

M e m o r a n d u m

To : Ramon J. Hirsig
Executive Director

Date : March 18, 2008


From : Elizabeth Houser, Deputy Director
Administration Department

Subject: *Interagency and Standard Agreements over \$1 Million*

Your approval is requested to place the following item on the Board's April 8, 2008, Administrative Agenda Calendar under Deputy Director's Report, Administration:

- Renewal of Department of Transportation Reimbursable Interagency Agreement and
- Automated Schedule Processing Update Project Agreement

Attached is a brief description of the services to be provided under these Agreements and signature ready Interagency and Standard Agreements. A Special Project Report (SPR) has been submitted to the Office of Chief Information Officer for review and approval but has not been approved as of this date.

With your approval, these items will be placed on the April 8, 2008, Board meeting calendar with the assumption that the approved SPR will be received before April 8, 2008.

DJG:ss
Attachments

cc: Ms. Diane Olson
Ms. Charlene Yount
Ms. Roberta Hinchman

Approved



Ramon J. Hirsig
Executive Director

BOARD APPROVED
At the _____ Board Meeting

Diane Olson, Chief
Board Proceedings Division

Board of Equalization
Proposed Contracts
Over \$1 Million

Contractor	Start Date	Expire Date	Estimated Total Cost	Purpose
Department of Transportation	3/31/2008	6/30/2010	(\$1,791,000)	To extend the Fuel Taxes Automated Schedule Processing System Project Number 0860-89. This Reimbursable Interagency Agreement will provide a continuance of funding for the project that will provide new functionality to the Integrated Revenue Information System (IRIS) modules for the Automated Schedule Processing (ASP) Update Project. This project will assist the BOE's Property and Special Taxes department with the ability to curtail and deter fuel tax evasion by tracking movement of fuel through the distribution chain and cross-referencing data with fuel tax returns. This project was implemented in 2003-04 to support the processing of fuel tax returns and data on fuel distribution transactions. The funding from this Reimbursable Agreement will support three information technology contractors who will perform functions such as maintenance and testing of the current IRIS modules as needed, in order to resolve system problems.
International Network Consulting	5/1/2008	6/30/2011	\$1,460,070	To provide funding for the ASP project indicated above. This contract is for the purpose of providing three information technology contractor personnel to complete the Fuel Taxes Automated Schedule Processing System Project. The tasks performed will provide new functionality in the current IRIS modules for the ASP Update Project.

AGREEMENT NUMBER 07-080
REGISTRATION NUMBER

- 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
 International Network Consulting, Inc.
- The term of this Agreement is: May 1, 2008, through June 30, 2011
- The maximum amount \$ 1,460,070.00 of this Agreement is: One Million Four Hundred Sixty Thousand Seventy 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	3 pages
Exhibit A-1, Resumes	15 pages
Exhibit B – Budget Detail and Payment Provisions	1 page
Exhibit C –*General Provisions - Information Technology, 10/03/05,	10 pages
-Information Technology Software Special Provisions, 1/21/03,	3 pages
-Information Technology Personal Services Special Provisions, 1/21/03,	5 pages
Exhibit D – Special Term and Conditions	2 pages

Items shown with an asterisk (*) may be viewed at www.pd.dgs.ca.gov/modellang/generalprovisions or www.pd.dgs.ca.gov/modellang/ITmodules

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.) International Network Consulting, Inc.		
BY (Authorized Signature) 	DATE SIGNED (Do not type)	
PRINTED NAME AND TITLE OF PERSON SIGNING		
ADDRESS P.O. Box 254620, Sacramento, CA 95865		
STATE OF CALIFORNIA		
AGENCY NAME State Board of Equalization		
BY (Authorized Signature) 	DATE SIGNED (Do not type)	<input type="checkbox"/> Exempt per
PRINTED NAME AND TITLE OF PERSON SIGNING Elizabeth Houser, Deputy Director		
ADDRESS 450 N Street, MIC: 24; Sacramento, CA 95814		

EXHIBIT A
(Standard Agreement)

