2022, 4:00 P.M. to:**

**Municipality of Murrysville
4100 Sardis Road,
Murrysville, PA 15668
Attn.: Diane Heming**

Sealed bids will be opened at a public meeting on MARCH 30, 2022, at 4:00 P.M. in the South Greensburg Municipal Building located at 1515 Poplar Street, South Greensburg, PA.

Each bidder will be given 20 minutes to present information to the committee at this time.

Final Determination of award will be voted on by full TCC on a date to be determined in June 2022.

A. Taxes for Which Services are Requested

- 1. Earned Income and Net Profits Tax (“earned income tax” and “income tax”)**
– attached is a list showing income tax rates levied by the school districts and municipalities (“taxing authorities”) within our Tax Collection District (“TCD”) and the approximate amount of tax collected in the most recent fiscal year for which records are available. The list includes, where available, applicable low-income exemption amounts. Most taxing authorities enacted new generally consistent ordinances or resolutions prior to the beginning of County-wide collections in 2012, but the TCC cannot guarantee all taxing authorities’ ordinances or resolutions are identical.
- 2. Services should include collection of current and delinquent earned income taxes, including existing delinquent taxes at the time collection services begin, subject to a taxing authority having a contrary contract as to existing delinquent taxes.**
- 3. The attached TCC Tax Collection Agreement (“TCA”) form is an integral part of this RFP and should be reviewed carefully.**

B. **Time for Commencement of Services**

1. **Commencement of Services.** Tax collection services will commence January 1, 2023. Tax collector will be responsible to process fourth quarter 2022 employer returns and 2022 individual tax returns filed in 2023. The TCC will consider alternate transition arrangements if proposed collector has a better suggestion than what has been set forth, or if upon further study and discussion, the TCC deems another alternative advisable, but the final decision shall be up to the TCC. Please be sure to identify any change in costs to the taxing authorities if an alternate is suggested.
2. **Contract Term.** You are requested to provide terms for a contract of 5 years, with continuation and termination terms to be as set forth in the attached TCA.

C. **Proposal Format and Submission Requirements**

1. Provide one (1) SEALED physical copy for visual comparison/confirmation.
2. Proposal due by MARCH 25, 2022, 4 P.M. prevailing time.
3. Direct any questions and submit proposals to:

Diane P. Heming, TCC Vice-Chairperson
Westmoreland County Tax Collection Committee
c/o Municipality of Murrysville
4100 Sardis Road, Murrysville, PA 15668

Telephone: (724) 327-2100 ext. 104
Cell: 724-217-5022
Fax: (724) 327-2881
E-Mail: dheming@murrysville.com

OR

Kevin Fajt, TCC Board Member
Westmoreland County Tax Collection Committee

Telephone: (724) 836-7610
Cell: (724) 454-1136
E-Mail: Kevin@Bulavainsurance.com

D. **Tentative Timetable for RFP Decision making**

Proposal Due Date:	March 25, 2022 4 PM
RFPs to be opened at public meeting	March 30, 2022, 4 PM
Proposal presentations (20 minute limit)	March 30, 2022 4 PM
TCC evaluation of proposals	April - June
TCC appointment of tax collector	No later than June 30, 2022

Interviews may be arranged as determined appropriate by the TCC.

