

# Memorandum

To : Ramon J. Hirsig  
Executive Director

Date : May 4, 2009



From : Liz Houser, Deputy Director  
Administration Department

**Subject : Approval of Contracts Over \$1 Million**

Your approval is requested to place two Administrative Agenda items before the Board at the May 27, 2009, Board Meeting.

The following are the agreements that we request to go before the Board:

- A routine renewal Interagency Agreement that expires June 30, 2009,
  - Contract number 09-037 – Dept. of Motor Vehicles
  
- An amendment to one of the eServices Expansion Project contracts that was impacted by the 1% sales tax increase
  - Contract number 08-142 – Maryland Teksystems, Inc.

Because these Agreements exceed \$1 million, Board Member approval is required. Attached is a short description of the services to be provided under each Agreement. Also attached are the final 2008-09 Agreements with the Department of Motor Vehicles and the amendment to the Maryland Teksystems, Inc.

With your approval, the Board Proceedings Division will place these items 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 Suzan Bills at 327-9517.

LH:kw:lk

Attachments

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  |
|--|------------|-------------|----------------------|--|
| Motor Vehicles<br>Department of            | 7/1/2009   | 6/30/2010   | \$7,502,673          | 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. |
| Maryland Teksystems, Inc.<br>Department of | 12/1/2008  | 6/30/2010   | \$1,007,640          | Expanding and improving the Board's use of technology capability to maximize the quality of services to its stakeholders and clients. This project will allow all persons who file tax returns to both file returns and pay taxes electronically.  |

STATE OF CALIFORNIA  
**STANDARD AGREEMENT**

STD 213 (Rev 06/03)

**DMV#**

|                            |
|----------------------------|
| AGREEMENT NUMBER<br>09-037 |
| REGISTRATION NUMBER        |

1. This Agreement is entered into between the State Agency and the Contractor named below:  
 STATE AGENCY'S NAME  
 Board of Equalization  
 CONTRACTOR'S NAME  
 Department of Motor Vehicles
2. The term of this Agreement is: July 1, 2009 through June 30, 2010
3. The maximum amount of this Agreement is: \$ 7,502,673.00  
 Seven Million Five Hundred Two Thousand Six Hundred Seventy Three 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              | 2 pages |
| Exhibit E – Additional Provisions                     | 4 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 [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>  | <b>CALIFORNIA<br/>Department of General Services<br/>Use Only</b> |
| CONTRACTOR'S NAME <i>(If other than an individual, state whether a corporation, partnership, etc.)</i><br>Department of Motor Vehicles |   |
| BY <i>(Authorized Signature)</i><br>                 | DATE SIGNED <i>(Do not type)</i>                                  |
| PRINTED NAME AND TITLE OF PERSON SIGNING<br>Jeannie Jones, Contract Officer  |   |
| ADDRESS<br>2415 First Avenue, MS: F112<br>Sacramento, CA 95818   |   |
| <b>STATE OF CALIFORNIA</b>   |   |
| AGENCY NAME<br>Board of Equalization   |   |
| BY <i>(Authorized Signature)</i><br>                 | DATE SIGNED <i>(Do not type)</i>                                  |
| PRINTED NAME AND TITLE OF PERSON SIGNING<br>Suzan Bills, Manager, Contracts Section  |   |
| ADDRESS<br>450 N Street, MIC: 24; Sacramento, CA 95814   |   |
| <input type="checkbox"/> Exempt per  |   |

**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. DMV shall perform the following three (3) operations:
    - i. 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.
    - ii. 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.
    - iii. 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 pursuant to this Agreement (including, but not limited to Retail Sales and Use Taxes Fund; Local Revenue Fund; Retail Sales/Use Public Safety Fund; Add-Ons & Local/County Jurisdiction Funds; and Earthquake Relief Fund).on a Transactions Request. In order to remit to BOE the funds collected pursuant to this Agreement, DMV shall prepare the Transactions Request each business day, and shall transmit the completed Transactions Request to the BOE with a copy sent by facsimile transmission to the State Controller's Office.