SCOPE OF WORK

1. The purpose of this Agreement is for International Network Consulting, Inc. (Contractor) to provide information technology consulting services to the Board of Equalization (BOE), Technology Services Division (TSD) located at 450 N Street, Sacramento, California 95814. The services shall provide new functionality to the Integrated Revenue Information System (IRIS) modules as a continuation of the Automated Schedule Processing (ASP) Update Project.
2. The services and terms and conditions shall be provided in accordance with Exhibit A, Scope of Work, and Master Service Agreement (MSA) number 5-06-70-76, which is hereby incorporated by reference.
3. The services shall be performed between the hours of 7:00 a.m. and 5:00 p.m., Monday through Friday, except on State holidays.
4. The Project Coordinators during the term of this Agreement will be:

Board of Equalization

Mark Peletta
450 N Street, MIC 26
Sacramento, CA 95814
Phone: (916) 323-1089
Fax: (916) 327-3483
E-mail: Mark.Peletta@boe.ca.gov

International Network Consulting, Inc.

Fred Sutarjo
P.O. Box 254620
Sacramento, CA 95865
Phone: (916) 213-3387
Fax: (916) 914-2209
E-mail: Fsutarjo@my2inc.com

Direct all Agreement inquiries to:

Board of Equalization

Contracts Unit
Attn: Suzan Sturgill
450 N Street, MIC: 24
Sacramento, CA 95814
Phone: (916) 327-2107
Fax: (916) 322-3184
E-mail: Suzan.Sturgill@boe.ca.gov

International Network Consulting, Inc.

Fred Sutarjo
P.O. Box 254620
Sacramento, CA 95865
Phone: (916) 213-3387
Fax: (916) 914-2209
E-mail: Fsutarjo@my2inc.com

5. This contract may be amended for time or money upon mutual written consent of the parties at the rate of pay stated in this agreement for up to one additional year. Amendments shall be in accordance with the provisions outlined in MSA number 5-06-70-76.

**EXHIBIT A
(Standard Agreement)**

SCOPE OF WORK (Continued)

6. Contractor Key Tasks and Responsibilities

Under the direction of the BOE Application Development Manager, the three Programmer Analysts (Systems Analysis/Design/Implementation, SubCategory 2B) will update current IRIS modules and documentation in order to provide new functionality as identified in the ASP Update requirements. The Programmer Analysts will also perform maintenance and testing of current IRIS modules and documentation, as needed, in order to resolve other system problems. The Contractor shall also provide technical expertise in the following areas:

1. Facilitate Joint Application Development (JAD) Sessions.
2. Develop and update Requirements.
3. Develop and update Construction Design Specifications.
4. Develop and maintain Natural Objects using Construct.
5. Develop and maintain Natural Objects without using Construct.
6. Build and maintain Unit Test Plans.
7. Execute Unit Test Plans.
8. Build, maintain and/or review System Test Plans.
9. Execute System Test Plans.
10. Fix program problems.
11. Perform maintenance of current IRIS modules.
12. Interface with mid-tier developers and/or develop and maintain EntireX ACIs.
13. Notify BOE in writing of any changes in personnel during the performance of this agreement. Personnel changes must be approved by the BOE's Technical Representative identified in Exhibit A, Item 4, Scope of Work, and be in accordance with the terms and conditions of the MSA number 5-06-70-76.
14. All work shall be performed on-site.

Contractor staff, estimated hours, job classification and rates are identified in Exhibit B, Budget Detail and Payment Provisions. Changes in staff must be approved by the BOE in writing.

7. Contractor Deliverables

The Contractor shall provide the following work products ("Deliverables") at the direction of the BOE Application Development Manager:

- A. System Requirement Specifications.
- B. Construction Specifications.
- C. Unit Test Plans.
- D. System Test Plans.
- E. Constructed Systems.
- F. Traceability Matrix.
- G. Product Deliverable Metrics.

**EXHIBIT A
(Standard Agreement)**

SCOPE OF WORK (Continued)

8. Contractor Completion Criteria

All deliverables provided under this agreement shall be in accordance with the criteria outlined in Exhibit A, Scope of Work, and shall be complete when the deliverables identified are completed within the time frame and budget.