E. **Proposal Minimum Content Requirements**

1. **Cover Letter.** The cover letter should be signed by a principal of the firm.
2. **Firm Background and Contact Information.** Provide the following information (one page):
 - a. Firm name, address, telephone number, fax number, e-mail address, and website address.
 - b. Contact person name and title.
 - c. Firm officers' and directors' names and addresses.
 - d. Legal structure of the firm (e.g., corporation or limited liability company).
 - e. Date of incorporation or organization.
3. **Firm Overview.** Provide a brief (one page) overview of your firm, including types of taxes collected, number of years providing tax collection services, total tax revenue collected for each type of tax in the last 5 years, and number of employees.
4. **Firm Distinguishing Characteristics.** Provide a summary (one page) of characteristics that distinguish and differentiate your firm, and why the TCC should select your firm, including any promotional material you wish the TCC to consider.
5. **Firm Offices.** It is important to the TCC that the firm providing tax collection services have an office within or reasonably close to the TCD. Please provide a list of current and proposed offices and specify which office or offices will provide service to the TCD. Note that the TCA attached provides for an office within a 10-mile radius of the Westmoreland County Courthouse.
When breaking down the fees/costs your Firm is proposing, we request you separately list the portion of the fees/costs that are directly related to providing an office within a 10-mile radius of the Westmoreland County Courthouse. We are asking for this separation of costs since the TCC has yet to make a final determination if an office will be required.

6. Site Visits. The TCC may wish to tour and observe the offices your firm uses to provide tax collection services. Please indicate whether your firm will allow the TCC to tour and observe your offices and operations.
7. Key Employees. Provide a list and resume or other statement of qualifications of key employees, including the individuals who will be the TCC primary and secondary contact persons and other individuals who perform key roles in the tax collection process.
8. Client List since 2012. Provide a list of other tax collection committees to which your firm has been awarded a contract or replied to since 2012. Please provide a projected revenue breakdown by current or potential tax collection committee. Also list separately any tax collection committees that were customers as of 2012 that have since left your firm.
9. Business Volume Capacity. The TCC is concerned about the capacity of tax collection agencies to handle the expanded volume of business that might result from county-wide collection under Act 32. Please address thoroughly your capacity to effectively handle all tax collection services for current clients and clients for which you have or will be making proposals, including details of any planned steps to add people, facilities, or other resources. Please address specifically your bonding capacity limits available through the insurance company that provides your bonding, and the amount of bonding required for your current clients and clients for which you are making proposals to provide tax collection services (including tax collection committees). What dollar bond amount do you estimate will be required from your firm during the next 2 calendar years for all clients? If applicable, please identify what steps your firm has taken or will take to increase bonding capacity. Has a bonding company ever revoked or reduced the amount of a bond carried by your firm?
10. Conflicts of Interest. Provide a summary of any relationships or interests of your firm and the officers, directors, employees, or owners that might arguably conflict with the interests of the TCC or its constituent taxing authorities. Without limiting the foregoing, are there any family relationships between officers, directors, employees, or owners of your firm and officers, directors, employees, or owners of your auditing firm or any other provider of service to your firm?
11. Detailed Background and Operating Information. In addition to the information provided above, please address:
 - a. Whether your firm meets all tax collector qualifications and requirements established by Act 32 of 2008, as the same may have been amended to date, and by any other Pennsylvania statutory or regulatory rules or regulations, including those requirements imposed by the Pennsylvania Department of Community and Economic Development ("DCED") under Act 32. This includes all of DCED's Best Practices contained in DCED's Final Report referred to in c. below. If not, specify and explain.

- b. Your knowledge of Act 32, changes to your current procedures that will be required to continue collections under Act 32, special challenges you foresee in collecting taxes under Act 32, and measures you are taking to address any special challenges.
- c. Your use of technology in collecting taxes and interacting with taxing authorities, employers, taxpayers, and other tax collectors. Please describe in detail the technology used in collecting the types of tax you propose to collect. Please specifically address the availability of online filing. Does your technology accommodate information and reports required under Act 32? Does your technology system comply with all Best Practices listed in the DCED document titled: "Act 32 Collection Project Document # 5: Final Report on EIT Collection Practices" and any subsequent DCED documents on the subject? Please identify any of the Best Practices with which your technology system does not comply.
- d. Your procedures to ensure taxes are collected from all taxpayers owing tax, including your system that identifies employer and individual taxpayers who fail to file tax returns, and employers or individual taxpayers whose returns are audited. Please identify one or more jurisdictions for which you currently provide tax collection services (including, if available, at least one jurisdiction similar to the Westmoreland County TCD municipalities and school districts) and provide numbers for each identified jurisdiction describing:
- Annual number of non-filers identified who failed to file required returns.
 - Annual number of employer and individual taxpayer audits conducted.
 - Annual number of criminal prosecutions.
 - Annual number of civil collection proceedings filed (with separate breakdown of district justice and county court filings).
 - Annual number of district justice judgments transferred to court to establish lien.
 - Annual number of judgments reduced to payment plans.
 - Annual number of wage attachments filed.
 - Your process for handling taxpayers in bankruptcy.
 - Other data you deem helpful to show enforcement or delinquent collection steps.

