State of California

Board of Equalization
Administration Department—MIC: 69
Telephone: (916) 445-4272

Memorandum

To Honorable Jerome E. Horton, Chairman
Honorable Michelle Steel, Vice Chair
Honorable Betty T. Yee, First District
Senator George Runner, Second District
Honorable John Chiang, Controller

Date: November 30, 2011

From : Liz Houser, Deputy Director
Administration Department

Subject : **December 2011 Sacramento Board Meeting Agenda**

The Administration Department requests the following item(s) be placed on the Board's December 14-15, 2011 Sacramento meeting calendar under "P. Other Administrative Matters."

P. Other Administrative Matters

P5. Administration Deputy Director's Report.....Ms. Liz Houser

1. **Contract Over $1 Million**

Reimbursable Inter-Agency Agreement with the Department of Forestry and Fire Prevention to administer the State Responsibility Area Fire Prevention Fee.

LH:lk

Attachment

STATE BOARD OF EQUALIZATION

BOARD APPROVED
At the December 15, 2011 Board Meeting
Diane G. Olson, Chief
Board Proceedings Division

cc: Ms. Regina Evans-Jarrett
Mr. Louis Barnett
Mr. Alan LoFaso
Mr. Sean Wallentine
Ms. Marcy Jo Mandel

I approve: Kristine Cazadd
Kristine Cazadd,
Executive Director

Contractor	Start Date	Expiration Date	Estimated Total Cost	Purpose
Dept. of Forestry and Fire Protection Contract #2011-4125	Upon Approval	6/30/2012	$3,320,000.00	Assembly Bill (AB) 1X 29 (effective July 1, 2011) authorized a new fee to be assessed on owners of structures located within State Responsibility Areas (SRA) in order to pay for fire prevention activities in the SRA that specifically benefit owners of structures in the SRA. The BOE will provide resources to implement and administer AB 1X 29, State Responsibility Area Fire Prevention Fee, in terms of billing and collecting required fees from fee payers. The services shall be performed at the BOE headquarters and appropriate field offices as necessary, or as is otherwise determined by the BOE and the Department to be necessary to levy and collect fees.

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

AGREEMENT NUMBER
9CA-SRA001-11/BOE2011-4125
REGISTRATION NUMBER

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME
Department of Forestry and Fire Protection

CONTRACTOR'S NAME2
CA Board of Equalization

2. The term of this Agreement is: Upon Approval through June 30, 2012

3. The maximum amount of this Agreement is: $3,320,000.00
Interagency Agreement – SRA Fee Implementation

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		3	page(s)
Exhibit B – Budget Detail and Payment Provisions		2	page(s)
Exhibit C* – General Terms and Conditions	GIA		610
Exhibit D – Special Terms and Conditions		2	page(s)

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

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.)* CA State Board of Equalization		
BY *(Authorized Signature)* ✍	DATE SIGNED *(Do not type)*	
PRINTED NAME AND TITLE OF PERSON SIGNING Kenneth Topper, Chief, Acquisitions Branch		
ADDRESS 450 N Street, MIC: 24, Sacramento, CA 95814		
STATE OF CALIFORNIA		
AGENCY NAME Department of Forestry and Fire Protection		
BY *(Authorized Signature)* ✍	DATE SIGNED *(Do not type)*	
PRINTED NAME AND TITLE OF PERSON SIGNING Janet Barentson, Deputy Director		☒ Exempt per: Chptr 8/2011
ADDRESS P.O. Box 944246, Sacramento, CA 94244-2460		

EXHIBIT A

SCOPE OF WORK

The CA Board of Equalization (hereinafter " BOE") agrees to provide to the Department of Forestry and Fire Protection (hereinafter "Department") services involved in the establishment and implementation of a fee collection system and program, as described herein. The Department agrees to provide $3,320,000 for one-time contract programming resources and data center services necessary to add a new fee program to the BOEs Integrated Revenue Information System (IRIS) and Automated Collection System (ACMS) and specialized equipment for one high speed scanner and telephone equipment. Funding will also support BOE positions and operating expenses in Fiscal Year 2011-12 for work involved in the fire prevention fee implementation and collection project.