**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: Robert Shaw  
Phone: (916) 322-3612  
Fax: (916) 324-2491  
Email: Robert.Shaw@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 Section  
Address: 450 N Street, MIC: 24  
Sacramento, CA 95814  
Phone: (916) 322-2107  
Fax: (916) 322-3184

Department of Motor Vehicles

Attention: Shirley Vona  
Address: 2415 First Avenue, MS-F112  
Sacramento, CA 95818-2606  
Phone: (916) 657-6639  
Fax: (916) 657-2387  
Email: svona@dmv.ca.gov

Either project representative may be changed without a formal amendment to this agreement. The changing party will notify the other party with a ten-day prior written notice, by either fax, mail or e-mail, which will contain the new project representative's name, mailing address, phone and fax numbers, and e-mail address.

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

**BUDGET DETAIL AND PAYMENT PROVISIONS**

1. **RATES:** The cost for these services shall be a flat rate of \$3.35 per transaction.

| <b>Transactions</b> | <b>Volumes</b>     | <b>Administrative Service Fee</b> | <b>Reimbursement to DMV</b> |
|---------------------|--------------------|-----------------------------------|-----------------------------|
| Vehicles            | 2,169,732          | \$ 3.35                           | \$ 7,268,602                |
| Vessels             | 69,022             | \$ 3.35                           | \$ 231,224                  |
| <b>Total</b>        | <b>* 2,238,754</b> | <b>\$ 3.35</b>                    | <b>\$ 7,499,826</b>         |

\* The volumes of vehicle and vessel transactions are estimates. Total contract amount is not to exceed **\$7,502,673.00**, seven million, five hundred two thousand, six hundred seventy three dollars and no cents.

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 above.

Invoices shall include the BOE Agreement number 09-037 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

Invoices shall also contain mailing address and contact name for remittances.

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 2**

**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**: In addition to the requirements of Exhibit E, Contractor agrees that 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 D**  
**Page 2 of 2**

6. 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.

**Exhibit E**  
**Page 1 of 4**

In performing the duties of this contract, all parties shall abide by the following requirements of the Internal Revenue Code below.

**ADDITIONAL PROVISIONS**

**INTERNAL REVENUE CODE**

**Section 7213 (2005). Unauthorized disclosure of information.**

**Section 7431 (2005). Civil damages for unauthorized inspection or disclosure of returns and return information.**

**IRC Sec. 7213. Unauthorized disclosure of information.**

(a) Returns and return information.

(1) Federal employees and other persons. It shall be unlawful for any officer or employee of the United States or any person described in section 6103(n) [26 USCS § 6103(n)] (or an officer or employee of any such person), or any former officer or employee, willfully to disclose to any person, except as authorized in this title, any return or return information (as defined in section 6103(b) [26 USCS § 6103(b)]). Any violation of this paragraph shall be a felony punishable upon conviction by a fine in any amount not exceeding \$ 5,000, or imprisonment of not more than 5 years, or both, together with the costs of prosecution, and if such offense is committed by any officer or employee of the United States, he shall, in addition to any other punishment, be dismissed from office or discharged from employment upon conviction for such offense.

(2) State and other employees. It shall be unlawful for any person (not described in paragraph (1)) willfully to disclose to any person, except as authorized in this title, any return or return information (as defined in section 6103(b) [26 USCS § 6103(b)]) acquired by him or another person under subsection (d), (i)(3)(B)(i) or (7)(A)(ii), (l)(6), (7), (8), (9), (10), (12), (15), (16), (19), or (20) or (m)(2), (4), (5), (6), or (7) of section 6103 [26 USCS § 6103]. Any violation of this paragraph shall be a felony punishable by a fine in any amount not exceeding \$ 5,000, or imprisonment of not more than 5 years, or both, together with the costs of prosecution.

(3) Other persons. It shall be unlawful for any person to whom any return or return information (as defined in section 6103(b) [26 USCS § 6103(b)]) is disclosed in a manner unauthorized by this title thereafter willfully to print or publish in any manner not provided by law any such return or return information. Any violation of this paragraph shall be a felony punishable by a fine in any amount not exceeding \$ 5,000, or imprisonment of not more than 5 years, or both, together with the costs of prosecution.