Please also provide information on your rate of success under each category.

- e. Your procedures to ensure collection of all taxes paid by employers or TCC residents through other tax collectors, and to ensure payment of all taxes owed by other tax collectors. Specifically, please describe your procedures for reconciling payments to and from other tax collectors.
- f. Your procedures to ensure that employers and other tax collectors provide sufficient information when employee withholding amounts are remitted, in order to allow prompt distribution to taxing authorities of all funds collected from employers and other tax collectors.
- g. Your procedures to ensure that employers withhold tax at the correct rate.
- h. Your procedures to verify the accuracy of individual low-income exemption claims, if applicable, and to ensure that such claims are disallowed if not applicable.
- i. Your method of receiving and depositing tax funds remitted by taxpayers, including the length of time between receipt and deposit of a check. Does this time vary at different periods during the year? Does your firm accept credit card payments?
- j. Your procedures for processing employer and individual tax returns, including the average length of time after filing that is required for you to complete processing. Does this time vary at different periods during the year? Please also discuss procedures by which you reconcile filed individual tax returns with employer payments.
- k. Do you have an office within the TCD where taxpayers can pay taxes? Can taxes be paid at financial institutions where you deposit tax funds?
- l. Explain and provide copies of any documents relevant to your "customer services" for taxpayers. Telephone and in-person availability? Hardship and installment payment plan procedures? Other?
- m. Your legal staff or resources to address legal questions relating to tax collection (including identification of procedures and legal counsel used for filing and prosecuting criminal and civil litigation).
- n. Your requirements for your staff who are not attorneys to ensure adequate knowledge of and continuing education on tax law and tax collection processes.
- o. Your plans and arrangements for investment of tax funds. Have you historically segregated tax funds of different taxing authorities in different accounts?

- p. What financial institutions are used for deposit of tax funds? What due diligence steps are taken to ensure the safety of tax fund deposits and investments, including collateralization?
 - q. Explain and provide a copy of procedures for complying with the Pennsylvania Taxpayer Bill of Rights.
 - r. Explain and provide samples of reports to taxing authorities and timing and distribution of tax funds, that you have or will implement as part of complying with Act 32 and requirements of the Tax Collection Agreement. Are you willing to provide distributions to taxing authorities more frequently than required by Act 32? Weekly distributions? Daily distributions during peak season? What is the most frequent distribution system you could accommodate? Indicate whether fees would increase if more frequent distributions than specified in the TCA were required.
 - s. Provide a copy of any applicable ethics or other policy for protection of taxing authorities or taxpayers.
 - t. Provide samples of all other forms used in connection with tax collection procedures, including tax returns, tax regulations, delinquent tax collection letter forms, or other information disseminated to taxpayers.
 - u. Explain your procedures to ensure the security and confidentiality of information relating to and provided by taxpayers, including social security numbers and other confidential information. What safeguards and written policies do you have in place to avoid a data breach or other improper disclosure of confidential information? Has your firm ever experienced a data breach involving an unauthorized person obtaining access to confidential information in your possession? In responding to this question, please include any data breach that required notice of breach to affected taxpayers under the Pennsylvania Breach of Personal Information Notification Act, 73 P.S. § 2301 *et seq.*, and also any other breach that did not require such notice. Please provide an explanation of any such data breach.
 - v. Explain your procedures for back-up of records to avoid data loss. Do you have an emergency response continuity of operations plan? If so, please explain and provide a copy of any written policies. Do you use off-site storage of back-ups? Explain.
12. Subcontractors and Outsourcing. Identify and explain your use of any subcontractors or outsourcing including any tax functions that are subcontracted or outsourced, in whole or in part, outside Pennsylvania or the United States.
13. Reference Lists. Provide a list of all taxing authorities for which you collect, including number of years served, a list of all taxing authorities that have discontinued use of your firm's services since 2012, and contact information for each taxing authority listed.

