Memorandum

To : Mr. Ramon J. Hirsig
Executive Director

Date : June 10, 2004

From : Raye Zentner, Deputy Director
Administration Department

Subject: **Approval of Contract Over $1 Million**

Attached for your approval is a listing containing a proposed contract that requires Board Member approval prior to being established.

Approval of this contract is scheduled to be an Administrative Agenda item for the June 30, 2004, Board meeting. With your approval, the Board Proceedings Division will provide a copy of the attachment to each Board Member.

If you have any questions or wish to discuss this contract further, please call Robert Sherburne at 445-2068.

RZ:ty

Attachment

cc: Mr. Dade Powers
Mr. Robert Sherburne

Approved _____
Ramon J. Hirsig

G:/contract/cigtaxstamp/FY04-05/Mill Memo

Board of Equalization
Proposed Contract over $1 Million
Detail

Contractor	Start Date	Expire Date	Estimated Total Cost	Purpose
To be determined (contract to be awarded to the lowest bidder.)	1/1/2005	12/31/2005	$11,100,000	Provide cigarette tax stamps, application machinery, validation devices, and tracking system.
	1/1/2006	12/31/2006	$11,100,000	
	1/1/2007	12/31/2007	$11,100,000	
	1/1/2008	12/31/2008	$11,100,000	
	1/1/2009	12/31/2009	$11,100,000	Contract is being established in response to SB 1701 (Chapter 881, Statutes of 2002). SB 1701 requires that cigarette tax stamps be encrypted with specified information readable by scanning devices.
			$55,500,000	

Contract will eliminate the need for separate contracts for the printing of cigarette tax stamps and for the safe-keeping, sale, and distribution of the stamps.

This is a rebid for a three-year contract with two one-year options to extend. Estimated Total Cost includes funds for all five years.