(4) Solicitation. It shall be unlawful for any person willfully to offer any item of material value in exchange for any return or return information (as defined in section 6103(b) [26

**Exhibit E**  
**Page 2 of 4**

USCS § 6103(b)) and to receive as a result of such solicitation any such return or return information. Any violation of this paragraph shall be a felony punishable by a fine in any

**IRC Section 7213 continued from previous page**

amount not exceeding \$ 5,000, or imprisonment of not more than 5 years, or both, together with the costs of prosecution.

(5) Shareholders. It shall be unlawful for any person to whom a return or return information (as defined in section 6103(b) [26 USCS § 6103(b)]) is disclosed pursuant to the provisions of section 6103(e)(1)(D)(iii) [26 USCS § 6103(e)(1)(D)(iii)] willfully to disclose such return or return information in any manner not provided by law. Any violation of this paragraph shall be a felony punishable by a fine in any amount not to exceed \$ 5,000, or imprisonment of not more than 5 years, or both, together with the costs of prosecution.

(b) Disclosure of operations of manufacturer or producer. Any officer or employee of the United States who divulges or makes known in any manner whatever not provided by law to any person the operations, style of work, or apparatus of any manufacturer or producer visited by him in the discharge of his official duties shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than \$ 1,000, or imprisoned not more than 1 year, or both, together with the costs of prosecution; and the offender shall be dismissed from office or discharged from employment.

(c) Disclosures by certain delegates of Secretary. All provisions of law relating to the disclosure of information, and all provisions of law relating to penalties for unauthorized disclosure of information, which are applicable in respect of any function under this title when performed by an officer or employee of the Treasury Department are likewise applicable in respect of such function when performed by any person who is a "delegate" within the meaning of section 7701(a)(12)(B) [26 USCS § 7701(a)(12)(B)].

(d) Disclosure of software. Any person who willfully divulges or makes known software (as defined in section 7612(d)(1) [26 USCS § 7612(d)(1)]) to any person in violation of section 7612 [26 USCS § 7612] shall be guilty of a felony and, upon conviction thereof, shall be fined not more than \$ 5,000, or imprisoned not more than 5 years, or both, together with the costs of prosecution.

(e) Cross references.

(1) Penalties for disclosure of information by preparers of returns. For penalty for disclosure or use of information by preparers of returns, see section 7216 [26 USCS § 7216].

(2) Penalties for disclosure of confidential information. For penalties for disclosure of confidential information by any officer or employee of the United States or any department or agency thereof, see 18 U.S.C. 1905.

**Exhibit E**  
**Page 3 of 4**

**IRC Section 7431 (2005)**

**Section 7431. Civil damages for unauthorized inspection or disclosure of returns and return information.**

(a) In general.

(1) Inspection or disclosure by employee of United States. If any officer or employee of the United States knowingly, or by reason of negligence, inspects or discloses any return or return information with respect to a taxpayer in violation of any provision of section 6103 [26 USCS § 6103], such taxpayer may bring a civil action for damages against the United States in a district court of the United States.

(2) Inspection or disclosure by a person who is not an employee of United States. If any person who is not an officer or employee of the United States knowingly, or by reason of negligence, inspects or discloses any return or return information with respect to a taxpayer in violation of any provision of section 6103 [26 USCS § 6103], such taxpayer may bring a civil action for damages against such person in a district court of the United States.

(b) Exceptions. No liability shall arise under this section with respect to any inspection or disclosure--

(1) which results from a good faith, but erroneous, interpretation of section 6103 [26 USCS § 6103], or

(2) which is requested by the taxpayer.

