

Memorandum

To : Mr. Ramon J. Hirsig
Executive Director

Date : April 03, 2007


From : Karen Johnson, Deputy Director
Administration Department

Subject: APPROVAL OF CONTRACT OVER \$1 MILLION

Your approval is requested to place an Administrative Agenda item before the Board at the April 2007, Board Meeting.

Routine renewal of an interagency agreement that expires June 30, 2007.

- Motor Vehicles, Department of

Because this Agreement exceeds \$1 million, Board Member approval is required. Attached is a short description of the services to be provided under the Agreement.

Also attached is a copy of the final 2007-08 Agreement with the Department of Motor Vehicles.

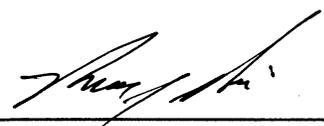
With your approval, the Board Proceedings Division will place this item on the Public Agenda Notice and provide a copy of the attachments to each Board Member.

If you have any questions or wish to discuss the Board's contracts further, please call Barbara Gilbertson at 445-2068.

KJ:ic
Attachments

cc: Ms. Charlene Yount
Ms. Barbara Gilbertson

Approved


Ramon J. Hirsig

reports/million/07/milmem07(1)DMV

Board of Equalization
Proposed Contract
Over \$1 Million

Contractor	Start Date	Expire Date	Estimated Total Cost	Purpose
Motor Vehicles, Department of	7/1/2007	6/30/2008	\$7,595,581	Collection of sales and use taxes pertaining to vehicles, undocumented vessels and transit district taxes for FY 07-08. (Routine Renewal)
				Department of Motor Vehicles collects the taxes as part of the vehicle registration process.
				A copy of the final 07-08 Agreement is attached for your review and approval. Once approved, signatures will be obtained for a fully executed Agreement.

AGREEMENT NUMBER 07-037
REGISTRATION NUMBER 08600307170419

1. This Agreement is entered into between the State Agency and the Contractor named below:
 STATE AGENCY'S NAME
 State Board of Equalization
 CONTRACTOR'S NAME
 Department of Motor Vehicles
2. The term of this Agreement is: July 1, 2007 through June 30, 2008
3. The maximum amount of this Agreement is: \$ 7,595,581.00
 Seven million five hundred ninety-five thousand five hundred eighty-one dollars and no cents
4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement:

Exhibit A – Scope of Work	2 pages
Exhibit B – Budget Detail and Payment Provisions	1 page
Exhibit C* - General Interagency Terms and Conditions	GIA 101
Exhibit D – Special Terms and Conditions	1 page
Exhibit E – Additional Provisions	1 page

Items shown with an Asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto. These documents can be viewed at www.ols.dgs.ca.gov/Standard+Language

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR	CALIFORNIA Department of General Services Use Only
CONTRACTOR'S NAME (If other than an individual, state whether a corporation, partnership, etc.) Department of Motor Vehicles	
BY (Authorized Signature) 	DATE SIGNED (Do not type)
PRINTED NAME AND TITLE OF PERSON SIGNING Jeannie Jones, Contract Officer	
ADDRESS 2415 First Avenue, MS: F112 Sacramento, CA 95818	
STATE OF CALIFORNIA	
AGENCY NAME State Board of Equalization	
BY (Authorized Signature) 	DATE SIGNED (Do not type)
PRINTED NAME AND TITLE OF PERSON SIGNING Barbara Gilbertson, Contract Manager	
ADDRESS 450 N Street, MIC: 24; Sacramento, CA 95814	
<input type="checkbox"/> Exempt per	

EXHIBIT A
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SCOPE OF WORK

1. Department of Motor Vehicles (DMV) agrees to provide the collection of vehicle/vessel and special taxes for the Board of Equalization (Board) as described below:
 - A. The Board agrees to reimburse DMV for costs incurred in connection with the following three (3) operations:
 1. Collection of sale and use taxes pertaining to vehicles as set forth in Chapter 1858, Statutes of 1963, Chapter 2, Statutes of 1965, Chapter 1741, Statutes of 1971 and Chapter 1816, Statutes of 1971, in accordance with a plan approved by State Department of Finance (DOF), the Board and DMV.
 2. Collection of use taxes pertaining to undocumented vessels as set forth in Chapter 1858, Statutes of 1963, Chapter 2, Statutes of 1965, (First Extraordinary Session), Chapter 1741, Statutes of 1971, Chapter 1816, Statutes of 1971, Chapter 974, Statutes of 1973, Chapter 665, Statutes of 1982, in accordance with a plan approved by DOF, the Board and DMV.
 3. Collection of the special taxes on vehicles and undocumented vessels, where applicable. (These are additional/supplemental tax assessments incurred over and above the regular use taxes pertaining to vehicles and undocumented vessels mentioned in Items 1 and 2 above; e.g., library funding, transportation projects, etc.)
 - B. DMV will identify and report all taxes collected as stipulated in this Agreement to the State Controller's Office (SCO) and the Board. On a daily basis, DMV will send a facsimile copy of the Transactions Request to the SCO summarizing the amount of funds collected for allocation to the Board.
 1. DMV will remit funds daily as follows:
 - a. Retail Sales and Use Taxes;
 - b. Local Revenue Fund;
 - c. Retail Sales/Use Public Safety;
 - d. Add-Ons & Local/County Jurisdiction; and remit funds as collected to
 - e. Earthquake Relief Fund.
 2. Upon receipt of the Transactions Request, SCO will transfer the funds from the Motor Vehicle Account to the Board.