9. BOE Responsibilities

The BOE shall provide the Contractor with the following:

- A. An environment overview on the first day of work.
- B. Timely access to BOE staff and readily available information, as determined by the BOE Application Development Manager.
- C. Resource support, as required, to complete the above tasks and deliverables.
- D. Timely review and acceptance of deliverables.
- E. Workspace, which includes a workstation configured with the appropriate hardware, software, and network connectivity as required to perform job duties and to ensure the security of State data.
- F. Office equipment, including telephones, faxes, copy machines, and other resources as required, within reason, to perform job duties.
- G. Access to the building during the Contractor's tenure with BOE as agreed upon between BOE and Contractor.
- H. Approve any changes in Contractor Personnel.

10. Contractor Time Reporting

The Contract Manager in the BOE's Technology Services Division (TSD) will monitor the Contractor's time and approve each time sheet submitted by the Contractor. Contractor shall use TSD's time sheet for approval of time reported and TSD's time reporting system.

**EXHIBIT B
(Standard Agreement)**

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Invoicing and Payment:

- A. For services satisfactorily rendered and upon receipt and approval of the invoices, the BOE agrees to compensate the Contractor for actual expenditures incurred in accordance with the rates specified herein.
- B. Invoices shall include the 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

- C. Labor Rates shall correspond with the following Contractor staff and hourly labor rates:

Contractor Staff	MSA Labor Classification: System Analysis/Design/Implementation – SubCategory 2B	Estimated Hours Per Year	Hourly Labor Rate
John O'Ray	Senior Programmer	2,000	\$80.00
Nerina Fielding	Senior Programmer	2,000	\$85.00
Fred Sutarjo	Senior Programmer	2,000	\$85.00

2. Budget Contingency Clause:

- A. 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 State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
- B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either: cancel this Agreement with no liability occurring to the State, or offer an Agreement Amendment to Contractor to reflect the reduced amount.

3. Prompt Payment Clause:

Payment will be made in accordance with and within the time specified in Government Code, Chapter 4.5 (commencing with Section 927).

EXHIBIT D
(Standard Agreement)

SPECIAL TERMS AND CONDITIONS

1. Potential Subcontractors:

Nothing contained in this Agreement or otherwise shall create any contractual relation between the State and any subcontractors, and no subcontract shall relieve the Contractor of its responsibilities and obligations hereunder. The Contractor agrees to be as fully responsible to the State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from the State's obligation to make payments to the Contractor. As a result, the State shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.

2. Computer Software Copyright Laws:

Contractor certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.

3. Ownership of Data/Ownership in Data:

The State owns data filed with or collected by the Contractor in both hardcopy, electronic and internet formats. Data, in all forms, is the property of the State of California and copyrights, trademarks, service marks, or patents will not be filed that infringe on the exclusive ownership by the State. Contractor may use said data for academic research and possible publication with written approval of the Executive Director of the BOE or Designee.

4. Licensees and Permits

The Contractor shall be an individual or firm licensed to do business in California and shall obtain at his/her expense all license(s) and permit(s) required by law for accomplishing any work required in connection with this contract.

If you are a Contractor located within the State of California, a business license from the city/county in which you are headquartered is necessary; however, if you are a corporation, a copy of your incorporation documents/letter from the Secretary of State's Office can be submitted. If you are a Contractor outside the State of California, you will need to submit to the BOE a copy of your business license or incorporation papers for your respective State showing that your company is in good standing in that state.

**EXHIBIT D
(Standard Agreement)**

In the event, any license(s) and/or permit(s) expire at any time during the term of this Agreement; Contractor agrees to provide the BOE a copy of the renewed license(s) and/or permit(s) within 30 days following the expiration date. In the event the Contractor fails to keep in effect at all times all required license(s) and permit(s), the State may, in addition to any other remedies it may have, terminate this Agreement upon occurrence of such event.