(c) Damages. In any action brought under subsection (a), upon a finding of liability on the part of the defendant, the defendant shall be liable to the plaintiff in an amount equal to the sum of--

(1) the greater of--

(A) \$ 1,000 for each act of unauthorized inspection or disclosure of a return or return information with respect to which such defendant is found liable, or

(B) the sum of--

(i) the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure, plus

(ii) in the case of a willful inspection or disclosure or an inspection or disclosure which is the result of gross negligence, punitive damages, plus

(2) the costs of the action, plus

(3) in the case of a plaintiff which is described in section 7430(c)(4)(A)(ii) [26 USCS § 7430(c)(4)(A)(ii)], reasonable attorneys fees, except that if the defendant is the United States, reasonable attorneys fees may be awarded only if the plaintiff is the prevailing party (as determined under section 7430(c)(4) [26 USCS § 7430(c)(4)]).

**Exhibit E**  
**Page 4 of 4**

**IRC Section 7431 continued from previous page**

(d) Period for bringing action. Notwithstanding any other provision of law, an action to enforce any liability created under this section may be brought, without regard to the amount in controversy, at any time within 2 years after the date of discovery by the plaintiff of the unauthorized inspection or disclosure.

(e) Notification of unlawful inspection and disclosure. If any person is criminally charged by indictment or information with inspection or disclosure of a taxpayer's return or return information in violation of--

- (1) paragraph (1) or (2) of section 7213(a) [26 USCS § 7213(a)],
- (2) section 7213A(a) [26 USCS § 7213A(a)], or
- (3) subparagraph (B) of section 1030(a)(2) of title 18, United States Code, the Secretary shall notify such taxpayer as soon as practicable of such inspection or disclosure.

(f) Definitions. For purposes of this section, the terms "inspect", "inspection", "return", and "return information" have the respective meanings given such terms by section 6103(b) [26 USCS § 6103(b)].

(g) Extension to information obtained under section 3406. For purposes of this section--

- (1) any information obtained under section 3406 [26 USCS § 3406] (including information with respect to any payee certification failure under subsection (d) thereof) shall be treated as return information, and
- (2) any inspection or use of such information other than for purposes of meeting any requirement under section 3406 [26 USCS § 3406] or (subject to the safeguards set forth in section 6103 [26 USCS § 6103]) for purposes permitted under section 6103 [26 USCS § 6103] shall be treated as a violation of section 6103 [26 USCS § 6103].

For purposes of subsection (b), the reference to section 6103 [26 USCS § 6103] shall be treated as including a reference to section 3406 [26 USCS § 3406].

(h) Special rule for information obtained under section 6103(k)(9). For purposes of this section, any reference to section 6103 [26 USCS § 6103] shall be treated as including a reference to section 6311(e) [26 USC

|                            |                  |
|----------------------------|------------------|
| AGREEMENT NUMBER<br>09-037 | AMENDMENT NUMBER |
|----------------------------|------------------|

CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED

|  |                               |
|--|-------------------------------|
| 1. CONTRACTOR'S NAME<br>Department of Motor Vehicles | 2. FEDERAL I.D. NUMBER<br>N/A |
|--|-------------------------------|

|   |  |                                  |
|---|--|----------------------------------|
| 3. AGENCY TRANSMITTING AGREEMENT<br>Board of Equalization | 4. DIVISION, BUREAU, OR OTHER UNIT<br>Sales & Use Tax Department | 5. AGENCY BILLING CODE<br>024000 |
|---|--|----------------------------------|

6. NAME AND TELEPHONE NUMBER OF CONTRACT ANALYST FOR QUESTIONS REGARDING THIS AGREEMENT  
 Kay Weaver (916) 445-1174 Email: Kay.Weaver@boe.ca.gov

7. HAS YOUR AGENCY CONTRACTED FOR THESE SERVICES BEFORE?  
 NO  YES (If YES, enter prior contractor name and Agreement Number) #08-002, 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 of \$3.35 per transaction.

