

Board of Equalization  
Proposed Contract  
Over \$1 Million

<u>Contractor</u>	<u>Start Date</u>	<u>Expire Date</u>	<u>Estimated Total Cost</u>	<u>Purpose</u>
Motor Vehicles, Department of	7/1/2008	6/30/2009	\$8,317,954	<p>Collection of sales and use taxes pertaining to vehicles, undocumented vessels and transit district taxes for FY 08-09. (Routine Renewal)</p> <p>Department of Motor Vehicles collects the taxes as part of the vehicle registration process.</p> <p>A copy of the final 08-09 Agreement is attached for your review and approval. Once approved, signatures will be obtained for a fully executed Agreement.</p>

**AGREEMENT SUMMARY**

STD 215 (Rev 4/2002)

AGREEMENT NUMBER

08-002

AMENDMENT NUMBER

 CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED

1. CONTRACTOR'S NAME

Department of Motor Vehicles

2. FEDERAL I.D. NUMBER

N/A

3. AGENCY TRANSMITTING AGREEMENT

State Board of Equalization

4. DIVISION, BUREAU, OR OTHER UNIT

Sales &amp; Use Tax Department

5. AGENCY BILLING CODE

024000

6. NAME AND TELEPHONE NUMBER OF CONTRACT ANALYST FOR QUESTIONS REGARDING THIS AGREEMENT

Linda Ferguson (916) 445-3814 Email: lfergurs@boe.ca.gov

7. HAS YOUR AGENCY CONTRACTED FOR THESE SERVICES BEFORE?

 NO YES (If YES, enter prior contractor name and Agreement Number)

#07-037, Department of Motor Vehicles

8. BRIEF DESCRIPTION OF SERVICES - LIMIT 72 CHARACTERS INCLUDING PUNCTUATION AND SPACES

Collection of vehicle/vessel and special taxes.

9. AGREEMENT OUTLINE (Include reason for Agreement: Identify specific problem, administrative requirement, program need or other circumstances making the Agreement necessary; include special or unusual terms and conditions.)

Collection of sales, use, and/or special taxes pertaining to vehicles and 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; and Chapter 665, Statutes of 1982, in accordance with a plan approved by the State Department of Finance, the Board and the Department of Motor Vehicles..

10. PAYMENT TERMS (More than one may apply.)

 MONTHLY FLAT RATE QUARTERLY ONE -TIME PAYMENT PROGRESS PAYMENT ITEMIZED INVOICE WITHHOLD \_\_\_\_\_ % ADVANCED PAYMENT NOT TO EXCEED REIMBURSEMENT/REVENUE

\$ \_\_\_\_\_ or \_\_\_\_\_ %

 OTHER (Explain) Flat rate per transaction.

11. PROJECTED EXPENDITURES

FUND TITLE	ITEM	F.Y.	CHAPTER	STATUTE	PROJECTED EXPENDITURES
General	0860-001-0001	08-09		2008	8,317,954.00
OBJECT CODE 400-3845	PROGRAM CODE 3020			AGREEMENT TOTAL	\$ 8,317,954.00
OPTIONAL USE				AMOUNT ENCUMBERED BY THIS DOCUMENT	\$ 8,317,954.00
I CERTIFY upon my own personal knowledge that the budgeted funds for the current budget year are available for the period and purpose of the expenditure stated above.					PRIOR AMOUNT ENCUMBERED FOR THIS AGREEMENT
ACCOUNTING OFFICER'S SIGNATURE					\$ 0.00
DATE SIGNED		TOTAL AMOUNT ENCUMBERED TO DATE			\$ 8,317,954.00
12. AGREEMENT	TERM	TOTAL COST OF THIS TRANSACTION		BID, SOLE SOURCE, EXEMPT	
	From Through				
Original	7/1/07 6/30/08	\$ 8,317,954.00		Exempt	
Amendment No. 1		\$			
Amendment No. 2		\$			
Amendment No. 3		\$			
TOTAL		\$ 8,317,954.00			

(continue)

13. BIDDING METHOD USED:

- REQUEST FOR PROPOSAL (RFP)       INVITATION FOR BID (IFB)       USE OF MASTER SERVICE AGREEMENT  
*(Attach justification if secondary method is used)*
- SOLE SOURCE CONTRACT       EXEMPT FROM BIDDING       OTHER (Explain) PCC 10340(b)(3)  
*(Attach STD. 821)*      *(Give authority for exempt status)*

NOTE: *Proof of advertisement in the State Contracts Register or an approved form STD. 821, Contract Advertising Exemption Request, must be attached*

14. SUMMARY OF BIDS *(List of bidders, bid amount and small business status) (If an amendment, sole source, or exempt, leave blank)*

15. IF AWARD OF AGREEMENT IS TO OTHER THAN THE LOWER BIDDER, PLEASE EXPLAIN REASON(S) *(If an amendment, sole source, or exempt, leave blank)*

16. WHAT IS THE BASIS FOR DETERMINING THAT THE PRICE OR RATE IS REASONABLE?

Interagency Agreement

17. JUSTIFICATION FOR CONTRACTING OUT *(Check one)*

- Contracting out is based on cost savings per Government Code 19130(a). The State Personnel Board has been so notified.       Contracting out is justified based on Government Code 19130(b). Justification for the Agreement is described below.