5. Contractor Evaluation:

In accordance with Public Contract Code 10369, within sixty (60) days after the completion of this Agreement, the BOE shall complete a written evaluation of Contractor's performance under this Agreement. If Contractor did not satisfactorily perform the work, a copy of the evaluation will be sent to the Department of General Services, Office of Legal Services. The BOE shall send a copy of the unsatisfactory evaluation to the Contractor within fifteen (15) working days of the completion of the evaluation.

6. Confidentiality Statement:

All Contractor staff must sign and return a Confidentiality Statement, Form BOE-4.

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

AGREEMENT NUMBER 82A0024
REGISTRATION NUMBER

- This Agreement is entered into between the State Agency and the Contractor named below:
 STATE AGENCY'S NAME
California Department of Transportation (Caltrans)
 CONTRACTOR'S NAME
Board of Equalization (BOE)
- The term of this Agreement is: **March 31, 2008** through **June 30, 2010**
- The maximum amount of this Agreement is: **\$1,791,000.00**
One Million Seven Hundred Ninety One Thousand 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	2 Pages
Exhibit C* – General Terms and Conditions (GIA 101)	On-line
Exhibit D - Special Terms and Conditions	2 Pages
Exhibit E – Additional Provisions	1 Page
Attachment 1 – Cost Proposal	2 Pages

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 <http://www.ols.dgs.ca.gov/Standard+Language/default.htm>*

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

CONTRACTOR		<i>California Department of General Services Use Only</i>
CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.) Board of Equalization (BOE)		
BY (Authorized Signature) 	DATE SIGNED (Do not type)	
PRINTED NAME AND TITLE OF PERSON SIGNING		
ADDRESS 450 N Street Sacramento, CA 94279-0026		
STATE OF CALIFORNIA		
AGENCY NAME California Department of Transportation (Caltrans)		
BY (Authorized Signature) 	DATE SIGNED (Do not type)	
PRINTED NAME AND TITLE OF PERSON SIGNING Louise Lozoya, Contract Officer		
ADDRESS 1727 30 th Street, MS-65 Sacramento, CA 95816		

Exempt per:

EXHIBIT A
INTERAGENCY AGREEMENT

SCOPE OF WORK

1. The Board of Equalization is herein after referred to as BOE. Caltrans is contracting with the BOE for the purpose of providing funding for BOE fuel tax evasion law enforcement activities. Caltrans agrees to provide State Highway Account (SHA) Funds, not to exceed an amount equal to 1/4 of one (1) percent of California's annual Surface Transportation Program (STP) apportionment.
2. This Agreement will commence on the start date **March 31, 2008** as presented herein or upon approval by DGS, whichever is later and no work shall begin before that time. This Agreement is of no effect unless approved by DGS. Contractor shall not receive payment for work performed prior to approval of the Agreement and before receipt of notice to proceed by the Contract Manager. This Agreement shall expire on **June 30, 2010**. The services shall be provided Monday through Friday, except holidays. The parties may amend this agreement as permitted by law.
3. All inquiries during the term of this Agreement will be directed to the project representatives listed below:

Department of Transportation (Caltrans)	Contractor: Board of Equalization (BOE)
Section/Unit: Office of Federal Resources	Section/Unit: Fuel Industry Section
Contract Manager: Scott Nicolson	Project Manager: Lou Feletto
Address: 1120 N Street, MS-23 Sacramento, CA 95814	Address: 450 N Street, MIC:31 Sacramento, CA 94279-0026
Bus. Phone No.: (916) 654-4137	Bus. Phone No.: (916) 323-9401
Fax No: (916) 654-4375	Fax No:

The project representatives during the term of this Agreement may be changed by mutual written agreement of the parties without the necessity of an amendment to the Agreement.

4. Detailed description of work to be performed and duties of all parties:

A. REPORTING REQUIREMENT

BOE shall prepare and submit a work plan, to include expenditure schedules; to develop a project evaluation process; and to provide Caltrans with annual evaluation reports no later than 120 days following the end of each fiscal year for which funds are provided. At the conclusion of the Agreement period, BOE shall prepare and submit a cost-benefit analysis evaluating the success of the program no later than 120 days following the expiration of the Agreement on June 30, 2010.

