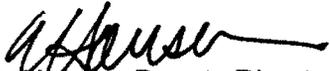


Memorandum

To : Kristine Cazadd
Interim Executive Director

Date : May 2, 2011

From : 
Liz Heuser, Deputy Director
Administration Department

Subject : **APPROVAL OF CONTRACTS OVER \$1 MILLION**

Your approval is requested to place an Administrative Agenda item before the Board at the May 2011, Board Hearing.

- A routine renewal for Interagency Agreement 10-026 that expires June 30, 2011
 - Contract number 2011-4002 – Dept. of Motor Vehicles

Because this contract exceeds \$1 million, Board Member approval is required. Attached is a short description of the services to be provided under this contract, and a copy of the signature-ready contract. This contract has been reviewed and approved by the BOE Legal Department.

With your approval, the contract and related materials will be forwarded to the Board Proceedings Division and copies of the attachments will be provided to each Board Member.

If you have any questions or wish to discuss the contract further, please call Robert Shaw at 322-3612.

LH:kw

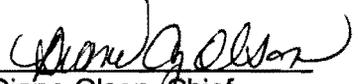
Attachments

cc: Robert Shaw, MIC #37

Approved


Kristine Cazadd
Interim Executive Director

BOARD APPROVED
At the 5/25/2011 Board Hearing


Diane Olson, Chief
Board Proceedings Division

Board of Equalization
Proposed Contracts
Over \$1 Million

<u>Contractor</u>	<u>Start Date</u>	<u>Expire Date</u>	<u>Estimated Total Cost</u>	<u>Purpose</u>
Dept. of Motor Vehicles Contract #2011-4002	7/1/2011	6/30/2012	\$6,825,000	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.

AGREEMENT NUMBER 2011-4002
REGISTRATION NUMBER 1131958

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, 2011 through June 30, 2012
3. The maximum amount of this Agreement is: \$ 6,825,000.00
 Six Million, Eight Hundred Twenty-Five Thousand 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 Terms and Conditions	GIA 610 (eff. 6/9/10)
Exhibit D – Special Terms and Conditions	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*

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

CONTRACTOR		CALIFORNIA Department of General Services Use Only
CONTRACTOR'S NAME <i>(If other than an individual, state whether a corporation, partnership, etc.)</i> Department of Motor Vehicles		
BY <i>(Authorized Signature)</i> 	DATE SIGNED <i>(Do not type)</i>	
PRINTED NAME AND TITLE OF PERSON SIGNING Jeannie Jones, Contract Officer		
ADDRESS 2415 First Avenue, MS: F112 Sacramento, CA 95818		
STATE OF CALIFORNIA		
AGENCY NAME State Board of Equalization		
BY <i>(Authorized Signature)</i> 	DATE SIGNED <i>(Do not type)</i>	
PRINTED NAME AND TITLE OF PERSON SIGNING Kenneth Topper, Chief, Acquisitions Branch		
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 (BOE) as described below:
 - A. DMV shall perform the following three (3) operations:
 - i) Collection of sales 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 the State Department of Finance (DOF), BOE 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, BOE, 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 1-A-i and 1-A-ii above; e.g. library funding, transportation projects, etc.)
 - B. DMV will identify and report all taxes collected pursuant to this Agreement.
 - i) Each business day, the DMV will prepare a Use Tax Collection report and a Transaction Request (CA 504) for the collection of taxes and fees listed above for the prior business day.
 - ii) The Use Tax Collection report will identify:
 - a) the DMV transmittal number
 - b) the type of tax or fee collected, for example, use tax collections for vehicle and vessel registrations
 - c) the date of the tax or fee collection
 - d) the fund title and fund number
 - e) the county or city of the collection
 - f) the amount collected for each county and city
 - g) the total amount collected for the date of the report
 - iii) DMV will transmit the completed Transaction Request report daily on business days to the State Controller's Office which will use this report to remit the funds to the appropriate ledgers. This includes but is 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.
 - iv) DMV will transmit the *DMV Use Tax Collections* report by fax daily on business days to BOE Accounting Section and by interoffice mail to the Local Revenue Allocation Unit.

EXHIBIT A
Page 2 of 2

SCOPE OF WORK (continued)

- v) Transactions for vehicles and vessels involving the taxes and fees described in Section A that occur on DMV's non-business days will be reported on their next business day.
- vi) DMV will notify BOE of any dates when there are no taxes or fees described in Section A collected.

The State Controller's Office will record the financial transactions on its website "SCO VIEW" upon receipt of the DMV Transaction Request and funds.

- 2. BOE Accounting staff will monitor the SCO VIEW and confirm the accuracy of the daily transactions compared with the documentation received from DMV.
- 3. 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
E-mail: Robert.Shaw@boe.ca.gov

Department of Motor Vehicles

Name: Frank Briones
Phone: (916) 657-1578
Fax: (916) 657-8643
E-mail: fbriones@dmv.ca.gov

Direct all 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
E-mail: acquisitioncoor@boe.ca.gov

Department of Motor Vehicles

Attention: Nadine Valenzuela
Address: 2415 First Ave., MS – E112
Sacramento, CA 95818
Phone: (916) 657-9918
Fax: (916) 657-2387
E-mail: nvalenzuela@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 \$3.42 per transaction.

Transactions	Volumes	Administrative Service Fee	Payment to DMV
Vehicles *	1,941,103	\$3.42	\$6,638,572.26
Vessels *	51,923	\$3.42	\$ 177,576.66
Totals"	1,993,026		\$6,816,148.92

* The volumes of vehicle and vessel transactions are estimates. The total amount of the contract is not to exceed **\$6,825,000.00** (six million, eight hundred twenty-five dollars and zero cents).

2. **INVOICING AND PAYMENT:** For services satisfactorily rendered and upon receipt and approval of the invoices, the BOE agrees to compensate DMV for actual expenditures incurred in accordance with the rates specified above.

Invoices shall include the BOE Agreement number #2011-4002, 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
Sacramento, CA 95814

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

3. **BUDGET CONTINGENCY CLAUSE:** It is mutually agreed that if the Budget Act of the current 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 BOE shall have no liability to pay any funds whatsoever to the 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 BOE shall have the option to either: cancel this Agreement with no liability occurring to the BOE 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 BOE 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 BOE's operations, which is designated confidential by the BOE 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 BOE. The identification of all such confidential data and information as well as the BOE's procedural requirements for protection of such data and information from unauthorized use and disclosure, shall be provided in writing to DMV by the BOE. 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 BOE finds just cause for termination, the BOE may terminate this Agreement immediately without the thirty (30) day notice. The BOE 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.
6. **MUTUAL COOPERATION:** DMV and the BOE 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 BOE 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.