14. **Litigation and Claims.** List any legal proceeding (arbitration, complaint, court action, or investigation) or claim filed, commenced, or made by a school district, municipality, other government body, employer, or taxpayer against your firm within the last 10 years. Please also provide a brief summary of the status or final resolution of any proceeding or claim. Without limiting the foregoing, claim specifically includes any material dispute concerning whether your firm paid a taxing authority all sums due that taxing authority, whether or not litigation resulted.
15. **Financial, Insurance, Bonding, and Other Information**
- a. Provide outside of the proposal packet, in a separate envelope, 3 copies of:
(1) Your firm's most recent fiscal year-end audited financial statements and management letters or other written comments provided by your CPA in connection with the financial statements.
(2) Independent Service Auditor's Report relating to internal controls prepared by your CPA in accordance with SAS No. 70, if any.
(3) CPA Background Information per the TCC Tax Collection Agreement § 4(c)(iii).
(Please stamp these items "Confidential." The TCC will share this information only as deemed necessary to the evaluation process, with due regard for the confidential nature of this information, or as the TCC solicitor determines is required under the Sunshine Law and Right-to-Know Law. There can be no guarantee, however, that such information will not be revealed.)
- b. Provide information on insurance types and limits that you carry, including employee dishonesty, crime coverage, and cybertheft, and provide names of current carriers.
- c. Identify the insurance company that provides your bonding and provide sample bond form.
- d. Explain your internal controls to ensure the accuracy of distributions to taxing authorities, and to ensure against loss of funds or inaccurate accounting.
- e. Explain the process you undertake annually to provide taxing authorities an external audit of your finances and tax collection accounts. Please include a sample copy of annual financial/audit information provided to taxing authorities. Please explain changes you will make to this process to continue your compliance with Act 32 or to comply with the requirements of the Tax Collection Agreement.
- f. Has any firm officer, director, or key employee of your firm ever been arrested for, convicted of, or entered a plea of guilty or *nolo contendere* to a criminal charge other than a summary offense? Has any other employee been arrested for, convicted of, or entered a plea of guilty or *nolo contendere* to a criminal charge relating to theft or dishonesty?

- g. Explain the background checks you perform when employees are hired, and whether background checks are periodically updated.
 - h. Other protections against loss of funds for taxing authorities?
16. **Transition Plan.** Explain the steps and timetable for transition of tax collection services from the current tax collector or collectors if you are not the current tax collector. Please provide a detailed monthly timeline of the various stages, including the work plan or task list for each stage, and specifically address steps you will take to ensure payment of amounts owed by out-of-jurisdiction tax collectors relating to time periods prior to the effective date of your contract, and steps you will take to ensure you have sufficient information to collect delinquent taxes owed from time periods prior to the effective date of your contract. Please explain your plan for employer communication to ensure employer compliance with Act 32 requirements.
17. **Fees and Charges.** List any fees and charges for transition of tax collection services to your firm, for ongoing collection of the tax, or for any other matter. Provide all information first for income tax collections, then separately provide the information for both non-delinquent and delinquent separately, and, where appropriate, combined.)
- a. **Transition Fees.** Explain any fees you will impose for transition, including transition of records from current tax collector, interaction with current tax collector, and any other transition services.

