



AGENDA REPORT

Meeting Date: December 21, 2010
Item Number: F-12
To: Honorable Mayor & City Council
From: Chad Lynn, Director of Parking Operations
Subject: AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND ACS STATE & LOCAL SOLUTIONS, INC. FOR PARKING CITATION PROCESSING, PAYMENT, DELINQUENT ACCOUNT COLLECTIONS, AND HEARING SCHEDULING SERVICES; AND

APPROVAL OF A PURCHASE ORDER IN THE NOT-TO-EXCEED AMOUNT OF \$730,000 FOR THE SERVICES

Attachments: 1. Agreement

RECOMMENDATION

Staff recommends that the "City Council move to approve the agreement with ACS State & Local Solutions for parking citation processing, payment, delinquent account collections, and hearing scheduling services related to the City's parking enforcement program", and approve a purchase order in the not-to-exceed amount of \$730,000.

INTRODUCTION

The City of Beverly Hills issues between 140,000 and 170,000 parking citations per year depending on occupancy, staffing and violation capture rates. Each citation is subject to processing, noticing and collection requirements established by the California Vehicle Code. In an effort to more efficiently process these citations in compliance with such requirements, and to keep up with the continually changing nature of the state regulations, the City of Beverly Hills engages in a joint contracting process with the Cities of West Hollywood and Santa Monica as the Westside Cities.

The recommendation herein represents the completion of an RFP process and the joint recommendations of the Westside Cities coalition.

DISCUSSION

A comprehensive joint RFP with the Cities of Beverly Hills, Santa Monica, and West Hollywood was released on November 23, 2009, and a mandatory pre-bid meeting was held for potential vendors on November 30, 2009.

A total of five (5) proposals were received in response to the RFP on the due date of February 8, 2010. The companies that submitted proposals (listed in alphabetical order) were:

- ACS State & Local Solutions
- Aparc Systems
- Duncan Solutions
- iParq
- T2 Systems, Inc.

Staff of each of the Westside Cities reviewed all of the proposals independently and assembled as a group to exchange comments as to how each proposal met criteria based on the requirements of the RFP. Pursuant to the RFP, the Westside Cities evaluated all proposals and identified the highest ranked proposals as those submitted by (in alphabetical order):

- ACS State & Local Solutions
- Duncan Solutions
- T2 Systems, Inc.

After evaluating presented proposal content, scope of services, price, reference checks, and implementation and operations plans, the Westside Cities collectively selected ACS State & Local Solutions (ACS) and Duncan Systems as the top two candidates for presentations and oral interviews. The remaining companies represented were non-responsive or did not provide proposals for the comprehensive set of services required by the Cities.

A panel interview made up of representatives from all three cities for the two selected proposers was held on February 25, 2010. The cities of Santa Monica, Beverly Hills and West Hollywood independently gave top ranking to ACS who is currently working as the incumbent vendor. ACS was noted as being the most qualified vendor in the field with the most competitive pricing for the required deliverable.

The proposed ACS agreement includes enhancements such as additional dedicated personnel for the Westside Cities group for customer service, forgoing of cost of living and postage increases for the initial five (5) year term, and technology upgrades, such as new analytical tools, which include GIS and wireless capable handheld citation equipment with photo/audio capability for parking enforcement officers. Additionally, the City can avoid the likely service disruptions and potential revenue fluctuations associated with the conversion process necessary when transitioning to a new vendor.

As a result of the RFP process with the Westside Cities collaboration, all cities have achieved additional benefits. The most notable and significant change for the City is a new pricing structure, especially for delinquent account collections, implementing a fixed rates, rather than a percentage of the value of the citation. Total savings for processing and collections are estimated to be approximately \$60,000 per year.

This agreement has been unanimously approved by both the City of Santa Monica, on May 11, 2010, and by the City of West Hollywood, on June 7, 2010, as part of their respective consent calendar agendas. The City of Beverly Hills has been in continuous negotiations with ACS since these approvals working to reach agreement specifically on liability and indemnification.

FISCAL IMPACT

The agreement provides for the following:

- Per Citation Processing Fee – We only pay when a citation is issued and processed
- Collection Fees – We only pay when delinquent citations are paid
- Hosting, Technology and Equipment – The City will receive new equipment, new software and new levels of data management as part of the hosting services

Based on current issuance and collections information, along with predicted growth and pre-negotiated escalators, staff estimates fees for these services as follows:

- Fiscal Years 2010/2011 and 2011/2012 - \$730,000
- Fiscal Years 2012/2013 and 2013/2014 - \$750,000
- Fiscal Year 2014/2015 - \$760,000

Total cost over the five year term of this agreement is estimated at \$3.7 million.

Gross revenues from parking enforcement for fiscal year 2010/2011 are estimated at \$8.1 million.



Scott Miller
Finance Approval



David Gustavson
Approved By

Attachment 1

**AGREEMENT FOR PARKING CITATION PROCESSING,
PAYMENT, DELINQUENT ACCOUNT COLLECTIONS,
AND HEARING SCHEDULING SERVICES**

By and Between

**The City of Beverly Hills
and
ACS State & Local Solutions, Inc.**

**AGREEMENT FOR PARKING CITATION PROCESSING,
PAYMENT, DELINQUENT ACCOUNT COLLECTIONS,
AND HEARING SCHEDULING SERVICES**

This AGREEMENT for parking citation processing, payment and hearing scheduling services (herein referred to as "AGREEMENT") is made and entered into by and between the City of Beverly Hills (herein referred to as "CITY"), a municipal corporation, and ACS State & Local Solutions, Inc. (herein referred to as "CONTRACTOR"), referred to individually as "party" and collectively as "parties," with reference to the following.

ARTICLE I. - STATEMENT OF WORK

1.1 SCOPE OF SERVICES. CONTRACTOR shall be responsible for execution of all work required by this AGREEMENT, as described in Exhibits A, B, C and D, attached hereto and incorporated herein

ARTICLE II. - GENERAL

2.1 NOTICE. Whenever it is necessary for either party to serve notice on the other respecting this AGREEMENT, such notice shall be served by certified mail addressed to:

CITY: City of Beverly Hills
455 N Rexford Dr
Beverly Hills, California 90210
ATT: Chad Lynn, Director of Parking Operations

CONTRACTOR: ACS State & Local Solutions, Inc.
606 Olive Street,
Los Angeles, CA
ATT: Florezel Jose, Project Manager

2.2 EXTENT OF AGREEMENT. This AGREEMENT represents the entire and integrated AGREEMENT between the CITY and the CONTRACTOR and supersedes any and all prior negotiations, representations or AGREEMENTS, either written or oral. This AGREEMENT may be amended only by written AGREEMENT signed by both the CITY and the CONTRACTOR. This AGREEMENT may only be assigned with the express written consent of each of the parties hereto. In the event that any provision hereof is deemed to be illegal or unenforceable, such a determination shall not affect the validity or enforceability of the remaining provisions hereof, all of which remain in full force and effect. Exhibits A, B, C and D attached to this AGREEMENT are made part of this AGREEMENT. In the event of an inconsistency or conflict between the terms and conditions of the main body of this AGREEMENT and the attached exhibits, the parties agree to resolve such inconsistency or conflict by adhering to

the following order of precedence, (1) the main body of this AGREEMENT, (2) Exhibit A of this AGREEMENT, (3) Exhibit B of this AGREEMENT, (4) Exhibit C of this AGREEMENT and (4) Exhibit D of this AGREEMENT.

