

## TOWN COUNCIL

### STAFF REPORT

#### Finance Department



<b>MEETING DATE:</b>	January 10, 2023
<b>PROJECT:</b>	Approval to Authorize a Contract to Apothic Enterprises, LLC for Assistance Collecting Business License Taxes
<b>PROJECT MANAGER:</b>	Chris Forster, Assistant Town Manager

**RECOMMENDATION:** Town Staff recommends that Town Council authorize the Town Manager to negotiate a Contract (Attachment 1) with Apothic Enterprises, LLC d/b/a Apothic Revenue (“Apothic”) to serve as a third-party assistant in identifying businesses operating in the Town that do not have a business license or those who are delinquent in their business license taxes.

The proposed contract amount for this work is dependent on the Town’s ability to collect such new or delinquent business license taxes.

**BACKGROUND/DISCUSSION:** In 2020, the South Carolina Legislature passed Act No. 176, known as the South Carolina Business License Tax Standardization Act. Incorporated into the South Carolina Code of Laws at Section 6-1-420, it prescribes how jurisdictions may use a third party to assist in identifying businesses that are operating within a taxing jurisdiction without a business license or in collecting delinquent business license taxes. These third-party organizations are strictly limited in their scope of work under the statute; they are limited to using information found in public records and they are prohibited from retaining personal or proprietary information from any identified business. The third party is prohibited from collecting any taxes and may only assist the taxing jurisdiction in doing so.

The bidding process was performed in accordance with the Town’s Purchasing Ordinance including required public notice, a formal Request for Proposal (“RFP”) posted on the Town’s Vendor Registry, a public bid opening, and bid evaluation process.

The bid opening for Solicitation 2023-15 was held on Tuesday 9/13/2022. Two proposals were received. A panel of three evaluators reviewed the proposals on the following criteria: firm’s profile, firm’s experience and references, firm’s methodology and approach, local vendor preference, Minority/Women-Owned/Disabled Business Enterprise, pricing, and schedule.

Staff was unable to successfully negotiate a contract with the higher-ranked firm. Their recurring fee structure was too expensive for the budget staff proposed and anticipated. After checking their references, Staff was able to successfully negotiate a contract with Apothic.

**NEXT STEPS:** Upon approval by Town Council, Staff will negotiate a contract for both services: identification of businesses operating without a license and assisting the Town in collecting delinquent business license taxes.

**ATTACHMENTS:**

1. Draft Contract
2. Resolution
3. Recommended Motion