For b., c., and d., please note that the TCA attached proposes a percentage fee arrangement with certain exceptions as to delinquent collections and certain other provisions. The TCC is requesting the information in b., c., and d. to determine if it would be appropriate for the TCC to modify the proposed payment arrangement suggested in the TCA or to modify certain of the TCA requirements for savings in collection costs. Therefore, in addition to providing cost figures for collection as provided in the TCA, which the TCC wants you to provide, the TCC would like the information requested. You may also suggest any other alternatives you may have and the effect on costs, fees or collections resulting from your suggested alternative fee arrangements or contract requirements.

- b. **Non-delinquent and Delinquent Tax Collection Fees Combined.** If the TCC prefers a combined fee for both non-delinquent and delinquent tax collection services, provide the following information stated separately for each type of tax:
 - (1) **Basic Collection Commission.** If the TCC prefers a straight across-the-board percent collection commission for all taxing authorities, what percent commission will apply? Would your firm agree, instead, to provide services for a pre-established annual lump sum amount payable in monthly installments? If so, provide the lump sum amount for each contract year.

- (2) Investment earnings. What fee reduction amount will you provide, if any, if the TCC allows your firm to retain investment earnings on all tax funds and solely on funds transferred to tax collectors for other jurisdictions? Please specify the amount as a lump sum amount and alternatively as a reduction in the percent collection commission.
 - (3) Commingling of Tax Collector Funds. What fee reduction amount will you provide, if any, if the TCC does not require a separate financial institution account for funds held as tax collector for the TCC and, instead, allows commingling of tax collector funds held for various jurisdictions? Please specify the amount as a lump sum amount and, alternatively, as a reduction in the percent collection commission.
 - (4) Lump sum fee instead of percent collection commission. Are you willing to provide services for a lump sum annual fee deducted monthly from tax distributions, instead of a percent collection commission? If so, explain the lump sum amount that would be applicable for the first five (5) calendar years.
 - (5) Incentive Proposal. Are you willing to offer any proposal that would provide an incentive to maximize tax collections? If so, explain.
 - (6) Other Charges? Any other applicable charges? Are postage and mailing charges included in the basic collection commission?
- c. Non-delinquent Tax Collection Only. Provide the same information as above that will apply for non-delinquent tax collection services if the TCC prefers separate charges applicable to non-delinquent tax collection and to delinquent tax collection services.
- d. Delinquent Tax Collection Only. Provide the same information as above that will apply for delinquent tax collection services if the TCC prefers separate charges applicable to non-delinquent tax collection and to delinquent tax collection services.
- (1) Taxpayer Fees. As to delinquent tax collection under any alternative, provide a list of all proposed fees and costs you would charge taxpayers for delinquent tax collection steps, and estimated annual revenues from such items. Do you propose to retain these amounts or pay these amounts to the taxing authority?
18. Tax Collection Agreement. Please review the attached TCC Tax Collection Agreement, and identify any changes you would require or suggestions for improvement in this document. It is critical that we have your response to this question. Your response will be among the factors the TCC considers in selecting

its tax collector. The TCC will not make changes in the final document if not raised in your response, unless the changes are proposed by the TCC. There may be some refinements to the TCA and attachments by the TCC. The attached form of agreement is the same form used by the TCC in its original RFP following adoption of Act 32.

19. Other Information or Comments. Please provide any additional information you wish the TCC to consider.
20. Non-Collusion Affidavit. Your proposal must include, in fully completed, signed, and notarized form, the attached Non-Collusion Affidavit.

NOTE:

The Westmoreland County TCC reserves the right to modify this RFP and the attachments hereto, and to waive any requirements of this RFP or the TCA as the TCC deems in the best interests of the TCC. It is anticipated that there may be some issues, aside from fees quoted for services, to be negotiated with the prospective tax officer.

Cost for the service will only be one of many factors the TCC will consider. The Committee may reject any or all proposals and may negotiate with any responder to this request, or others, as the Committee deems in the best interest of the TCC

WESTMORELAND COUNTY TAX COLLECTION COMMITTEE

Tax Collection Agency Non-Collusion Affidavit

Tax Collection Services Proposal dated _____, 2022.