- 2.3 LITIGATION COSTS. In any action brought to declare the rights granted herein or to enforce any of the terms of this AGREEMENT, the prevailing party shall be entitled to an award of reasonable attorney's fees and costs of suit.
- 2.4 CONTRACTOR RIGHTS. CONTRACTOR reserves the right to change options and/or procedures listed in this AGREEMENT including, but not limited to, changes due to compliance with the guidelines set forth by the Federal Fair Debt Collection Practices Act or California State Collection law. CONTRACTOR shall provide CITY with not less than 30 days advance written notice of the requirement for such changes, unless it is infeasible to do so, in which event CONTRACTOR shall provide CITY with as much advance notice as is reasonably feasible under the circumstances.
- 2.5 COMPLIANCE WITH LAW. All services rendered hereunder shall be provided in accordance with all federal, state and Beverly Hills ordinances, resolutions, statutes, rules and regulations of the City of Beverly Hills and Federal, State or local government agency of competent jurisdiction. CONTRACTOR represents it is a corporation duly organized and validly existing under the laws of the State of New York and is in good standing therein. CONTRACTOR is properly authorized to conduct business in the State of California.
- 2.6 CONTRACTOR LIMITATION. CONTRACTOR may not do any of the following without the CITY'S prior knowledge and approval, in writing:
1. Take any legal action against individuals issued parking citations in the City of Beverly Hills;
 2. Threaten any legal action against individuals issued parking citations in the City of Beverly Hills; or
 3. Make any communication, oral or written, regarding potential legal action against individuals issued parking citations in Beverly Hills.
- 2.7 USE OF APPROVED FORMS. All forms, delinquency notices, and correspondence sent by the CONTRACTOR must conform to State and local law and be subject to the prior written approval of the CITY. Failure of the CITY to approve forms within 30 days after submission by CONTRACTOR for approval will mean that the forms are deemed approved.
- 2.8 CONTRACTOR FILES. The on-line inquiry system shall be designed to allow a combined view access to the citation database for each specific City. Scofflaw eligibility will be calculated and displayed on a cross-client basis in real time no later than six months after the effective date as provided in Section 4.1 of this AGREEMENT. Such files will contain records of payments, collection efforts,

administrative review dispositions, and any other pertinent information and communication relating to the citation. Reports shall be accessible to the CITY detailing citation information from CONTRACTOR by computer. Hard copy files may be requested by CITY on a monthly, or if necessary, a more frequent basis at no cost to CITY. Hard copy files, which have not been reported to a credit bureau as a delinquent account will be stored by the CONTRACTOR for a minimum of two (2) years, after which time the CONTRACTOR shall destroy them as required by state and local law. Written proof of destruction shall be submitted to CITY's Department of Transportation within five (5) business days from destruction.

2.9 NON-DISCRIMINATION. CONTRACTOR represents and agrees that it does not and will not discriminate against any employee or applicant for employment because of race, religion, color, medical condition, sex, sexual orientation, national origin, political affiliation or opinion, pregnancy or pregnancy-related condition.

2.10 DEFINITIONS. The following meanings are attached to the following defined words when used in this AGREEMENT:

The words, "Westside Cities" means the cities of West Hollywood, Beverly Hills and Santa Monica when acting jointly relative to CONTRACTOR'S performance of this AGREEMENT and its companion agreements with West Hollywood and Santa Monica.

The words "Company", "Processing Company", or "CONTRACTOR" means ACS State & Local Solutions, Inc.

The word "processing" means any or all services required to track financial and correspondence history of citations issued and payments received, including, but not limited to receiving or sending correspondence, entering data, maintaining electronic and paper files, and producing notices and reports, and other work generally related to these services, in accordance with the terms and conditions of this AGREEMENT.

The words "direct pass through" means the fee charged by the CONTRACTOR'S clearing house for credit card processing.

2.11 CITY REPRESENTATIVE. Unless otherwise designated in writing, the Director of Parking Operations shall serve as City's representative for the administration of this AGREEMENT. All activities performed by CONTRACTOR shall be coordinated with this person.

2.12 PROJECT MANAGER. The CONTRACTOR shall assign a dedicated Project Manager to the "Westside Cities" to oversee and manage the implementation of all services to be performed under this AGREEMENT.

For the purposes of this AGREEMENT the term "dedicated" as used in this section shall refer to the CITY'S expectation that the assigned Project Manager's responsibilities under this AGREEMENT, as described herein, shall constitute the substantial majority of his or her employment duties with CONTRACTOR.

The Project Manager shall, on behalf of CONTRACTOR, be accountable to CITY for the performance of all duties under this AGREEMENT in a manner consistent with the acceptable standards of due care described in section 2.15 of the AGREEMENT. The CITY retains the right, for good cause to require that CONTRACTOR select a different Project Manager.

The Project Manager shall be reasonably accessible to CITY representatives and shall meet with CITY representatives on an as-needed basis. The Project Manager shall meet with the Westside Cities representatives on a quarterly basis.

CONTRACTOR shall provide City with not less than 30 days advance written notice of its intention to remove and replace the Project Manager unless it is infeasible to do so, in which event it shall provide as much advance notice as is reasonably feasible under the circumstances.

- 2.13 CONFLICT OF INTEREST. No member of the governing body of the CITY and no other elected official, officer, employee, or agent of the CITY shall knowingly have any personal financial interest, direct or indirect, in this AGREEMENT.
- 2.14 RECORDS RETENTION. CONTRACTOR agrees to store general hard and soft copy correspondence for CITY for two (2) years from the date of last file action and/or payment, whichever is longer. Delinquent account soft copy files shall be stored for seven (7) years from the date the account was placed with a consumer-reporting agency for special collections, assuming AGREEMENT is extended past the five-year term and the extension periods are activated. Upon expiration of the retention period, CONTRACTOR shall destroy such documents in accordance with state and local law, and provide written proof of such destruction within five (5) business days of destruction. If AGREEMENT extensions are not activated, delinquent account documents as well as all other citation documents will be returned to the CITY at AGREEMENT termination or expiration. CONTRACTOR shall certify in writing that it has returned all required documents to CITY.
- 2.15 ACCEPTABLE STANDARDS OF DUE CARE FOR SERVICES PERFORMED BY THE CONTRACTOR

CONTRACTOR acknowledges that CITY and all members of the general public receiving citations from CITY are its customers. CONTRACTOR represents that it is a knowledgeable and skilled service provider and will professionally perform

all services and discharge all duties incumbent upon it as is required by the AGREEMENT. CONTRACTOR agrees to put forth its best effort in ensuring that all services are provided, and duties to be discharged, as described in this AGREEMENT, and Exhibit A to this AGREEMENT. CONTRACTOR shall perform in a professional, accountable, and worker-like manner commensurate with established and generally accepted service industry standards of care and standards of practice. CONTRACTOR acknowledges, agrees, and hereby adopts, as acceptable industry standards of care and standards of practice to include, but not be limited, to the following:

- a) Quality control and quality assurance for all customer-related services provided to CITY or provided to the general public on behalf of CITY;
- b) Accuracy of information reported to CITY or reported to the general public on behalf of CITY;
- c) A Project Manager that oversees and manages the implementation of all services to be performed under the AGREEMENT, and who is available and responsive to CITY requests and CITY inquiries within a reasonable amount of time, or as soon as practically possible;
- d) Well trained, professional and courteous customer service personnel that are reasonably equipped to serve the public without transferring tasks from the CONTRACTOR to the CITY.
- e) Ongoing operational support and assistance with CONTRACTOR systems, hardware, and software during the term of this AGREEMENT.