B. IMPROVE AUTOMATION

BOE shall develop computer programs that will be consistent with the Federal ExFIRS tax reporting system being developed by the Federal Government providing

EXHIBIT A
INTERAGENCY AGREEMENT

fuels resulting in both added tax collection and reduced tax rebates for exempt fuel claims.

C. TRAINING AND MEETINGS

BOE shall participate in and attend meetings and training to foster the close coordination and cooperation with the Federal Government and other States necessary to increase and maintain compliance with the fuel tax laws. This activity also allows the BOE to learn of emerging tax evasion practices, identifying and developing measures to address tax evasions and to develop new tools to enhance compliance with tax laws.

D. Cost Proposal

The Cost Proposals, Attachment 1 is attached hereto and incorporated by reference.

EXHIBIT B
Interagency Agreement

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Invoicing

- A. For services satisfactorily rendered and approved by the Contract Manager and upon receipt and approval of the invoices, Caltrans agrees to compensate Contractor for actual allowable costs incurred as specified herein and in accordance with the rates specified herein or attached hereto. Incomplete or disputed invoices shall be returned to Contractor, unpaid, for correction.
- B. Invoices shall include the Agreement Number and shall be submitted in triplicate, not more frequently than monthly in arrears, to:

Department of Transportation
Office of Federal Resources
Scott Nicolson
1120 N Street, MS-23
Sacramento, CA 95814

- C. Invoices shall include the following:

- 1. Hours worked
- 2. Dates worked
- 3. Rate
- 4. Location of services

2. Budget Contingency Clause

- A. 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, Caltrans shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
- B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, Caltrans shall have the option to either cancel this Agreement with no liability occurring to Caltrans, or offer an Agreement Amendment to Contractor to reflect the reduced amount.

EXHIBIT B
Interagency Agreement

3. Payment

- A. Costs for this Agreement shall be computed in accordance with State Administrative Manual (SAM) Sections 8752 and 8752.1.
- B. Nothing herein contained shall preclude advance payments pursuant to Article 1, Chapter 3, Part 1, Division 3, Title 2 of the California Government Code.

4. Rates

- A. Rates for these services may be found on **Attachment 1** of this document.
- B. If Contractor has not entered into an Agreement with a Federal Agency and therefore is not bound by that Federal Agency's negotiated rates, the basis for determining overhead and indirect costs shall be based upon SAM Section 8752.

5. Cost Limitation

- A. The total amount of this Agreement shall not exceed **\$1,791,000.00**.
- B. It is understood and agreed that this total is an estimate and that Caltrans will pay for only those services actually rendered as authorized by the Caltrans Contract Manager or his/her designee.

6. Cost Principles

- A. Contractor agrees to comply with Federal procedures in accordance with Office of Management and Budget Circular A-87, Cost Principles for State and Local Governments.
- B. Contractor also agrees to comply with Federal procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
- C. Any costs for which payment has been made to Contractor that are determined by subsequent audit to be unallowable under the Office of Management and Budget Circular A-87, or 49 CFR, Part 18 are subject to repayment by Contractor to Caltrans.

EXHIBIT D
Interagency Agreement

SPECIAL TERMS AND CONDITIONS

1. Termination

- A. Either Party reserves the right to terminate this agreement without cause upon thirty (30) days written notice to the other Party, or immediately in the event of a material breach. In the event of termination, Contractor shall be paid for all allowable costs incurred up to the date of termination, including any non-cancelable obligations.
- B. In the event that the total Agreement amount is expended prior to the expiration date, Caltrans may, at its sole discretion, terminate this Agreement with 30 days notice to contractor.

2. Subcontracting

Contractor shall perform the work contemplated with resources available within its own organization and no portion of the work shall be subcontracted out.