| 11. PROJECTED EXPENDITURES             | FUND TITLE | ITEM          | F.Y.  | CHAPTER | STATUTE | PROJECTED EXPENDITURES          |
|--|------------|---------------|-------|---------|---------|---------------------------------|
| General                                |            | 0860-001-0001 | 09-10 |         | 2009    | 7,502,673.00                    |
| OBJECT CODE 400-3845 PROGRAM CODE 3020 |            |               |       |         |         | AGREEMENT TOTAL \$ 7,502,673.00 |

|  |   |
|--|---|
| OPTIONAL USE   | AMOUNT ENCUMBERED BY THIS DOCUMENT<br>\$ 7,502,673.00 |
| 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<br>\$ 0.00 |
| ACCOUNTING OFFICER'S SIGNATURE   | DATE SIGNED   |
| —  |   |
| TOTAL AMOUNT ENCUMBERED TO DATE<br>\$ 7,502,673.00   |   |

| 12. AGREEMENT   | TERM   |         | TOTAL COST OF THIS TRANSACTION | BID, SOLE SOURCE, EXEMPT |
|-----------------|--------|---------|--------------------------------|--------------------------|
|                 | From   | Through |                                |                          |
| Original        | 7/1/09 | 6/30/10 | \$ 7,502,673.00                | Exempt                   |
| Amendment No. 1 |        |         | \$                             |                          |
| Amendment No. 2 |        |         | \$                             |                          |
| Amendment No. 3 |        |         | \$                             |                          |
| TOTAL           |        |         | \$ 7,502,673.00                |                          |

STATE OF CALIFORNIA  
**AGREEMENT SUMMARY**  
 STD 215 (Rev 4/2002)

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 and only DMV collects the fees.

|   |  |   |
|---|--|---|
| 18. FOR AGREEMENTS IN EXCESS OF \$5,000, HAS THE LETTING OF THE AGREEMENT BEEN REPORTED TO THE DEPARTMENT OF FAIR EMPLOYMENT AND HOUSING?<br><input type="checkbox"/> NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> N/A | 19. HAVE CONFLICT OF INTEREST ISSUES BEEN IDENTIFIED AND RESOLVED AS REQUIRED BY THE STATE CONTRACT MANUAL SECTION 7.10?<br><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?<br><input type="checkbox"/> NO <input type="checkbox"/> YES <input type="checkbox"/> NONE <input checked="" type="checkbox"/> N/A ON FILE |
|---|--|---|

|   |   |
|---|---|
| 21. IS A SIGNED COPY OF THE FOLLOWING ON FILE AT YOUR AGENCY FOR THIS CONTRACTOR?<br>A. CONTRACTOR CERTIFICATION CLAUSES <input type="checkbox"/> NO <input type="checkbox"/> YES <input checked="" type="checkbox"/> N/A<br>B. STD. 204, VENDOR DATA RECORD <input type="checkbox"/> NO <input type="checkbox"/> YES <input checked="" type="checkbox"/> N/A | 22. REQUIRED RESOLUTIONS ARE ATTACHED<br><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

Explain:

Interagency 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

|   |                                       |
|---|---------------------------------------|
| 24. IS THIS A SMALL BUSINESS CERTIFIED BY OSBCR?<br><input checked="" type="checkbox"/> NO <input type="checkbox"/> YES (Indicate Industry Group) _____ | SMALL BUSINESS REFERENCE NUMBER _____ |
|---|---------------------------------------|

25. IS THIS AGREEMENT (WITH AMENDMENTS) FOR A PERIOD OF TIME LONGER THAN ONE YEAR? (If YES, provide justification)  
 NO  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<br>_____, Suzan Bills, Contract Manager | DATE SIGNED<br>_____ |
|---|----------------------|

**STANDARD AGREEMENT AMENDMENT**

STD. 213 A (Rev 6/03)

CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED \_\_\_\_\_ Pages

|                                   |                              |
|-----------------------------------|------------------------------|
| AGREEMENT NUMBER<br><b>08-142</b> | AMENDMENT NUMBER<br><b>1</b> |
| REGISTRATION NUMBER               |                              |