ARTICLE III. - COMPENSATION

3.1 COMPENSATION. The CITY shall compensate the CONTRACTOR for its services according to the terms below.

3.1.1 Primary Price Components.

Per Citation Processing Fee (dependent on monthly citation issuance volume for the combined Westside Cities of Beverly Hills, Santa Monica and West Hollywood.) CITY will be billed only for citations processed for the CITY.

3.1.1.1 Electronic Data Processing.

0 to 54,000 total citations issued per month - \$ 1.33 per citation (Year 1)
0 to 54,000 total citations issued per month - \$ 1.33 per citation (Year 2)
0 to 54,000 total citations issued per month - \$ 1.36 per citation (Year 3)
0 to 54,000 total citations issued per month - \$ 1.38 per citation (Year 4)
0 to 54,000 total citations issued per month - \$ 1.40 per citation (Year 5)

54,001 to 57,000 total citations issued per month - \$ 1.09 per citation

57,001 to 60,000 total citations issued per month - \$ 0.99 per citation

60,001 to 63,000 total citations issued per month - \$ 0.99 per citation

63,001 and above total citations issued per month - \$ 0.99 per citation

3.1.1.2 City Processing Credit. \$ 0.25 per citation

3.1.1.3 Credit Card Collections Fees

Merchant Fee	Direct Pass Through
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3.1.1.4 Handheld Equipment	\$ 0.163 per citation (Yr. 1)
	\$ 0.163 per citation (Yr. 2)
	\$ 0.234 per citation (Yr. 3)
	\$ 0.240 per citation (Yr. 4)
	\$ 0.250 per citation (Yr. 5)
	If Executed \$ 0.120 per citation (Yr. 6)
	If Executed \$ 0.120 per citation (Yr. 7)

3.1.1.5 Printer Equipment	\$ 0.049 per citation (Yr. 1)
	\$ 0.049 per citation (Yr. 2)
	\$ 0.092 per citation (Yr. 3)
	\$ 0.100 per citation (Yr. 4)
	\$ 0.110 per citation (Yr. 5)
	If Executed \$ 0.080 per citation (Yr. 6)
	If Executed \$ 0.080 per citation (Yr. 7)

3.1.2. Other Fees

3.1.2.1. **Annual Cost of Living Adjustments.** The CONTRACTOR will not be entitled to cost of living adjustments for the duration of the 5-year base AGREEMENT term. If the

AGREEMENT is extended beyond the initial 5-year term, CONTRACTOR will be entitled, in year 6 and any subsequent year, to an annual cost of living adjustment based on the increase in the cost of living index equal to the percentage increase in the U.S. Department of Labor, Consumer Price Index, All Urban Consumer CPI (Los Angeles-Anaheim-Riverside

3.1.2.2. **Postal Rate Increases.** CONTRACTOR will be responsible for all postage costs associated with the mailing of all notices, including the first two notices (non-collections notices) and delinquent ticket notices associated with secondary collections. CONTRACTOR will also be responsible for all postage rate increases for the length of the AGREEMENT term, including option years.

3.1.2.3 **Delinquent Account Collections.** \$26.00 Flat Fee**

** (CONTRACTOR will be paid a \$26.00 Flat Fee per citation assigned to collections and paid in full. Timing of collection notices and the application of any collection fees to be mutually agreed upon by CITY and CONTRACTOR).

3.2 **AGREEMENT LIMIT.** During the first two (2) years of the AGREEMENT term (FY 10/11 and FY 11/12), the Citation Processing Fees shall not exceed \$365,000 and \$365,000, respectively, plus delinquent account collection fees.

During the third through fifth years of the AGREEMENT term, the Citation Processing Fees shall not exceed \$400,000 for FY 12/13; \$400,000 for FY 13/14; and \$425,000 for FY 14/15, plus delinquent account collection fees.

If the AGREEMENT term is extended by CITY pursuant to Section 4.2, the not to exceed amount for Citation Processing Fees shall be adjusted in accordance with the terms set forth in Section 3.1.2.1. of this AGREEMENT (Annual Cost of Living Adjustment). This amount is in addition to the delinquent account collection fees.

The City Manager or his designee may modify in writing the yearly compensation limits in the event Citation Processing Fees exceed the Agreement limits set forth in this section.

3.3 **BILLING AND PAYMENT PROCEDURE.** The CONTRACTOR shall provide CITY on a monthly basis with an invoice and fee analysis that accurately reflects the fees earned during the preceding period less liquidated damages which shall be applied without demand. Not later than ten (10) business days after the bill and fee analysis have been received, the CITY shall notify the CONTRACTOR of

any amount in dispute listed on the invoice, otherwise the CITY will process the invoice for payment. If a portion of an invoice is disputed, the CITY shall notify the CONTRACTOR of the amount in dispute and shall approve for payment that portion of the invoice which is not in dispute. The CONTRACTOR will be paid for all undisputed portions of invoices within thirty (30) days of presentation of such invoice to the CITY.

ARTICLE IV. - TERM OF AGREEMENT

- 4.1 **EFFECTIVE DATE OF AGREEMENT.** The term of this AGREEMENT shall become effective for a period of (5) five years which will commence on January 1, 2011 and shall terminate on December 31, 2015, unless terminated earlier as set forth herein.
- 4.2 **OPTION TO EXTEND AGREEMENT.** Upon the expiration of the above described term of this AGREEMENT, or any extensions thereof, the CITY shall have the option, at its sole and absolute discretion, of extending this AGREEMENT for two (2) additional two (2) year periods, or for a shorter term. The City Manager or his designee shall notify the CONTRACTOR in writing of CITY's intention to extend the term of the AGREEMENT at least sixty (60) days prior to expiration. The CONTRACTOR shall respond to the CITY in writing within ten (10) days after receiving the notice of intent to extend the AGREEMENT at which time the CONTRACTOR may propose a revised compensation schedule for each option exercised by CITY, which is subject to the written approval of CITY.
- 4.3 **TERMINATION.** In the event CONTRACTOR defaults in the performance of any of the terms or conditions of this AGREEMENT, CITY shall give CONTRACTOR written notice of such default. CONTRACTOR shall have ten (10) days from the date of any such notice to respond to CITY in writing as to the action to be taken to cure the default. If the default is not cured within thirty (30) days, and CONTRACTOR fails or refuses either to cure the default or initiate the cure as described in writing, then CITY may provide CONTRACTOR with written notice of termination, which termination shall take effect not sooner than thirty (30) days following such notice. In addition, CITY shall also have the right to perform or cause to be performed such defaulted work as it deems necessary to cure the default and charge the CONTRACTOR the full cost thereof.

In the event of termination pursuant to this paragraph, CITY shall have the right to cause the services to be performed by another CONTRACTOR, and further, to charge against CONTRACTOR all reasonable transitional costs incurred by the CITY as a consequence of the default and termination.

ARTICLE V. – CONFIDENTIALITY & PRE-EXISTING INTELLECTUAL PROPERTY.