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SCOPE OF WORK (continued)

2. The project representatives during the term of this Agreement will be:

Board of Equalization

Name: Oveta Riffle
Phone: (916) 322-5491
Fax: (916) 324-2491
Email: Oveta.Riffle@boe.ca.gov

Department of Motor Vehicles

Name: Anne Dean
Phone: (916) 657-8705
Fax: (916) 657-8643
Email: adean@dmv.ca.gov

Direct all agreement inquiries to:

Board of Equalization

Attention: Debbie Fronda
Address: 450 N Street, MIC: 24
Sacramento, CA 95814
Phone: (916) 445-1174
Fax: (916) 322-3184
Email: Debbie.Fronda@boe.ca.gov

Department of Motor Vehicles

Attention: Corey Hollowell
Address: 2415 First Avenue, F112
Sacramento, CA 95818-2606
Phone: (916) 657-1259
Fax: (916) 657-2387
Email: chollowell@dmv.ca.gov

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BUDGET DETAIL AND PAYMENT PROVISIONS

1. **RATES**: The cost for these services shall be a flat rate of \$3.07 per transaction.
2. **INVOICING AND PAYMENT**: For services satisfactorily rendered and upon receipt and approval of the invoices, the Board agrees to compensate DMV for actual expenditures incurred in accordance with the rates specified herein.

Invoices shall include the Agreement number and DMV Agreement number and be submitted in duplicate not more frequently than monthly in arrears to:

Board of Equalization
Accounting Section
450 N Street, MIC: 23
P. O. Box 942879
Sacramento, CA 94279-0023

3. **BUDGET CONTINGENCY CLAUSE**: It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the Board shall have no liability to pay any funds whatsoever to DMV or to furnish any other considerations under this Agreement and DMV shall not be obligated to perform any provisions of this Agreement.

If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the Board shall have the option to either: cancel this Agreement with no liability occurring to the Board, or offer an Agreement amendment to DMV to reflect the reduced amount.

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SPECIAL TERMS AND CONDITIONS

1. **SETTLEMENT OF DISPUTES:** In the event of a dispute, DMV shall file a "Notice of Dispute" with the Chief, Administrative Support Division of the Board in Sacramento within ten (10) days of discovery of the problem. Within ten (10) days of receipt of the Notice, the Chief, Administrative Support Division, or designee, shall meet with DMV and Contract Manager for purposes of resolving the dispute. The decision of the Chief, Administrative Support Division, shall be final.
2. **CONFIDENTIALITY OF DATA:** All financial, statistical, personal, technical and other data and information relating to the Board's operations, which is designated confidential by the Board and made available to DMV in order to carry out this Agreement, or which becomes available to DMV in carrying out this Agreement, shall be protected by DMV from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the Board. The identification of all such confidential data and information as well as the Board's procedural requirements for protection of such data and information from unauthorized use and disclosure, shall be provided in writing to DMV by the Board. DMV shall not, however, be required to keep confidential any data or information which is or becomes publicly available, is already rightfully in DMV's possession, is independently developed by DMV outside the scope of this Agreement, or is rightfully obtained from third parties.
3. **RIGHT TO TERMINATE:** This Agreement is subject to cancellation (in whole or part) by either party upon thirty (30) days written notice. If for any reason the Board finds just cause for termination, the Board may terminate this Agreement immediately without the thirty (30) day notice. The Board shall also be relieved of any payments should DMV fail to perform the requirements of this Agreement at the time and in the manner herein provided.
4. **FORCE MAJEURE:** Neither party shall be liable to the other for any delay in or failure of performance, nor shall any such delay in or failure of performance constitute default, if such delay or failure is caused by "Force Majeure." As used in this section, "Force Majeure" is defined as follows: Acts of war and acts of God such as earthquakes, floods, and other natural disasters such that performance is impossible.
5. **COMPUTER SOFTWARE COPYRIGHT LAWS:** DMV certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in performance of this contract for the acquisition, operation or maintenance of computer software in violation of copyright laws.

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ADDITIONAL PROVISIONS

1. **MUTUAL COOPERATION**: DMV and the Board intend to structure and foster increased communication and cooperation between the agencies with the goal of jointly developing effective solutions to the sales tax gap problem specific to the used car industry. The Executive Directors of DMV and the Board agree to appoint management staff of their respective agencies to a working task force for this purpose. The DMV and BOE further agree to confer, discuss, research and explore all possible options for solving the tax gap, including, but not limited to, a full exchange of electronic data on used vehicle sales, developing and sponsoring legislation related to used car sales in the state, and to conduct a systematic review of their respective administrative procedures, and to strengthen such procedures, as necessary.