3. Retention of Records/Audits

For the purpose of determining compliance with Public Contract Code Section 10115, *et seq.* and Title 21, California Code of Regulations, Chapter 21, Section 2500 *et seq.*, when applicable, and other matters connected with the performance of the contract pursuant to Government Code Section 8546.7, Contractor, subcontractors and Caltrans shall maintain all books, documents, papers, accounting records, and other evidence pertaining to the performance of the contract, including but not limited to, the costs of administering the contract. All parties shall make such materials available at their respective offices at all reasonable times during the contract period and for three years from the date of final payment under the contract. Caltrans, the State Auditor, FHWA, or any duly authorized representative of the Federal government having jurisdiction under Federal laws or regulations (including the basis of Federal funding in whole or in part) shall have access to any books, records, and documents of Contractor that are pertinent to the contract for audits, examinations, excerpts, and transactions, and copies thereof shall be furnished if requested.

4. Disputes

- A. Any dispute concerning a question of fact arising under this Agreement that is not disposed of by agreement shall be decided by the Caltrans Contract Officer, who may consider any written or verbal evidence submitted by Contractor. The decision of the Contract Officer, issued in writing, shall be Caltrans' final decision on all questions of fact considered and determined by the Contract Officer.

EXHIBIT D
Interagency Agreement

- B. Neither the pendency of a dispute nor its consideration by the Contract Officer will excuse Contractor from full and timely performance in accordance with the terms of this Agreement.

5. Indemnification and Hold Harmless Requirement

Neither Caltrans nor any officer or employee thereof is responsible for any damage or liability occurring by reason of anything done or omitted to be done by BOE under, or in connection with any work, authority, or jurisdiction delegated to BOE under this Agreement. It is understood and agreed that, pursuant to Government Code Section 895.4, BOE shall fully defend, indemnify, and save harmless Caltrans and all of its officers and employees from all claims, suits, or actions of every name, kind, and description brought for or on account of injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by BOE under or in connection with any work, authority, or jurisdiction delegated to BOE under this Agreement.

6. Audit Review Procedures

- A. Any dispute concerning a question of fact arising under an interim or post audit of this Agreement that is not disposed of by agreement shall be reviewed by the Chairperson of the Audit Review Committee (ARC). The ARC will consist of the Deputy Director, Audits & Investigations (Chairperson); Deputy Director of the functional Program area; the Chief Counsel, Legal Division, or their designated alternates; and if Caltrans chooses, two representatives, of Caltrans' choosing, from private industry. The two representatives from private industry will be advisory in nature only and will not have voting rights. Additional members or their alternates may serve on the ARC.
- B. Not later than thirty (30) days after issuance of the final audit report, Contractor may request a review by the ARC of unresolved audit issues. The request for review will be submitted in writing to the Chairperson of the ARC. The request must contain detailed information of the factors involved in the dispute as well as justifications for reversal. A meeting by the ARC will be scheduled if the Chairperson concurs that further review is warranted. After the meeting, the ARC will make recommendations to the appropriate Caltrans Chief Deputy Director. The Chief Deputy Director will make the final decision for the Department. The final decision will be made within three (3) months of receipt of the notification of dispute.
- C. Neither the pendency of a dispute nor its consideration by Caltrans will excuse Contractor from full and timely performance, in accordance with the terms of this Agreement.

EXHIBIT E
Interagency Agreement

ADDITIONAL PROVISIONS

1. State-Owned Data - Integrity and Security

A. Contractor shall comply with the following requirements to ensure the preservation, security, and integrity of State-owned data on portable computing devices and portable electronic storage media:

1. Encrypt all State-owned data stored on portable computing devices and portable electronic storage media using government-certified Advanced Encryption Standard (AES) cipher algorithm with a 256-bit or 128-bit encryption key to protect Caltrans data stored on every sector of a hard drive, including temp files, cached data, hibernation files, and even unused disk space.

Data encryption shall use cryptographic technology that has been tested and approved against exacting standards, such as FIPS 140-2 Security Requirements for Cryptographic Modules.