- 5.1 MATERIALS CONFIDENTIAL. All reports, information, data, files, and tapes furnished or prepared by the CONTRACTOR for the purpose of transmittal to CITY pursuant to this AGREEMENT are confidential to the extent authorized by California law.
- 5.2 CONSENT REQUIRED FOR DISCLOSURE. No report, information, data, files, or tapes furnished or prepared by the CONTRACTOR for the CITY, its successors or assigns shall be made available to any individual or organization without prior approval from the CITY.
- 5.3 PROPRIETARY INFORMATION. CITY agrees not to reproduce or distribute CONTRACTOR'S proprietary information such as any description of specialized, unique or patented machinery, processes, software or methods which are used in the course of providing the services, including any non-public financial information and Pre-Existing IP as defined below.
- 5.4 PRE-EXISTING INTELLECTUAL PROPERTY. Notwithstanding any provision in this AGREEMENT to the contrary, the CONTRACTOR and CITY agree that pre-existing intellectual property, including but not limited to software, associated documentation, software upgrades, modifications and customizations ("Pre-Existing IP"), provided to CITY will at all times remain the property of CONTRACTOR and/or its vendors. In the event CONTRACTOR or CONTRACTOR'S vendor(s) provides CITY with Pre-Existing IP (whether owned by CONTRACTOR or by a third party), CITY (if CONTRACTOR and/or CONTRACTOR'S vendor(s) have agreed to share such Pre-Existing IP) will receive a limited license to use such Pre-Existing IP.
- 5.5 LICENSES. Subject to the terms and conditions of this AGREEMENT, CONTRACTOR hereby grants CITY, and CITY hereby accepts from CONTRACTOR upon the terms and conditions herein specified, a limited, non-exclusive, non-transferable license. Such license is revocable in the event of CITY's breach of the license as described in the AGREEMENT. The license is for CITY's sole use within the CITY during the term or extended term of this AGREEMENT, to access and use CONTRACTOR's Pre-Existing IP provided to the CITY solely for the CITY'S own internal business purposes pursuant to the terms of this AGREEMENT. In addition, the CITY is granted the ability to disclose to the public (including outside of the CITY) that CONTRACTOR is providing services to the CITY pursuant to the terms of this AGREEMENT, and use and display CONTRACTOR identifying marks on or in marketing, public awareness or education, or other publications or materials relating to the services provided by CONTRACTOR under this AGREEMENT. Rights to software products provided by third-party vendors may be subject to licensing provisions of such third-party vendors.

ARTICLE VI – CLAIMS, ACTIONS AND LIMITATION OF LIABILITY

6.1 INDEMNIFICATION.

6.1.1 CONTRACTOR agrees to indemnify, hold harmless and defend CITY, City Council and each member thereof, and every officer, employee and agent of CITY, from any claim, liability or financial loss (including, without limitation, attorneys fees and costs) arising from any reckless, negligent, or otherwise wrongful acts, errors or omissions of CONTRACTOR or any person employed by CONTRACTOR in the performance of this Agreement, including, without limitation failure to follow applicable state laws.

6.1.2 CONTRACTOR agrees to indemnify, hold harmless and defend the CITY, City Council and each member thereof, and every officer, employee and agent of the City from and against any liability or financial loss (including without limitation attorney fees and costs) arising from any claim that CONTRACTOR is not legally authorized to perform the services required herein, or that its performance of any of the services, including provision of the equipment, infringes upon any trade secret, trademark, patent or other proprietary or intellectual property right of any third party.

6.2 INSURANCE. CONTRACTOR shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

6.2.1. Commercial General Liability Insurance- A policy or policies of Commercial General Liability Insurance, with minimum limits of One Million Dollars (\$1,000,000) for each occurrence, combined single limit and Two Million Dollars (\$2,000,000) general aggregate, against any personal injury, death, loss or damage resulting from the wrongful or negligent acts by CONTRACTOR.

6.2.2 Business Vehicle Liability Insurance. A policy or policies of Comprehensive Vehicle Liability Insurance covering personal injury and property damage, with minimum limits of One Million Dollars (\$1,000,000) per occurrence combined single limit, covering any vehicle utilized by CONTRACTOR in performing the Scope of Work required by this Agreement.

6.2.3 Worker's Compensation Insurance- Workers' compensation insurance as required by the State of California.

6.2.4 CONTRACTOR shall require each of its sub-contractors to maintain insurance coverage which meets all of the requirements of this Agreement.

6.2.5 The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least a B+;VII in the latest edition of Best's Insurance Guide.

6.2.6 CONTRACTOR agrees that if it does not keep the aforesaid insurance in full force and effect CITY may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, CITY may take out the necessary insurance and pay, at CONTRACTOR's expense, the premium thereon.

6.2.7 At all times during the term of this Agreement, CONTRACTOR shall maintain on file with the City Clerk a certificate or certificates of insurance on the standard ACORD form, showing that the aforesaid policies are in effect in the required amounts. CONTRACTOR shall, prior to commencement of work under this Agreement, file with the City Clerk such certificate or certificates. The general liability and automobile liability insurance shall contain an endorsement including the CITY as an additional insured. All of the policies required under this Agreement shall contain a standard notice of cancellation provision or endorsement providing that the policies cannot be canceled or non-renewed except on thirty (30) days prior written notice to CITY.

6.2.8 The insurance provided by CONTRACTOR shall be primary to any coverage available to CITY. The applicable policies of insurance required by this Agreement shall include provisions for waiver of subrogation.

6.2.9 CONTRACTOR shall be responsible for any deductibles or self-insured retentions that it may carry.

6.3 CONTRACTOR shall procure and maintain in force during the term of this Agreement, Employee Fidelity Bond Insurance covering the services provided by CONTRACTOR under this Agreement in the amount of Five Hundred Thousand Dollars (\$500,000).

6.4 FORCE MAJEURE. Neither party shall be responsible for delays or failure in performance resulting from acts beyond the control of such parties. Such acts shall include, but are not limited to acts of God, strikes, riots, and acts of war, (whether or not formally declared), acts of terrorism, epidemics, fire, communication line failure, delays in manufacturing, distribution or transportation, earthquakes, or other disasters.

ARTICLE VII. – SUBCONTRACTORS, ASSIGNMENTS AND STAFFING.

7.1 SUBCONTRACTORS AND ASSIGNMENTS. The CONTRACTOR shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of the CITY, which approval shall not be unreasonably withheld.

7.2 CHANGE OF OWNERSHIP. Neither this AGREEMENT nor any interest herein may be assigned or transferred, voluntarily or by operation of law without prior written approval of CITY. In the event of a change of ownership of CONTRACTOR, the new entity shall agree in writing to accept in full, all terms

and conditions under the terms of this AGREEMENT for the time remaining, otherwise the AGREEMENT shall be deemed null and void.

- 7.3 STAFFING. CONTRACTOR shall provide personnel in sufficient numbers to ensure that all required services are performed. The CITY expects consistency and quality from the CONTRACTOR at staffing levels comparable to the standard of service established in Exhibit A, "Scope of Services".

Upon request by the CITY, CONTRACTOR shall prepare and submit audit reports to enable the CITY to determine if staffing levels and performance are in compliance with this AGREEMENT.

ARTICLE VIII. - INDEPENDENT CONTRACTOR

- 8.1 INDEPENDENT CONTRACTOR. The CONTRACTOR is and shall at all times remain to the CITY a wholly independent CONTRACTOR. Neither the CITY nor any of its agents shall have control over the conduct of the CONTRACTOR or any of the Contractor's employees, except as herein set forth. The CONTRACTOR shall not at any time, or in any manner, represent that it or any of its agents are employees of the CITY.

