

**AMENDMENT TO AGREEMENT BETWEEN
HINDERLITER, DE LLAMAS AND ASSOCIATES
AND THE COUNTY OF SAN MATEO**

THIS AMENDMENT TO THE AGREEMENT dated December 13, 2016, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and HINDERLITER, DE LLAMAS AND ASSOCIATES, hereinafter called "Contractor" is entered into this ____ day of March, 2017;

W I T N E S S E T H:

WHEREAS, pursuant to Board Resolution 066528, adopted March 2, 2004, the County authorized the County Manager, County Controller, and the County's then-contracted sales tax auditor, Hinderliter, de Llamas & Associates ("HdL"), to access confidential sales and transactions and use tax records from the State Board of Equalization ("BOE") to perform all functions incident to the administration and collection of local sales transactions and use taxes; and

WHEREAS, pursuant to Board Resolution 074932, adopted December 13, 2016, the County entered into a new Agreement with HdL for the provision of sales tax auditing and consulting services for the term January 1, 2017 through December 31, 2019, in an amount not to exceed \$800,000; and

WHEREAS, in connection with its most recent contract with the County, it is necessary for HdL, as an authorized representative of the County, to examine confidential sales or transactions and use tax records of the BOE pertaining to sales or transactions and use taxes collected by the BOE for the County; and

WHEREAS, Section 7056 of the California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of BOE records and establishes criminal penalties for the unlawful disclosure of information contained in, or derived from sales and transactions and use tax records of the BOE; and

WHEREAS, the parties desire to amend the Agreement in order to expressly incorporate the provisions of Section 7056 of the California Revenue and Taxation Code;

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:

1. "Section 1 – Exhibits and Attachments" is hereby amended to read as follows:

1. Exhibits and Attachments

The following exhibits and attachments are attached to this Agreement and incorporated into this Agreement by this reference:

Exhibit A -- Services
Exhibit B -- Payments and Rates
Exhibit C -- Cal. Rev. & Tax §7056 Compliance
Attachment I -- § 504 Compliance

2. "Section 2 - Services to be performed by Contractor" is hereby amended to read as follows:

2. Services to be performed by Contractor

In consideration of the payments set forth in this Agreement and in Exhibit B, Contractor shall perform services for County in accordance with the terms, conditions, and specifications set forth in this Agreement and in Exhibit A and Exhibit C.

3. "Section 3 – Payments" is hereby amended to read as follows:

3. Payments

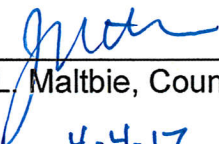
In consideration of the services provided by Contractor in accordance with all terms, conditions, and specifications set forth in this Agreement and in Exhibit A and Exhibit C, County shall make payment to Contractor based on the rates and in the manner specified in Exhibit B. County reserves the right to withhold payment if County determines that the quantity or quality of the work performed is unacceptable. In no event shall County's total fiscal obligation under this Agreement exceed EIGHT HUNDRED THOUSAND DOLLARS (\$800,000). In the event that the County makes any advance payments, Contractor agrees to refund any amounts in excess of the amount owed by the County at the time of contract termination or expiration. Contractor is not entitled to payment for work not performed as required by this agreement.

4. The parties agree that Exhibit C, attached hereto, is hereby added to the Agreement.
5. All other terms and conditions of the Agreement dated December 13, 2016, between the County and Contractor shall remain in full force and effect.

6. This Amendment constitutes the entire understanding of the parties hereto with respect to this subject matter herein and correctly states the rights, duties, and obligations of each party as of this document's date. Any understandings, promises, negotiations, or representations between the Parties not expressly stated in this document are not binding. All subsequent modifications of this Amendment shall not be effective unless set forth in a writing and executed by both parties.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands.

COUNTY OF SAN MATEO

By: 
John L. Maltbie, County Manager
Date: 4-4-17

HINDERLITER, DE LLAMAS AND
ASSOCIATES

By: 
Andrew Nickerson, President
Date: 3/21/17

Exhibit C

Section 7056 – Confidentiality Requirements

Contractor acknowledges and agrees that Section 7056 of the State of California Revenue and Taxation code specifically limits the disclosure of confidential taxpayer information contained in the records of the State Board of Equalization ("BOE"). More specifically, Section 7056 sets forth the conditions under which a County may authorize persons other than County officers and employees to examine BOE Sales and Use Tax records.

Contractor acknowledges and agrees that the following conditions specified in California Revenue and Taxation Code Section 7056(b)(1) are hereby made part of this Agreement:

1. Contractor is authorized by this Agreement to examine sales or transactions and use tax records of the Board of Equalization provided to County pursuant to contract under the Bradley-Burns Uniform Sales and Use Tax Law and Transactions and Use Tax Law.
2. Contractor is required by the Agreement to disclose information contained in, or derived from, those sales or transactions and use tax records only to an officer or employee of the County who is authorized by resolution to examine the information.
3. Contractor is prohibited from performing consulting services for a retailer, as defined in California Revenue & Taxation Code Section 6015, during the term of this Agreement.
4. Contractor is prohibited from retaining the information contained in, or derived from those sales or transactions and use tax records, after this Agreement has expired.

Contractor further acknowledges and agrees that the information that Contractor obtains by examination of Board of Equalization records shall be used only for purposes related to the County's collection of local sales or transactions and use taxes or for other governmental functions of the County as set forth by the resolution adopted pursuant to Section 7056(b) of the Revenue and Taxation Code (San Mateo County Board Resolution 074932, adopted December 13, 2016).