2. Encrypt, as described above, all State-owned data transmitted from one computing device or storage medium to another.
3. Maintain confidentiality of all State-owned data by limiting data sharing to those individuals contracted to provide services on behalf of the State, and limit use of State information assets for State purposes only.
4. Install and maintain current anti-virus software, security patches, and upgrades on all computing devices used during the course of the Agreement.
5. Notify the Contract Manager immediately of any actual or attempted violations of security of State-owned data, including lost or stolen computing devices, files, or portable electronic storage media containing State-owned data.
6. Advise the owner of the State-owned data, the agency Information Security Officer, and the agency Chief Information Officer of vulnerabilities that may present a threat to the security of State-owned data and of specific means of protecting that State-owned data.

B. Contractor shall use the State-owned data only for State purposes under this Agreement.

C. Contractor shall not transfer State-owned data to any computing system, mobile device, or desktop computer without first establishing the specifications for information integrity and security as established for the original data file(s). (SAM sec.4841.2(e)(6))

COST PROPOSAL

Spending:	FY 2007-08	FY 2008-09	FY 2009-10	Total
Computer Automation	\$540,000	\$540,000	\$540,000	\$1,620,000
Participation and Training	57,000	57,000	57,000	171,000
Total	\$597,000	\$597,000	\$597,000	\$1,791,000

Annual Summary of Specialized Training/Classes

Division and Class	No. of Attendees	Cost Per Class	Travel Cost Per Attendee	Total for Classes	Total for Travel	Total Travel/Classes
Fuel Taxes Division						
FTA Compliance Workshop	1	\$500	\$1,500	\$500	\$1,500	\$2,000
Basic Motor Fuel Auditing	4	500	1,500	2,000	6,000	8,000
Advanced Motor Fuel Auditing	4	500	1,500	2,000	6,000	8,000
Basic Motor Fuel Evasion	4	500	1,500	2,000	6,000	8,000
Advanced Motor Fuel Evasion	4	500	1,500	2,000	6,000	8,000
Total				\$8,500	\$25,500	\$34,000

Annual Summary of Liaison and Training Activities

Type of Meeting	No. of Attendees	No. of Meetings	Cost per Meeting/Attendee	Total
Pacific Regional Task Force	2	2	\$1,200	\$4,800
Steering Committee	1	1	1,600	1,600
Uniformity Task Force				
Uniform Forms Subcommittee	1	3	1,200	3,600
Information Sharing Subcommittee	1	3	1,200	3,600
Electronic Commerce Subcommittee	1	3	1,200	3,600
National Motor Fuel Meeting	2	1	1,600	3,200
Pacific Regional Motor Fuel Meeting	2	1	1,200	2,400
Total Annual Expenditure _a/				\$23,000

_a/ Total rounded to the nearest thousand dollars.

COST PROPOSAL

Fuel Tax Evasion Projects 3-Year Summary of Computer Automation Cost

Fiscal Year	Functionality/Tasks Started	Planned Implementation	Contractor Hours*	Contractor Rate***	Contractor Dollars**	Teale Costs**	Total** Costs
FY 07-08	ASP Test Upload	September 09					
	FEIN Search Report	November 08					
	Force Match & Transaction Update	November 08					
	Fix Existing ASP Functions	July 10					
	Total Hours/Fiscal Year Cost**		5407	\$90	\$487,000	\$53,000	\$540,000
FY 08-09	ASP Discrepancy Reporting Statistics	April 09					
	Tax Paid Transactions Report	December 08					
	New Database Search	March 09					
	Total Hours/Fiscal Year Cost**		5,407	90	\$487,000	\$53,000	\$540,000
FY 09-10	ASP E-Filing Return Information	June 10					
	ASP E-Filing Payment Process	September 10					
	Expand ASP to support TAT MJ	March 11					
	Modify Terminal Operator Reports/Screen	February 11					
	Total Hours/Fiscal Year Cost**		5,409	90	\$487,000	\$53,000	\$540,000
Total Over 3 Years**			16,223	90	\$1,461,000	\$159,000	\$1,620,000

* Contractor hours and rates are estimated.

** Dollars rounded to the nearest thousand.

***Contractor rate is based on weighted average; actual rate for individual contractors may vary with level of responsibility for scope of work.