

M e m o r a n d u m**Date :** August 22, 2007**To :** Mr. Ramon J. Hirsig
Executive Director**From :** 
Mickie Stuckey, Acting Deputy Director
Property and Special Taxes Department**Subject :** **APPROVAL OF CONTRACT OVER \$1.0 MILLION**

Your approval is requested to place the following item on the Administrative Agenda for the September 12, 2007, Board meeting:

- One year extension, SICPA Product Security contract

The Excise Taxes Division of the Property and Special Taxes Department seeks approval to exercise a contract option that provides for a one year extension of the SICPA contract. Based on the results of the Board's recent compliance audit, the contractor is satisfactorily fulfilling all of the terms and provisions of the contract. Accordingly, I recommend the Board's concurrence for an extension, for a period of one year, of the cigarette tax stamp contract in accordance with the extension clause provision of the contract. This contract terminates on December 31, 2007, but it contains two one-year options to extend the contract term, to be exercised at the Board's sole discretion. This is a contract coordinated for the Board by the Department of General Services (DGS). Attached is a BOE-287 "Requisition for Purchase" that will be forwarded to DGS and a copy of the original purchase order.

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 this request, please contact Lynn Bartolo.

MS:lb
Attachments

cc: Mr. Gary Evans
Mr. David J. Gau
Ms. Lynn Bartolo

Approved:



Ramon J. Hirsig, Executive Director

BOARD APPROVED
At the _____ Board Meeting

Gary Evans, Acting Chief
Board Proceedings Division

(SUBMIT BOE-287 ON GREEN PAPER)

SHIP TO BOARD OF EQUALIZATION			PROGRAM CODE 4930	% 100	DATE 8/21/07	UNIT ORDER NUMBER	
DISTRICT/UNIT NAME Excise Taxes Division			PROGRAM CODE	%	CONTRACT NUMBER	DISTRICT/UNIT NUMBER 493	FISCAL YEAR 07/08
SHIP TO ADDRESS 450 N Street MIC:56			PROGRAM CODE	%	SUPPLIER NAME SICPA Product Security		
CITY Sacramento	STATE CA	ZIP CODE 95814	PROGRAM CODE	%	SUPPLIER ADDRESS 8000 Research Way		
FORM COMPLETED BY (originator) Chris Lee			TELEPHONE/CALNET NUMBER (916) 327-7174	SUPPLIER CONTACT Stephen Wass			
DELIVERY CONTACT (if different) Lynn Bartolo			TELEPHONE/CALNET NUMBER (916) 322-9550	SUPPLIER TELEPHONE NUMBER (703) 440-7766	SUPPLIER FAX NUMBER (703) 372-3634		

PLEASE NOTE: A JUSTIFICATION IS REQUIRED FOR ALL REQUESTS

QUANTITY	UNIT	STOCK ITEM NUMBER	DESCRIPTION	UNIT PRICE	EXTENSION
1,278,182	1,000		Cigarette tax stamps; 1 unit = 1,000 stamps	\$4.77	\$6,096,928.14
					\$0.00
			Board of Equalization is exercising the option to extend		\$0.00
			this contract for a period of one year effective		\$0.00
			January 1, 2008 - December 31, 2008 pursuant to		\$0.00
			DGS Purchase Order No. 59656 issued 6/30/2004.		\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00

DO NOT LIST ITEMS BELOW THIS LINE

PROCUREMENT UNIT USE ONLY

 ORIGINATOR'S SIGNATURE / DATE  DIVISION CHIEF/ADMINISTRATOR'S APPROVAL / DATE  PROPERTY COORDINATOR'S APPROVAL / DATE			SUB-TOTAL	\$6,096,928.14
			SALES TAX	
			SHIPPING & HANDLING	
			TOTAL	

ADMINISTRATIVE SUPPORT DIVISION USE ONLY

AUTHORIZED SIGNATURE 				DATE	EXPENDITURE CODE	BILLING CODE
<input type="checkbox"/> APPROVED <input type="checkbox"/> CANCELED					DELIVERY	F.O.B.
SMALL BUSINESS Y / N	MICRO BUSINESS Y / N	EXPIRES	DVBE Y / N	EXPIRES	TERMS	PROGRAM CODE
					SB/DVBE CERT NUMBER	PO NUMBER



State Board of Equalization
Excise Taxes Division

STATE OF CALIFORNIA
Department of General Services - Office of Procurement

PURCHASE ORDER

Purchase Order No., Rev. Date
59656 6/30/2004

Form GSOP 1-PIN (04/98)

Supplier No. 789954	Solicitation No. 53277	Delivery Date As Specified	FOB Point Destination	Invoice Terms
S BOARD OF EQUALIZATION h T EXCISE TAXES i o 3920 WEST CAPITOL AVENUE p WEST SACRAMENTO, CA 95691 Attn: DENNIS MACIEL		C BOARD OF EQUALIZATION h ACCOUNTING SECTION a T PO BOX 942879 MIC 23 r o SACRAMENTO, CA 94279-0023 g e		
Agency Billing 24499	Agency Purchase Estimate 2003-0660	Purchase Estimate 63711	Revision 0	
Agency Contact LEE TACKITT		Phone 916-445-3814	Date Received	

SICPA PRODUCT SECURITY
8000 RESEARCH WAY
SPRINGFIELD, VA 22153
Attn: RUSSELL R. LACOSTE

Phone: 703-455-8050

Item No.	Quantity	Unit	Commodity Code	Description	Unit Price	Extension
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NOTE: SECTION 1.14 OF THE ATTACHED SPECIFICATIONS TAKES PRECEDENCE OVER THE 45 CALENDAR DAY STATEMENT ABOVE FOR THE SUPPLIER TO HOLD THEIR QUOTED PRICE.