*Justification:*

Interagency Agreement

18. FOR AGREEMENTS IN EXCESS OF \$5,000, HAS THE LETTING OF THE AGREEMENT BEEN REPORTED TO THE DEPARTMENT OF FAIR EMPLOYMENT AND HOUSING? <input type="checkbox"/> NO <input type="checkbox"/> YES <input checked="" type="checkbox"/> N/A	19. HAVE CONFLICT OF INTEREST ISSUES BEEN IDENTIFIED AND RESOLVED AS REQUIRED BY THE STATE CONTRACT MANUAL SECTION 7.10? <input type="checkbox"/> NO <input type="checkbox"/> YES <input checked="" type="checkbox"/> N/A	20. FOR CONSULTING AGREEMENTS, DID YOU REVIEW ANY CONTRACTOR EVALUATIONS ON FILE WITH THE DGS LEGAL OFFICE? <input type="checkbox"/> NO <input type="checkbox"/> YES <input type="checkbox"/> NONE ON FILE <input checked="" type="checkbox"/> N/A
21. IS A SIGNED COPY OF THE FOLLOWING ON FILE AT YOUR AGENCY FOR THIS CONTRACTOR? A. CONTRACTOR CERTIFICATION CLAUSES    B. STD. 204, VENDOR DATA RECORD <input type="checkbox"/> NO <input type="checkbox"/> YES <input checked="" type="checkbox"/> N/A <input type="checkbox"/> NO <input type="checkbox"/> YES <input checked="" type="checkbox"/> N/A	22. REQUIRED RESOLUTIONS ARE ATTACHED <input type="checkbox"/> NO <input type="checkbox"/> YES <input checked="" type="checkbox"/> N/A	

23. ARE DISABLED VETERANS BUSINESS ENTERPRISE GOALS REQUIRED? *(If an amendment, explain changes, if any)*

- NO *(Explain below)*       YES *(If YES complete the following)*  
DISABLED VETERAN BUSINESS ENTERPRISES: \_\_\_\_\_ % OF AGREEMENT

- Good faith effort documentation attached if 3% goal is not reached  
 We have determined that the contractor has made a sincere good faith effort to meet the goal

*Explain:*

Interagency Agreement

24. IS THIS A SMALL BUSINESS CERTIFIED BY OSBCR? <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES <i>(Indicate Industry Group)</i> _____	SMALL BUSINESS REFERENCE NUMBER _____
25. IS THIS AGREEMENT (WITH AMENDMENTS) FOR A PERIOD OF TIME LONGER THAN ONE YEAR? <i>(If YES, provide justification)</i> <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES	

*I certify that all copies of the referenced Agreement will conform to the original Agreement sent to the Department of General Services.*

SIGNATURE/TITLE \_\_\_\_\_, Contract Manager      DATE SIGNED \_\_\_\_\_

STATE OF CALIFORNIA  
**STANDARD AGREEMENT**  
 STD 213 (Rev 06/03)

DMV#

AGREEMENT NUMBER 08-002
REGISTRATION NUMBER 08600408301161

- 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
- The term of this Agreement is: July 1, 2008 through June 30, 2009
- The maximum amount of this Agreement is: \$ 8,317,954.00  
 Eight million three hundred seventeen thousand nine hundred fifty-four dollars and no cents
- 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](http://www.ols.dgs.ca.gov/Standard+Language)

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

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

**EXHIBIT A**  
**Page 1 of 2**

**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.

**EXHIBIT A**  
**Page 2 of 2**

**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) 657-2690  
Fax: (916) 657-8643  
Email: adean@dmv.ca.gov

Direct all agreement inquiries to:

Board of Equalization

Attention: Contracts Unit  
Address: 450 N Street, MIC: 24  
Sacramento, CA 95814  
Phone: (916) 322-3058  
Fax: (916) 322-3184

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

**EXHIBIT B**  
**Page 1 of 1**

**BUDGET DETAIL AND PAYMENT PROVISIONS**

1. RATES: The cost for these services shall be a flat rate of \$3.31 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.

**EXHIBIT D**  
**Page 1 of 1**

**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.

**EXHIBIT E**  
**Page 1 of 1**

**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.