- This Agreement is entered into between the State Agency and Contractor named below:  
STATE AGENCY'S NAME  
**State Board of Equalization**  
CONTRACTOR'S NAME  
**Maryland Teksystems, Inc.**
- The term of this Agreement is **December 1, 2008** through **June 30, 2010**
- The maximum amount of this **\$1,007,640.00** Agreement after this amendment is: **One Million Seven Thousand Six Hundred Forty Dollars and no cents**
- The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:

This Amendment is for the purpose of:

- Increasing the dollar amount for Fiscal Year 2008-09 by \$81,720.00

- On page one of the contract, increase the total amount of the contract from \$925,920.00 to \$1,007,640.00.
- In Exhibit B, page 1 of 2, delete the dollar amount of \$611,910.00 under Phase I and replace it with \$693,630.00.
- In Exhibit B, page 1 of 2, delete the dollar amount of \$925,920.00 under Total All Phases and replace it with \$1,007,640.00

The effective date of this Amendment shall be April 28, 2009.

All other terms and conditions shall remain the same.

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

|   |                           |  |
|---|---------------------------|--|
| <b>CONTRACTOR</b>   |                           | CALIFORNIA<br>Department of General Services<br>Use Only |
| CONTRACTOR'S NAME (If other than an individual, state whether a corporation, partnership, etc.)<br><b>Maryland Teksystems, Inc.</b> |                           |  |
| BY (Authorized Signature)<br>                     | DATE SIGNED (Do not type) |  |
| PRINTED NAME AND TITLE OF PERSON SIGNING<br><b>Geoffrey Andrews, Account Manager</b>  |                           |  |
| ADDRESS<br><b>2969 Prospect Park Dr., Suite 200<br/>Rancho Cordova, CA 95670</b>  |                           |  |
| <b>STATE OF CALIFORNIA</b>  |                           |  |
| AGENCY NAME<br><b>Board of Equalization</b>   |                           | <input type="checkbox"/> Exempt per:                     |
| BY (Authorized Signature)<br>                     | DATE SIGNED (Do not type) |  |
| PRINTED NAME AND TITLE OF PERSON SIGNING<br><b>Suzan Bills, Manager, Contracts Section</b>  |                           |  |
| ADDRESS<br><b>450 N Street, MIC 24; Sacramento, CA 95814</b>  |                           |  |

**AGREEMENT SUMMARY**

STD 215 (Rev 4/2002)

|                            |                       |
|----------------------------|-----------------------|
| AGREEMENT NUMBER<br>08-142 | AMENDMENT NUMBER<br>1 |
|----------------------------|-----------------------|

CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED

|   |                        |
|---|------------------------|
| 1. CONTRACTOR'S NAME<br>Maryland Teksystems, Inc. | 2. FEDERAL I.D. NUMBER |
|---|------------------------|

|   |  |                                  |
|---|--|----------------------------------|
| 3. AGENCY TRANSMITTING AGREEMENT<br>State Board of Equalization | 4. DIVISION, BUREAU, OR OTHER UNIT<br>Technology Services Division | 5. AGENCY BILLING CODE<br>024000 |
|---|--|----------------------------------|

6. NAME AND TELEPHONE NUMBER OF CONTRACT ANALYST FOR QUESTIONS REGARDING THIS AGREEMENT  
Kay Weaver (916) 445-1174 E-mail: Kay.Weaver@boe.ca.gov

7. HAS YOUR AGENCY CONTRACTED FOR THESE SERVICES BEFORE?  
 NO       YES (If YES, enter prior contractor name and Agreement Number)

8. BRIEF DESCRIPTION OF SERVICES - LIMIT 72 CHARACTERS INCLUDING PUNCTUATION AND SPACES  
To provide Information Technology programming services for the E-Services Expansion Project

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.)

This contract is for the purpose of expanding and improving BOE's use of technology capability wherever possible to maximize the quality of service to its stakeholders and clients. This project will allow all persons who file tax returns to both file returns and pay taxes electronically.