SCOPE:

THIS BID COVERS THE STATE OF CALIFORNIA REQUIREMENTS FOR CIGARETTE TAX STAMPS, APPLICATION MACHINERY AND SCANNING OR SIMILAR VALIDATION DEVICES FOR THE PERIOD FROM ISSUANCE OF CONTRACT THROUGH DECEMBER 31, 2007. IN ADDITION, THE CONTRACT FOR STAMP SALES RESULTING FROM THIS BID WILL CONTAIN TWO (2) ONE (1) YEAR OPTIONS TO EXTEND THE CONTRACT TO BE EXERCISED AT THE STATES SOLE DISCRETION.

PRICE:

ALL PRICES SHALL BE FOB DESTINATION.

INVOICING REQUIREMENTS:

THE CONTRACTOR SHALL RENDER INVOICES AS INSTRUCTED ON INDIVIDUAL ORDERS. INVOICES SHALL INCLUDE THE ORDER NUMBER, THE CONTRACT NUMBER, THE ITEM NUMBER, THE DESCRIPTION, THE UNIT PRICE, THE EXTENSION, AND THE TERMS FOR PAYMENT.

USAGE REPORTS:

THE SUPPLIER IS REQUIRED TO SUBMIT A DETAILED USAGE REPORT EVERY THREE (3) MONTHS COMMENCING FROM THE DATE OF THE CONTRACT AWARD. THIS REPORT IS TO INCLUDE THE TOTAL QUANTITIES PER LINE ITEM, THE ORDER NUMBERS AND THE TABULATION OF THE TOTAL AMOUNT FOR THE QUARTERLY CONTRACT PERIOD. NOTE: INVOICE COPIES OR A LIST OF PURCHASE ORDERS WILL NOT FULFILL THIS REQUIREMENT. FAILURE TO SUBMIT COMPLETED USAGE REPORTS IN A TIMELY MANNER MAY BE CONSIDERED A BREACH OF CONTRACT AND SUBJECT THE SUPPLIER TO GENERAL PROVISIONS, SECTION 2.6 ENTITLED 'RIGHTS AND REMEDIES OF THE STATE FOR DEFAULT'.

SUPPLIER LOCATION:

PLEASE LIST IN THE SPACE PROVIDE BELOW THE LOCATION WHICH FUTURE COMMUNICATIONS SHOULD BE SENT:

COMPANY NAME: SICPA PRODUCT SECURITY
 STREET ADDRESS: 8000 RESEARCH WAY
 CITY, STATE, ZIP: SPRINGFIELD, VA 22153
 CONTACT PERSON: RUSSELL R. LACOSTE
 PHONE NUMBER: (703) 623-3984
 FAX NUMBER: (703) 451-4508

THE GENERAL PROVISIONS FOR NON-IT COMMODITIES ARE HEREBY INCORPORATED BY REFERENCE. THESE GENERAL PROVISIONS CAN BE OBTAINED BY PHONING (916) 375-4400 OR BY ACCESSING OUR WEBSITE AT:

www.documents.dgs.ca.gov/pd/modellang/GPnonIT04262004.pdf

Sales and/or use tax to be extra unless noted above

Buyer <i>Toni Vice</i> TONI VICE	Phone 916-375-4479	BOC Number
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Rita Hamilton

STATE OF CALIFORNIA

Department of General Services - Office of Procurement

PURCHASE ORDER CONTINUATION

Form GSOP 2-PIN (04/98)

<i>Purchase Order No.</i>	<i>Revision</i>	<i>Date</i>	<i>Supplier No.</i>	<i>Supplier Name</i>
59656		6/30/2004	789954	SICPA PRODUCT SECURITY

<i>Item No.</i>	<i>Quantity</i>	<i>Unit</i>	<i>Commodity Code</i>	<i>Description</i>	<i>Unit Price</i>	<i>Extension</i>
<p>THE FOLLOWING INFORMATION IS PROVIDED FOR AGENCY USE ONLY:</p> <p>SMALL BUSINESS - YES/NO DVBE REQUIREMENTS MET BY: 3X PARTICIPATION GOAL/GOOD FAITH EFFORT FISCAL YEAR: 2001/2002</p>						
1	3834547	KX	7690-769-5022-0	STAMP CIGARETTE TAX	4.7700	18,290,789.19
Total Value:						18,290,789.19
<p>This purchase order is being awarded on August 9, 2004 pursuant to Government Code Section 13332.17. Any encumbrances made pursuant to this purchase order shall be construed to have been made on the last day of the preceding fiscal year.</p> <p>THIS PURCHASE ORDER HAS BEEN REGISTERED INTO THE STATE CONTRACT AND PROCUREMENT REGISTRATION SYSTEM (https://www.scprs.dgs.ca.gov/). THE REGISTRATION NUMBER IS 860080444205.</p>						