ARTICLE IX. - MISCELLANEOUS PROVISIONS AND EXCLUSIONS

- 9.1 NOTICE. Any notices, bills, invoices, etc. required by this AGREEMENT shall be deemed received on (a) the day of delivery if delivered by hand during the receiving party's regular business hours or by facsimile before or during the receiving party's regular business hours; or (b) on the second business day following deposit in the United States mail, postage prepaid to the addresses set forth above, or to such other addresses as the parties may, from time to time, designate in writing pursuant to this section.
- 9.2. ATTORNEY'S FEES. In the event that either party commences any legal action or proceeding to enforce or interpret the provisions of this AGREEMENT, the prevailing party in such action shall be entitled to reasonable attorney's fees, costs and necessary disbursements, in addition to such other relief as may be sought and awarded.
- 9.3 ENTIRE AGREEMENT. This AGREEMENT and all exhibits attached to this AGREEMENT represents the entire integrated agreement between CITY and CONTRACTOR, and supersedes all prior negotiations, representations or agreements, either written or oral. This AGREEMENT may be amended only by a written instrument signed by both CITY and CONTRACTOR.
- 9.4 EXHIBITS: PRECEDENCE. All documents referenced as exhibits in this AGREEMENT are hereby incorporated in this AGREEMENT. In the event of any material discrepancy between the express provisions of this AGREEMENT and

the provisions of any document incorporated herein by reference, the provisions of this AGREEMENT shall prevail.

- 9.5 GOVERNING LAW. The interpretation and implementation of this AGREEMENT shall be governed by the domestic law of the State of California.
- 9.6 CITY NOT OBLIGATED TO THIRD PARTIES. CITY shall not be obligated or liable under this AGREEMENT to any party other than CONTRACTOR.
- 9.7 SEVERABILITY. Invalidation of any provision contained herein or the application thereof to any person or entity by judgment or court order shall in no way affect any of the other covenants, conditions, restrictions, or provisions hereof, or the application thereof to any other person or entity, and the same shall remain in full force and effect.
- 9.8 CORPORATE HEADQUARTERS. The CONTRACTOR shall be required to have its corporate headquarters or maintain a field office or processing services office within a sixty-mile radius of the CITY.
- 9.9 ADDITIONAL SERVICES. In the event the CITY desires CONTRACTOR to perform additional services related to violations processing, moving violation analysis, public safety, automated issuance programs, parking management consulting services, on street/off street parking management services, court operations, records management, or other services not specifically outlined under this AGREEMENT, the CITY and CONTRACTOR may by written amendment to this AGREEMENT mutually agree to the terms and conditions of the provision of such additional services.
- 9.10 WESTSIDE CITIES BENEFITS CLAUSE. CITY shall be entitled to benefit from, or receive any cost savings or service enhancements resulting from the terms or provisions afforded the City of West Hollywood and/or the City of Santa Monica for parking citation processing and payment services. The CITY shall be afforded the same agreement language, terms, or provisions as each of the other respective Westside Cities to the extent that such language, terms, or provisions would be more favorable to CITY than the terms and conditions previously executed and in effect between the CITY and CONTRACTOR, but shall not be applied retroactively.
- 9.11 DOCUMENTS AND DRAWINGS. All data, information, documents and drawings prepared for CITY and required to be furnished to CITY in connection with this AGREEMENT shall become the property of CITY, and CITY may use all or any portion of the work submitted by CONSULTANT and compensated by City as CITY deems appropriate.
- 9.12 INFORMATION AND REPORTS. CONSULTANT shall, at such time and in such form as CITY may require, furnish such periodic reports and other information

concerning the status of the work as may be requested by CITY at no cost to CITY. CONSULTANT shall furnish CITY, upon request, copies of all documents and other materials prepared or developed in relation with, or as part of, the work performed under this AGREEMENT. Such documents shall be the property of CITY and CONSULTANT shall retain no ownership or other interest in those documents. Working papers prepared in conjunction with the AGREEMENT shall be turned over to CITY for safekeeping.

9.13 RECORDS AND INSPECTIONS. CONSULTANT shall maintain full and accurate records with respect to all matters covered under this AGREEMENT. CITY shall have access, without charge, during normal business hours to such records, and the right to examine and audit the same and to make transcripts therefrom, and to inspect all program data, documents, proceedings, and activities.

9.14 WHEN RIGHTS AND REMEDIES NOT WAIVED. In no event shall the making by CITY of any payment to CONSULTANT constitute or be construed as a waiver by CITY of any breach of covenant, or any default which may then exist, on the part of CONSULTANT, and the making of any such payment by CITY while any such breach or default shall exist shall in no way impair or prejudice any right or remedy available to CITY with regard to such breach or default.

EXECUTED the _____ day of _____, 20 ____, at Beverly Hills, California.

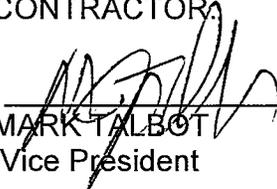
CITY OF BEVERLY HILLS
A Municipal Corporation

JIMMY DELSHAD
Mayor of the City of
Beverly Hills, California

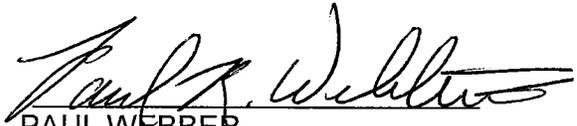
ATTEST:

_____(SEAL)
BYRON POPE
City Clerk

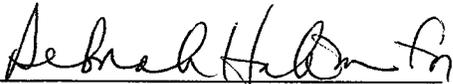
CONTRACTOR



MARK TALBOT
Vice President


PAUL WEBBER
Assistant Secretary

APPROVED AS TO FORM:


LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT:


DAVID D. GUSTAVSON
Director of Public Works &
Transportation

JEFFREY KOLIN
City Manager


CHAD LYNN
Director of Parking Operations


KARL KIRKMAN
Risk Manager

EXHIBIT A
SCOPE OF SERVICES

A. PROJECT NARRATIVE

The CITY shall manage the AGREEMENT, set specific policy and shall be responsible for its own debts and charges. The CITY reserves the right to establish and enforce its own terms and internal administrative procedures to impose performance penalties.

The CONTRACTOR will provide services to CITY under the same terms as those negotiated with the other Westside Cities. If the CONTRACTOR negotiates different terms with either Santa Monica or West Hollywood, the CONTRACTOR shall offer those terms to CITY within 10 days without demand. Failure to offer those terms to CITY within 10 days is a breach.

The Scope of Services of the AGREEMENT is comprised of several main components, or categories of responsibility, which include: General Information Processing; Data Processing; Correspondence Processing; Financial Deposits and Reconciliation; Customer Service Center; Reporting Requirements; and Adjudication Processing.

The CONTRACTOR shall be required to have its corporate headquarters, maintain a field office or processing services office within a sixty mile radius of the CITY. All services performed for this AGREEMENT by CONTRACTOR'S personnel or any of its subcontractors shall be located within the United States.

The AGREEMENT requires several "*dedicated*" staff positions to carry out independently executed contracts between the CONTRACTOR and the collective relationship of the respective Westside Cities consisting of a project manager, project analyst, payment processing clerk, quality assurance representative, two (2) reconciliation representatives, and nine (9) customer service representatives, (CSR). The CONTRACTOR shall be expected to have sufficient cross trained staff to meet all correspondence and payment processing requirements for the AGREEMENT.

Shared staffing for the "*dedicated*" functions listed above shall be at appropriate levels to maintain compliance with contractual service level agreement.