I state that I am _____ of _____ (title)
(name of firm)

and that I am authorized to make this affidavit on behalf of my firm, and its owners, directors, officers, and employees.

I state that:

- (1) The terms of this proposal have been arrived at independently and without consultation, communication or agreement with any other provider or potential provider of tax collection services.
- (2) We have not discussed with other providers of tax collection services the tax collection committees to which we have submitted or will be submitting proposals for tax collection services, or the terms under which our firm is offering to provide tax collection services to taxing authorities or tax collection committees.
- (3) None of the terms of this proposal have been disclosed, directly or indirectly, to any other provider or potential provider of tax collection services, and they will not be disclosed, directly or indirectly, to any other provider or potential provider of tax collection services until made public by the Tax Collection Committee.
- (4) No attempt has been made or will be made to induce any other firm or person to refrain from submitting a proposal for tax collection services to the Tax Collection Committee or to submit any intentionally non-competitive proposal or other form of complementary proposal to the Tax Collection Committee.
- (5) The proposal of the firm is made in good faith and not pursuant to any agreement with, or inducement from, any other firm or person for our firm to submit a complementary or other non-competitive proposal to the Tax Collection Committee.
- (6) Except as noted below and at the bottom of page 13, _____,
(name of firm)

its affiliates, subsidiaries, owners, officers, directors, and employees are not currently under investigation or order by or from any court or governmental agency and have not in the last 10 years, been accused of, investigated for, or subject to any order relating to any alleged act prohibited by state or federal law in any jurisdiction involving conspiracy, collusion, or other violation of law with respect to bidding on any public contract. Exceptions, if any: _____

(continue on bottom of page 13 if necessary)

(7) I and my firm acknowledge that the above representations are material and important and will be relied on by the Tax Collection Committee in entering into a contract for the services for which this proposal is submitted. I understand, and my firm understands, that any misstatement in this affidavit is and shall be treated as fraudulent concealment from the Tax Collection Committee of the true facts relating to the submission of the proposal.

Signature

Print Name and Title

State of _____ :
County of _____ : ss

Sworn to and subscribed before me this __ day of _____, 2021.

Notary Public My Commission Expires: _____

Exceptions, if any (continued:) _____

Instructions for Non-Collusion Affidavit

1. This Non-Collusion Affidavit is material to any contract awarded pursuant to this proposal. According to the Pennsylvania Antbid-Rigging Act, 62 Pa.C.S.A. § 4501 *et seq.*, governmental agencies may require Non-Collusion Affidavits to be submitted together with proposals.
2. This Non-Collusion Affidavit must be executed by the member, officer, or employee of the firm who makes the final decision on the terms included in the proposal.
3. Bid rigging and other efforts to restrain competition, and the making of false sworn statements in connection with the submission of proposals are unlawful and may be subject to criminal prosecution. The person who signs the Affidavit should examine it carefully before signing and assure himself or herself that each statement is true and accurate, making diligent inquiry, as necessary, of all other persons employed by or associated with the firm.
4. The term “complementary proposal” as used in the Affidavit has the meaning commonly associated with that term in the bidding process and includes the knowing submission of a proposal higher or less favorable than the proposal of another firm, an intentionally high or non-competitive proposal, and any other form of proposal submitted for the purpose of giving a false appearance of competition.
5. Your statement under #6 that the firm, its affiliates, subsidiaries, owners, officers, directors, and employees are not currently under investigation or order by or from any court or governmental agency, and have not in the last 10 years been accused of, investigated for, or subject to any order relating to, certain matters does not prohibit the TCC from awarding a contract to the firm, but may be grounds for consideration of whether the TCC should decline to enter the contract on the basis of lack of responsibility.
6. Failure to file an Affidavit in compliance with these instructions will result in disqualification of the proposal.