

EXHIBIT A

AMENDMENT 1 TO CONTRACT BETWEEN CITY OF SOUTH SAN FRANCISCO AND MUNISERVICES, LLC

THIS CONTRACT AMENDMENT No. 1 (the “Amendment”) is entered into between City of South San Francisco (“City”) and MuniServices, LLC (“MuniServices”), (collectively the “Parties”).

The City and MuniServices agree as follows:

WHEREAS, the City and MuniServices, entered into a Consulting Services Agreement on or about July 1, 2017 (hereinafter “Agreement”) to perform, among other things, Sales and Use Tax Audit Services;

WHEREAS, on or about November 8, 2016 the City adopted the **Measure W - So. San Francisco Fiscal Stability & Essential Services T&U (SSFR)**, which became effective on or about April 1, 2017 (the “District Tax”);

WHEREAS, the California Department of Tax and Fee Administration (collectively, or in the alternative, the “Agency” formerly known as , the State Board of Equalization) has taken the position that general references to “sales and use tax” are insufficient to allow access to information relating the collection of the District Tax by the Agency;

WHEREAS, the City and MuniServices, without conceding the correctness of the Agency’s interpretation, deem it prudent to comply with the interpretation by amending the Agreement to specifically refer to the District Tax;

WHEREAS, section 7056 of the California Revenue and Taxation Code imposes conditions on the access to information related to the collection of sales, transaction, and use tax by the Agency;

NOW THEREFORE, in order to satisfy the requirements of section 7056 and further extend the Term of the agreement, the parties hereby amend the Agreement as follows:

1. Section 10.15 is hereby added to the Agreement to comply with state California Department of Tax and Fee Administration requirements to read as follows :

Transaction and Use Tax

*“MuniServices qualifies under Section 7056 of the Revenue and Taxation Code to review (Bradley-Burns) confidential taxpayer information and documentation before the State Board of Equalization (BOE) or its successor agency, the Department of Tax and Fee Administration (collectively, or in the alternative, the “Agency”). MuniServices is hereby authorized by this Agreement to examine transaction tax, sales tax and use tax records of the Agency, including but not limited to the transaction and use tax that becomes effective on or about April 1, 2017 known as the **Measure W - So. San Francisco Fiscal Stability & Essential Services T&U (SSFR)** pertaining to the ascertainment of those sales or transactions and use taxes to be collected for the City.*

MuniServices is required to disclose information contained in, or derived from, those transaction, sales and use tax records only to an officer or employee of the City who is authorized by resolution to examine the information.

MuniServices is prohibited from performing consulting services for a retailer during the term of this Agreement.

MuniServices is prohibited from retaining the information contained in, or derived from, those transaction, sales and use tax records, after this Agreement has expired."

The City and MuniServices agree that although the scope of work generically refers to "sales and use tax" those references are meant to include "sales, transaction, and use tax" as part of the scope of work, including but not limited to any transaction and use taxes adopted after the effective date of the Agreement.

The Parties agree that Agreement is applicable to all Sales, Transaction and Use Tax Ordinances currently enacted in the City and which may become enacted while the Agreement is in effect.

The Parties agree that the City will adopt an updated resolution in substantially the same form as the template provided as Exhibit A to this Amendment.

2. That section 1.1 in said Agreement entitled "Term of Services" is hereby amended to read as follows:

By way of this Amendment No. 1, City will exercise the option to extend this agreement for additional two-year periods and it will remain in effect through June 30, 2024.

3. Except as herein modified, all other provisions of the Agreement, including any exhibits and subsequent amendments thereto, shall remain in full force and effect. This Amendment No. 1 constitutes the entire agreement between the Parties with respect to the issues identified herein and supersedes any prior written or oral amendment.
4. In case of a conflict between the terms of this Amendment and the terms of the Agreement, the terms of this Amendment shall strictly prevail.

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed by their duly authorized representatives as of the date set forth below.

DATED: _____, 2017

CITY OF SOUTH SAN FRANCISCO

MUNISERVICES, LLC

By: _____

By: _____

Name: _____

Carl Kumpf
CFO

Title: _____

APPROVED AS TO FORM:

Exhibit A

RESOLUTION NO. _____

A Resolution Authorizing the Examination of Sales or Transactions and Use Tax Records

WHEREAS, pursuant to Ordinance Nos. _____, the City of South San Francisco entered into a contract with the State Board of Equalization to perform all functions incident to the administration and collection of the Transactions and Use Tax Ordinances and the local sales and use taxes; and

WHEREAS, City deems it necessary for authorized representatives of City to examine confidential sales and transactions and use tax records of the Board or its successor agency, the California Department of Tax and Fee Administration, (collectively, or in the alternative, the "Agency") pertaining to sales and transactions and use taxes collected for City by the Agency; and

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

WHEREAS, Section 7056 of the California Revenue and Taxation Code requires that any person designated by City shall have an existing contract to examine City's sales and transactions and use tax records.

NOW, THEREFORE IT IS RESOLVED AND ORDERED AS FOLLOWS:

Section 1. That the [insert title (i.e. Finance Director)], or other officer or employee of City designated in writing by the [insert title (i.e. Finance Director)] to the Agency is hereby appointed to represent City with authority to examine all of the sales and transactions and use tax records of the Agency pertaining to sales and transactions and use taxes collected for City by the Agency pursuant to the contract between City and the Agency. The information obtained by examination of Agency records shall be used for purposes related to the collection of City's sales and transactions and use taxes by the Agency pursuant to the contract.

Section 2. That the [insert title (i.e. Finance Director)], or other officer or employee of City designated in writing by the [insert title (i.e. Finance Director)] to the Agency, is also hereby appointed to represent City with the authority to examine those sales and transactions and use tax records of the Agency for purposes related to the following governmental functions of City:

- a) tracking and economic development
- b) forecasting and budget related functions
- c) detection of misallocations and deficiencies

The information obtained by examination of Agency records shall be used only for those governmental functions of City listed above.

Section 3. That MuniServices, LLC is hereby designated and authorized to examine all of the sales and transactions and use tax records of the Agency pertaining to all sales and use taxes collected for City and any transaction and use taxes collected for City under the following Transactions and Use Tax Ordinances and any future Transactions and Use Tax Ordinances that may be enacted in the City:

Measure W - So. San Francisco Fiscal Stability & Essential Services T&U (SSFR)

The person or entity designated by this section meets all of the following conditions:

- a) has an existing contract with City to examine sales and transactions and use tax records;
- b) is required by that contract to disclose information contained in, or derived from those sales and transactions and use tax records only to an officer or employee authorized under Section 1 (or Section 2) of this resolution to examine the information;
- c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract;
- d) is prohibited by that contract from retaining the information contained in, or derived from those sales and transactions and use tax records after that contract has expired.

BE IT FURTHER RESOLVED that the information obtained by examination of Agency records shall be used only for purposes related to the collection of City's sales and transactions and use taxes by the Agency pursuant to the contracts between City and the Agency and for purposes relating to the governmental functions of City listed in Section 2 of this resolution.

Section 4. This resolution supersedes all prior sales and transactions and use tax resolutions of City adopted pursuant to subdivision (b) of Revenue and Taxation Code Section 7056.

Introduced, approved and adopted this _____ day of _____, 2017.

(Name & Title)

(Attest)

(Signature)

(Date)