Upon the CITY'S request, CONTRACTOR shall prepare and submit audit reports to enable the CITY to determine if staffing levels and AGREEMENT performance are in compliance with this AGREEMENT. Complaints received by the CITY about the CONTRACTOR shall be forwarded to the CONTRACTOR within 72 hours. All complaints received

by the CONTRACTOR from the CITY shall be investigated and responded to in writing, by e-mail or telephone within (10) ten calendar days of receipt of notification of the complaint from the CITY. The report shall include the results of the investigation and, if applicable, the measures taken to prevent future complaints, including, but not limited to additional training and/or disciplinary action and/or penalties.

The project manager shall be the day to day point person with the accountability and responsibility of delegating all work functions required under the AGREEMENT and insuring AGREEMENT performance standards are met.

All employees shall be expected to receive training at a level to carry out the duties of the AGREEMENT with infrequent and reasonable human error.

All electronic and hard-copy information shall be stored and retained in accordance with the CITY'S records retention schedule. The CITY reserves the right to inspect stored records to ensure compliance with the CITY'S records retention policy.

The CONTRACTOR shall provide the necessary document management and information systems equipment to ensure that all required services are performed subject to defined performance standards.

The CONTRACTOR shall furnish a user's manual to the CITY. The manual should provide step-by-step instructions for accessing computer database information, and provide a list and description of any and all codes used in screens accessed by the CITY.

The CONTRACTOR shall present the CITY with a plan to implement business processing rules (BPR) which will be used to define procedures for handling both telephone calls and correspondence within thirty (30) days after the commencement of the effective date of the AGREEMENT. Unless extended by mutual agreement, the BPR's will be adopted by within 60 days from commencement of the agreement.

B. GENERAL INFORMATION PROCESSING

The CONTRACTOR is responsible for processing CITY'S citation correspondence and payments. The duties and tasks of General Information Processing shall include, but not be limited to the following actions:

1. Opening all correspondence;

2. Determining what action is required;
3. Entering what action was taken into the CONTRACTOR'S computer system (e.g. temporary suspension, letter to respondent, etc.);
4. Taking appropriate actions to ensure resolution of complaints or questions;
5. Implementing appropriate control and monitoring procedures to ensure that payments and correspondence are processed to completion;
6. Implementing appropriate quality control reviews to ensure that correspondence issues are addressed accurately and within the required deadline.
7. Providing the CITY with an operations/procedures manual and, required MIS reports listed in the scope of services by e-mail and/or hard copy in accordance with a mutually agreed upon schedule at no cost.
8. Providing a post office box within 60 miles of the CITY where all incoming correspondence and payments are to be mailed. Mail is to be picked up from the post office at least once per business day.
9. Providing a bonded courier to pick up and deliver batched parking citations, correspondence, and management reports to and from City Hall and/or parking enforcement's offices.

C. DATA PROCESSING

The duties and tasks of Data Processing shall integrate new citation records annually for the CITY. Actions shall include, but not be limited to the following procedures:

1. Uploading electronic citations within one (1) business day of receipt.
2. Providing the CITY with on-line confirmation, showing the number of citations transferred and received by the CONTRACTOR.
3. Maintaining system compatibility with handheld and handwritten citations with the capability of uploading all data fields that

appear on the Notice of Parking Violation attached herein to the scope of services as Attachment 1.

4. Coordinating any changes in policy or equipment with the CITY and/or handheld vendor.
5. Batching and entering handwritten citations into the system within two (2) business days from collection from the CITY'S enforcement office.
6. Filing and storing of citations in an easily retrievable format in accordance with the CITY'S records retention schedule.
7. Retrieving registered owner information for In-State and Out-Of-State plates.
8. Validation of DMV vehicle makes upon return of registered owner information to insure proper make of vehicle is issued citation.
9. Tracking and troubleshooting of DMV requests returned as incomplete or with an error code provided.
10. Maintaining on-line communications with the 50 State DMV headquarters and Transportation Ministries in Canada. .
11. Placing on-line DMV holds and/or releases on delinquent accounts daily.
12. Reporting of monthly holds placed and payments made at DMV.
13. Releasing registration holds daily upon the CITY'S request.
14. Maintaining editing capability to correct dates, suspend citations, and correct violation codes and fine amounts.
15. Identifying duplicate citations.
16. Maintaining and updating of a combined scofflaw file for all vehicles that are have accumulated five (5) or more delinquent parking citations in neighboring jurisdictions, as mutually agreed. The scofflaw file shall include jurisdictions that are clients of the CONTRACTOR that have been legitimately sanctioned in writing by the respective agency to access shared database information and tow the vehicle, subject to the provisions of CVC Section 22561.(i)(1).

17. Maintaining and updating of confidential vehicle file for exemptions authorized by the CITY that are downloaded to the parking enforcement handheld units.
18. Maintaining on-line communications during the principal hours of work (8 am to 5 pm Monday through Friday, except holidays) when the parking citation processing system, including all subsystems, is available to the CITY and to respond to public inquires.
19. Maintaining System availability at 98% per month. The CONTRACTOR shall provide objective and mutually agreeable methods of measurement to enable the CITY to monitor the availability level.
20. Updating of citation records and the ability to enter comments to a citation record.
21. Posting payment information from all sources within two (2) business days from the date and time received.
22. The CONTRACTOR shall extrapolate data from the CITY'S residential permit parking (RPP) database and the CITY'S open citation database to enforce CITY rules and regulations whereby parking permits are not be issued to any person who has outstanding parking tickets, with the goal of capturing unpaid citations before a parking permit is issued. The system shall be capable of identifying all types of parking passes issued by the CITY, whether they are new accounts or renewal applications. The CONTRACTOR shall have the capability to generate reports in accordance with Exhibit A, Section I. in this Scope of Services and queries on a daily basis.
23. Routing imaged correspondence in queues for review and action by CONTRACTOR and/or CITY staff.
24. Tracking of progress of payments, re-entered payments, change of ownership, declaration of non-ownership, refunds, correspondence and administrative review process.
25. Processing of on-line payments and requests for hearings by CITY website link, including the ability to have the contestant and/or the CITY upload attached documents and files.
26. Per California Vehicle Code Section 40200.3(b), the CONTRACTOR shall prepare a report at the end of each fiscal

year setting forth the number of cases processed and all financial and/or citation payments received and distributed, along with any other information that may be required in the CVC. This report is a public record and shall be delivered to the CITY at the end of each fiscal year. At the CITY'S request, the CONTRACTOR shall hire an auditor to prepare a report. The CITY shall pay the cost of the audit upon the CITY'S written approval of auditor's cost.

D. CORRESPONDENCE PROCESSING

The duties and tasks of Correspondence Processing shall include, but not be limited to the following actions:

1. Providing staff or a translation service with the required expertise to promptly and efficiently process and respond to all correspondence in English within two (2) business days from the date and time received.
2. Mailing of first notices, final notices, returned check notices, partial payment notices, DMV hold letters, administrative review and administrative hearing result letters, drive-away notices, delinquent notices and special collection notices or any other notices required by the CITY or CVC.
3. Sorting and batching all incoming correspondence by postmark date for payment posting and correspondence processing. Envelopes shall be kept on file with correspondence.
4. Formatting all notices and letters using Custom #10 window envelopes with the CITY'S return address. The interior #9 must also be customized with the CITY'S address that is post net bar-coded with FIM per the U.S. Postal Service requirements.
5. Processing of correction notices and notifying the CITY of citations unable to be entered because of incorrect information.
6. Generating required correspondence for incomplete or incorrect information or payments.
7. Forwarding correspondence to the CITY that is outside the scope of services and/or requires special attention.
8. Providing computer imaging hardware and software that is capable of integrating all aspects of work for correspondence received and generated by the CONTRACTOR.