Background
Assembly Bill (AB) 1X 29 (effective July 1, 2011) adds Chapter 1.5 (commencing with section 4210) to Part 2 of Division 4 of the Public Resources Code to authorize a new fee to be assessed on owners of structures located within State Responsibility Areas (SRA) to pay for fire prevention activities in the SRA that specifically benefit owners of structures in the SRA. There are an estimated 850,000 structures located in SRA subject to the fee. Public Resources Code section 4213 mandates the BOE to assess and collect the new fee in accordance with the Fee Collection Procedures Law (Part 30 (commencing with Section 55001) of Division 2 of the Revenue and Taxation Code) commencing with the 2011-12 fiscal year.

1. The services shall be performed at the BOE headquarters and appropriate field offices as necessary, or as is otherwise determined by the BOE and the Department to be necessary to levy and collect fees.

2. The Project Representatives during the term of this Agreement will be:

State Agency: CA Forestry and Fire Protection	Contractor: CA Board of Equalization
Name: Monte Manson	Name: Lou Feletto
Phone: (916) 324-7088	Phone: (916) 323-9401
Fax: (916) 327-0286	Fax:
Email: Monte.Manson@fire.ca.gov	Email: Lou.Feletto@boe.ca.gov

Direct all inquiries to:

State Agency: CA Forestry and Fire Protection	Contractor: CA Board of Equalization
Section/Unit: Management Services	Section/Unit: Acquisitions Branch
Attention: Tom Lutzenberger	Attention: Contracts Section
Address: P.O. Box 944246 Sacramento, CA 95815	Address: 450 N Street, MIC: 24 Sacramento, CA 95814
Phone: (916) 869-9040	Phone: (916) 322-2107
Fax: (916) 323-1888	Fax: (916) 322-3184
Email: Tom.Lutzenberger@fire.ca.gov	Email: acquisitionscoor@boe.ca.gov

Either Project Coordinator may be changed without a formal amendment to this contract. The changing party will notify the other party with a ten (10) day prior written notice either by fax, mail or e-mail, which will contain the new Project Coordinator's name, mailing address, e-mail address, phone and fax numbers.

SCOPE OF WORK (continued)

1. Department Responsibilities:

- On or before September 1, 2011, adopt emergency regulations to establish a fire fee in an amount not to exceed $150 to be charged on each structure on a parcel that is within the SRA.
- Transmit to the BOE the name and address of each person liable for the fire prevention fee and the fee amount to be assessed. At the same time, the department shall provide to the BOE a contact telephone number to be printed on the bill to respond to questions about the fee.
- Determine ongoing revenue need based on its fiscal year expenditure needs and sufficiency of money in the State Responsibility Area Fire Protection Fund (Fund) to finance the costs of the Department's fire prevention activities set forth in AB 1X 29.
- Adjust the fee annually using prescribed methods and provide this information to the BOE.

2. BOE Responsibilities:

- Provide fee assessment and collection services
- Advertise and hire implementation staff
- Begin and complete IRIS and ACMS programming, review and test new system functionality
- Obtain fee payer registration/billing list and upload into IRIS system
- Work with the Forestry Board and Department on developing and adopting emergency regulations
- Work with the Forestry Board and Department on format and details necessary for the registration list
- Work with the Department on refinement of the details of its fee appeals framework that relate to BOE processes
- Work with the Forestry Board and Department on continuing aspects of the program and emerging issues, including invoice communications with fee payers.
- Develop refund and petition procedures
- Develop billing documents, refund acknowledgment letters and petition acknowledgment letters
- Hire and train new personnel to commence work in June 2012
- Deposit fee revenues in the SRA Fire Prevention Fund
- Maintain control and oversight of the program operations
- Prepare necessary reports
  Provide statistical and accounting reports that detail and summarize billing and collection information on a monthly, quarterly and annual basis to the Department in a format mutually agreed to by the BOE and the Department. The BOE may provide this information to the Department of Finance and the Legislature upon the written concurrence of the Department, subject to existing confidentiality statutes.

SCOPE OF WORK (continued)

BOE responsibilities (continued)

- Provide all information and statistical data to the Executive Officer of the Forestry Board necessary for its report to the Legislature as detailed in PRC Section 4214 (f).

3. The Department and the BOE agree to work cooperatively as follows:

- Exchange of information and data, as necessary, for the operation of the fee collection program and the compilation of reports.
- Attend meetings, as necessary, to discuss issues or educational outreach related to the fee program
- Notify each other in writing of any proposed policies and procedures that may potentially affect the administration of the fee collection program.

4. Performance Metrics

The Parties agree that outcomes identified in this Agreement and associated revenue will be measured by the number of billings issued and collections of these billings in future fiscal years after successful implementation of the program during the current fiscal year.

EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Invoicing and Payment

A. For services satisfactorily completed in accordance with the terms and conditions stated herein, and upon receipt and approval of the invoices, the Department of Forestry and Fire Protection agrees to compensate the Board of Equalization for actual expenditures incurred as follows:

Establishment and implementation of an SRA fee collection system and program.	$3,320,000.00

B. The BOE shall submit an invoice to the Department for cost incurred pursuant to this Agreement. In addition, each invoice shall contain the following information:

1) The Agreement number (9CA-SRA001-11/BOE 2011-4125).
2) The dates or time-period which the invoiced costs were incurred.
3) Description of service, quantity, rate, and total for the current invoice.
4) The signature of an authorized approving official representative of the Board of Equalization.

C. Invoices shall be submitted to:

California Department of Forestry and Fire Protection
Attention: Tom Lutzenberger
P.O. Box 944246
Sacramento, CA 94244-2460
916-869-9040
Tom.Lutzenberger@fire.ca.gov

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 Department 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 Department shall have the option to either cancel this Agreement with no liability occurring to the Department, 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.

In the event of an emergency, as defined in section 927.11, late payment penalties may not apply. Specific to the Department, if an invoice from a business under contract with the Department becomes subject to late payment penalties during the annually declared fire season, then the required payment approval date shall extend thirty (30) calendar days beyond the initial forty-five (45)-day period.

EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS (continued)

4. **Payment**

   A. Costs for this Agreement shall be computed in accordance with State Administrative Manual 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 Government Code of the State of California.

5. **Non Payment of Invoices**

   A. The Department of Forestry and Fire Protection agrees to notify the BOE within 10 days of discovery of a disputed issue if there is a dispute concerning the services, charges and/or the in the invoices submitted by the BOE.

   B. If, the Department of Forestry and Fire Protection has not disputed nor made reimbursement within 45 days of the invoice date, the BOE may send the Department of Forestry and Fire Protection a 30 day notice that a Transaction Request will be submitted to the State Controller's Office to initiate a transfer of funds for nonpayment, in accordance with Government Code Section 11255. The BOE will submit the Transaction Request to the State Controller's Office on the 30th day following the date of the Notice.

EXHIBIT D

SPECIAL TERMS AND CONDITIONS

1. Cancellation

Public Resources Code section 4213 requires the Department to transmit to the BOE the name and address of fee payers and the BOE to assess and collect the fire prevention fee annually imposed pursuant to section 4212. Accordingly, this agreement cannot be cancelled or terminated unless there is a statutory change. The parties agree to work cooperatively to modify the agreement, as needed. The designated staff of both agencies shall make themselves available, and shall in good faith and in a timely manner attempt to resolve problems with the data or any other issues that may arise pursuant to this Agreement. If any dispute cannot be resolved within 30 days, such dispute shall be referred to the Dispute Resolution Procedure outlined in Exhibit D. Upon resolution of a dispute, such resolution shall be set forth in writing and shall be maintained by both parties. Notwithstanding the foregoing, if funding for any fiscal year is not appropriated, is reduced or eliminated, the parties shall have the option to either cancel this agreement with no liability accruing to either party, or to agree to an amended agreement to reflect the reduced amount.

2. Settlement of Disputes

In the event of a dispute, within fifteen (15) days of discovery of the problem contractor shall file a "Notice of Dispute" with:

Department of Forestry and Fire Protection
Attention: Tom Lutzenberger
Management Services - Fiscal
P.O. Box 944246
Sacramento, CA 94244-2460

Within ten (10) days of CAL FIRE receiving contractor's notice, the contracts manager or designee shall advise contractor of the findings and recommend a method to resolve the dispute. Decision of the contracts manager or designee shall be final.

3. Potential Subcontractors

Nothing contained in this Agreement or otherwise, shall create any contractual relation between the Department and any subcontractors, and no subcontract shall relieve the BOE of their responsibilities and obligations hereunder. The BOE agrees to be as fully responsible to the Department 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 BOE. The BOEs obligation to pay its subcontractors is an independent obligation from the Department's obligation to make payments to the Contractor. As a result, the Department shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.

4, Agency Liability

The BOE warrants by execution of this Agreement, that no person or selling agency has been employed or retained to solicit or secure this Agreement upon agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the BOE for the purpose of securing business. For breach or violation of this warranty, the Department shall, in addition to other remedies provided by law, have the right to annul this Agreement without liability, paying only for the value of the work actually performed, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

SPECIAL TERMS AND CONDITIONS (continued)

5. 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 failures 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.