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) \_\_\_\_\_

| 11. PROJECTED EXPENDITURES | FUND TITLE | ITEM          | F.Y.  | CHAPTER | STATUTE | PROJECTED EXPENDITURES |
|----------------------------|------------|---------------|-------|---------|---------|------------------------|
|                            | General    | 0860-001-0001 | 08-09 | 268     | 2008    | \$693,630.00           |
|                            | General    | 0860-001-0001 | 09-10 |         | 2009    | \$314,010.00           |

|   |                 |                 |
|---|-----------------|-----------------|
| OBJECT CODE: 381-4160<br>PROGRAM CODE: 8500 | AGREEMENT TOTAL | \$ 1,007,640.00 |
|---|-----------------|-----------------|

|  |  |               |
|--|--|---------------|
| OPTIONAL USE   | AMOUNT ENCUMBERED BY THIS DOCUMENT         | \$ 81,720.00  |
| 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 | \$ 925,920.00 |

|  |             |                                 |                 |
|--|-------------|---------------------------------|-----------------|
| ACCOUNTING OFFICER'S SIGNATURE<br><i>[Signature]</i> | DATE SIGNED | TOTAL AMOUNT ENCUMBERED TO DATE | \$ 1,007,640.00 |
|--|-------------|---------------------------------|-----------------|

| 12. AGREEMENT   | TERM     |         | TOTAL COST OF THIS TRANSACTION | BID, SOLE SOURCE, EXEMPT |
|-----------------|----------|---------|--------------------------------|--------------------------|
|                 | From     | Through |                                |                          |
| Original        | 12/01/08 | 6/30/10 | \$ 925,920.00                  | Exempt                   |
| Amendment No. 1 | 12/01/08 | 6/30/10 | \$ 81,720.00                   | Exempt                   |
| Amendment No. 2 |          |         | \$                             |                          |
| Amendment No. 3 |          |         | \$                             |                          |
| <b>TOTAL</b>    |          |         | <b>\$ 1,007,640.00</b>         |                          |

**AGREEMENT SUMMARY**

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13. BIDDING METHOD USED:

- REQUEST FOR PROPOSAL (RFP)  INVITATION FOR BID (IFB)  USE OF MASTER SERVICE AGREEMENT  
*(Attach justification if secondary method is)*
- SOLE SOURCE CONTRACT  EXEMPT FROM BIDDING  OTHER (Explain) Because of dollar amount  
*(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?

This contract was initially the result of an RFO from a Master Service Agreement. This is an amendment and we are using the same rate.

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:

See justification of original contract.

18. FOR AGREEMENTS IN EXCESS OF \$5,000, HAS THE LETTING OF THE AGREEMENT BEEN REPORTED TO THE DEPARTMENT OF FAIR EMPLOYMENT AND HOUSING?

- NO  YES  N/A

19. HAVE CONFLICT OF INTEREST ISSUES BEEN IDENTIFIED AND RESOLVED AS REQUIRED BY THE STATE CONTRACT MANUAL SECTION 7.10?

- NO  YES  N/A

20. FOR CONSULTING AGREEMENTS, DID YOU REVIEW ANY CONTRACTOR EVALUATIONS ON FILE WITH THE DGS LEGAL OFFICE?

- NO  YES  NONE  N/A ON FILE

21. IS A SIGNED COPY OF THE FOLLOWING ON FILE AT YOUR AGENCY FOR THIS CONTRACTOR?

- A. CONTRACTOR CERTIFICATION CLAUSES  NO  YES  N/A
- B. STD. 204, VENDOR DATA RECORD  N  YES  N/A

22. REQUIRED RESOLUTIONS ARE ATTACHED

- NO  YES  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:

Per SCM Vol. 3, 5.A2.5, no DVBEs were available on this MSA.

24. IS THIS A SMALL BUSINESS CERTIFIED BY OSBCR?

- NO  YES (Indicate Industry Group) \_\_\_\_\_

SMALL BUSINESS REFERENCE NUMBER

25. IS THIS AGREEMENT (WITH AMENDMENTS) FOR A PERIOD OF TIME LONGER THAN ONE YEAR? (If YES, provide justification)

- NO  YES

This is a 2-year contract.

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

SIGNATURE/TITLE

Suzan Bills, Contract Manager

DATE SIGNED