E. FINANCIAL DEPOSITS & RECONCILIATION

The duties and tasks of Financial Deposits and Reconciliation shall include, but not be limited to the following actions:

1. Providing a separate Post Office Box for the CITY where payments, administrative review and administrative hearing correspondence, and other documents are to be mailed.
2. Providing a secure lockbox management system for the processing of payments. Mail pick-up from post office shall be at least once per day.
3. Sorting and batching all incoming mail by postmark date for payment posting.
4. Entering and processing payments received within one (1) business day from receipt, including opening all mail received, entering suspense date, verifying payment amounts, updating computer system, making daily bank deposits and weekly cash deposits by armored vehicle for payments received in lockbox.
5. Daily reconciliation of all payments entered with bank deposits.
6. Daily reporting of bank deposits made for the CITY. Bank deposits shall be made within 24 hours of processing of payment on a daily basis.
7. Filing and storing all source documents in an easily retrievable system available to the CITY within two (2) business days.
8. The CONTRACTOR'S system must track rebilling on partial payments, checks returned for insufficient funds, vehicle change of ownership, and re-entered citations for payment.
9. The CONTRACTOR must provide for payment by credit card (VISA and Master Card), and be capable of securing immediate authorization from the banking institution. Payments made by credit card are to be immediately updated in data base in real time. Payments will be made by automated telephone system.
10. Entering, processing, verifying and updating of all payments within one business day including credit cards, checks and cash collected by lockbox, on-line payments, and payment field office in accordance with acceptable financial practices.

11. Deposits shall be made into the CITY'S bank account daily. All credit card transactions, including but not limited to on-line and IVR transactions must be PCI certified.
12. The CITY may choose to use its own credit card merchant or the vendor account.
13. Reporting credit card payments by merchant ID on a monthly statement, and if necessary an optional monthly report with the citation number and citation amount.
14. On-line updating of monthly payments at DMV.
15. Providing the CITY with a field office for walk-in payments to be located within a 15 mile radius.
16. The CONTRACTOR shall have Check 21 capabilities.
17. The CITY will specify the bank to be used for daily bank deposits.
18. Payments to be applied to funds shall be reconciled each day before preparation of deposits.
19. Generating notices for partial payments.
20. Investigating cash overages and shortages of any amount each business day of the deposit date and reporting findings to the CITY.
21. Tracking partial payments and checks returned for insufficient funds.
22. Providing documentation to the CITY for processing refunds within 72 hours after confirmation a case has been dismissed and/or overpayment has been made.
23. Storing and filing all payment information to facilitate special collections and credit reporting services.

F. CUSTOMER SERVICE CENTER

The duties and tasks of the Customer Service Center shall consist of managing related calls, including, but not be limited to the following actions:

1. Providing the CITY with a domestic toll-free telephone line and a separate local line for international customers that is staffed between the hours of 8 a.m. and 5 p.m., Monday through Friday, except holidays and/or operational for payments by IVR 24 hours a day, 7 days a week.
2. Providing well trained, professional and courteous customer service personnel equipped to handle clerical, supervisory and managerial tasks for the CITY in compliance with the operations and quality assurance plans approved by the CITY.
3. Staffing and/or rerouting calls in the event the connection to the computer network is disrupted. The rerouting of calls will follow the CONTRACTOR'S business disaster recovery plan as outlined in Section 2.6.3 of the RFP response.
4. The CONTRACTOR shall be required to monitor and record calls for quality assurance subject to the same terms for English or Spanish speaking customers.
5. Operating a customized Interactive Voice Response (IVR) System in English and Spanish to accept payments and provide information. The automated system must provide real time information on each citation, including amount owed and open citations by license plate number. The IVR system shall be able to provide information on how to pay and contest citations. The IVR system shall offer the caller the option of transferring directly to a live customer service representative during normal business hours.
6. Monitoring the call acceptance rate, call completion rate and longest and shortest call wait time. An incomplete telephone call is defined as a call terminated after 30 seconds have elapsed from the time an individual's call is received in the CONTRACTOR'S telecommunications system.
7. Producing monthly reports for the CITY to verify AGREEMENT performance requirements. In order for the CITY to monitor the performance service levels described below, the CONTRACTOR'S telephone system must automatically provide the following reports:
 - a. Total number of incoming calls.
 - b. Total number of calls processed.

- c. Total number of calls handled by an automated voice response system.
- d. Total number of calls handled by public service representatives.
- e. Total number of calls disconnected as a result of a public "hang-up."
- f. Total number of busy calls.
- g. A system availability report to determine the time period of calls inaccessible due to failure of the CONTRACTOR'S system.
- h. Percentage of incoming calls completed.
- i. Average wait time per call.
- j. Average time per call, with high and low amounts.
- k. Monitoring the telecommunications system during business hours. The CONTRACTOR shall maintain and monitor recorded files of all conversations to ensure quality assurance and AGREEMENT performance levels are met.
- l. The CITY requires a computerized or digital responding system accessible by the CITY that attaches a recorded call to a citation record.
- m. Making hourly adjustments to staffing levels based on volume of calls received and average wait time.

G. INVOICING REQUIREMENTS

Each invoice will include a report on the following by month:

- 1. Citations Issued:
 - a) # of citations updated to the system.
- 2. Electronic payment:
 - a) # and amount of citations paid by phone, by date.
 - b) # and amount of citations paid by WEB, by date.
 - c) Amount of merchant account processing fee for WEB and for phone payments.
- 3. Payments Processed by the CITY:
 - a) # and amount of citations processed by the CITY
- 4. Collections:
 - a) # and amount of delinquent citation collections, specifying collection fees.
- 5. Handheld Equipment

H. ADMINISTRATIVE ADJUDICATION PROCESS

The duties and tasks of the Administrative Adjudication process shall include, but not be limited to the following actions:

1. The CONTRACTOR shall coordinate the administrative review process following prescribed timelines and processes for persons contesting parking citations in accordance with the laws of the State of California.
2. Scheduling weekly hearings conducted in-person every fifteen minutes, and/or by written declaration. The CITY'S hearings shall be scheduled as mutually agreed approximately three weeks in advance.
3. The CONTRACTOR shall provide staff to prepare all documentation related to a case and assemble an electronically transmitted file or hard copy data file into a case folder that must be delivered to the appropriate hearing location. Individuals may be given the option by letter to choose to report to alternate locations set up by the CITY for in-person hearings other than Beverly Hills City Hall.
4. Hearings by written declaration are distributed to evenly distribute work flow, and supplement the hearing officer's time at each location. Written declarations are not necessary assigned to the issuing agency that generated the citation. The CONTRACTOR shall not maintain a backlog of written declarations.
5. The CONTRACTOR shall respond to individuals submitting requests on-line. The CONTRACTOR shall provide electronic return receipt confirmation for all payments and/or administrative review requests made through the internet by sending an e-mail to the individual by e-mail before the next business day. The CONTRACTOR shall provide an on-line scheduling service to individuals submitting requests for hearings via the internet, indicating availability of specific hearing dates and times by specific City location. The individual will be e-mailed a receipt indicating the date, time and location of the hearing with any appropriate instructions for each citation contested.
6. The CONTRACTOR shall develop a method to transfer hearing files to the CITY and the hearing examiner to process electronically.

7. The hearing schedule shall be accessible to the hearing examiner and City on-line, sorted by date, indicating the time of the hearing, name of the individual requesting the hearing, citation number, license plate number, violation code, the name of the City where the citation was issued, and the name of the City where the hearing is scheduled. Changes to the schedule shall be updated or revised by the processing agency and transmitted to the CITY prior to the day of the hearing in real time to reflect any cases that have been added or rescheduled.
8. The processing agency shall have the capability of receiving the hearing examiner's decision on-line by e-mail. The hearing examiner shall provide the processing agency with transmittal indicating the number of cases forwarded by e-mail, and the processing agency shall confirm the number of cases received in real time. The hearing examiner shall forward a computer disk containing the disposition of cases to the processing vendor according to the CITY'S instructions.
9. The CITY and the hearing examiner will receive weekly update reports by hard copy and/or by e-mail for any cases that do not have a decision entered and are outstanding for seven (7) days or more. The individual contesting the citation will receive a response to the hearing by the processing agency in the manner requested by the individual, by first class mail or e-mail.
10. The CONTRACTOR shall utilize document imaging technology for files received by the processing company and transferred to the hearing officer pending disposition of each case.
11. The CONTRACTOR shall track all citations and disposition report data information to the CITY on a daily basis.

I. REPORTING REQUIREMENTS

A statistical report will be provided, with comparative data for the CITY, with current YTD data and two prior fiscal years (July through June) as needed for benchmarking, in a mutually agreed format on a quarterly basis.

1. # citations issued

2. % paid prior to issuance of 1st notice, after issuance of 1st notice, of total issued
3. % dismissed
4. % closed (paid/dismissed)
5. # citations matched to DMV data, matched to CA DMV data, matched to out-of-state DMV data
6. # delinquent notices issued
7. # citations sent to collection
8. amount of gross collections
9. # citations paid
10. amount/# of bounced check fees paid
11. amount/# processed by lockbox
12. amount/# processed by City cashiering
13. amount/# processed by WEB payment
14. amount/# processed by Pay By Phone
15. amount/# processed by DMV payment
16. amount/# refunds issued
17. average amount of gross/net ticket collected
18. amount/# of tickets paid by special collections
19. amount of collections fee for special collections
20. # of customer service calls dialed in/completed
21. average delay/length in minutes in answering customer service calls
22. # of customer correspondence received

The CONTRACTOR must generate management information system (MIS) reports monthly documenting:

1. Outstanding correspondence (beginning backlog);
2. total pieces of correspondence received;
3. total pieces of correspondence processed;
4. remaining correspondence (ending backlog); and
5. Any unresolved correspondence.
6. Citations transmitted
7. Citations received
8. Administrative reviews requested
9. Administrative reviews (1st level) assigned
10. Administrative reviews (1st level) completed
11. Administrative reviews (1st level) outstanding
12. Administrative hearings (2nd level) requests received
13. Administrative hearings (2nd level) assigned on docket
14. Administrative hearings (2nd level) completed with disposition
15. Administrative hearings (2nd level) outstanding without disposition

J. HANDHELD EQUIPMENT

1. Motorola MC9500 Mobile Devices

- a. includes: Brick, 802.11 a/b/g, EVDO, T-Mobile/AT&T, 2D, GPS, 3MP Camera, 128/512, Alphanumeric, WM6.x; Desk Mount (or Wall Mount Option), Four Bay Ethernet Charge only kit (includes desk mounting bracket, guide cup kit, power supply, DC line Cord, US three wire grounded AC power line Cord); 3 day turn, comprehensive, 3 yr term.

2. O'Neil microFLASH 2te Mobile Printers

- a. includes: microFLASH 2te Thermal Printer (Bluetooth) with swivel, 4MB Flash, 2MB RAM; AC Adapter; Soft Case; 5 year (5 day) Depot Service Comprehensive Coverage

EXHIBIT A-ATTACHMENT 1

CITY OF BEVERLY HILLS NOTICE OF PARKING VIOLATION

City of Beverly Hills Notice of Parking Citation		
CITATION #		
DATE	TIME ISSUED	
LICENSE PLATE NUMBER		
STATE	LENGTH	YEAR
VEHICLE MAKE	COLOR	TYPE
VIN NUMBER		
LOCATION	ROUTE	
METER NO.	AGENCY	
OFFICER	ID	
VIOLATION CODE	DESCRIPTION	
		
COMMENTS		
<p>WARNING: Failure to pay the amount due or contest this citation within 21 days will result in your penalty amount doubling and the right to contest this citation will be waived. See reverse side for important instructions.</p>		

City of Beverly Hills Notice of Parking Citation											
Payment Options:											
By Phone: 1-800-782-1195											
By Web: www.beverlyhills.org											
By Mail: City of Beverly Hills, PO Box 515257, L.A., CA 90051-8557											
In Person: 9911 West Pico Blvd. Suite D-201, L.A., CA 90035 *No cash and payments accepted at this location.											
<p>Make check or money order payable to the City of Beverly Hills. Write the citation number on the check. Payment is required no later than 21 days from the date of the violation (CVC 40202). Please use the envelope provided. DO NOT SEND CASH</p>											
To Contest a Citation:											
<p>If you wish to contest the citation you must request an Administrative Review by mail within 21 days from issuance date (CVC 40215). Please state the reasons for contesting the citation and include a copy of all applicable documents. Documents submitted will not be returned. Mail your request to "Citation Review Center" PO Box 515258, L.A., CA 90051-8558.</p>											
Correctable Violations:											
(CVC 5200 and 5204a)											
<p>Provide proof of correction for missing front plate (CVC 5200) or missing/expired tabs (CVC 5204 a) within 21 days of the citation's issuance and the penalty will be reduced to \$10.00.</p>											
<table border="1"> <thead> <tr> <th colspan="3">CERTIFICATE OF CORRECTION</th> </tr> <tr> <td colspan="3">BADGE NO.</td> </tr> <tr> <td>OFFICER'S SIGNATURE CVC:</td> <td>5200</td> <td>5204</td> </tr> </thead> </table>			CERTIFICATE OF CORRECTION			BADGE NO.			OFFICER'S SIGNATURE CVC:	5200	5204
CERTIFICATE OF CORRECTION											
BADGE NO.											
OFFICER'S SIGNATURE CVC:	5200	5204									
<p>For Further Information or Questions: Telephone: 1-800-752-1195 Website: www.beverlyhills.org</p>											

EXHIBIT B
AGREEMENT Deliverables
City Of Beverly Hills

1. Handhelds with current Pocket PEO – Within 90 days from CITY provided notice to proceed on this item
2. Pocket PEO Hand held enhancement (Wireless, Audio and LPR) – Within 90 days of CITY provided notice to proceed on this item
3. Preferential Permit Parking – To be determined based on CITY provided notice to proceed on this item
4. eTIMS Online Cashiering – Within 90 days of execution
5. Web Portal – Within 120 days of execution
6. GIS – Completed
7. Imaging Workflow – Completed
8. Adjudication Enhancement – June 2011
9. Check 21 – February 2011
10. Online access to CA DMV – Within 30 days from execution
11. Credit Bureau Reporting – Within 90 days from CITY provided notice to proceed on this item
12. Customer Service Audio Recording - June 2011
13. Business Objects – August 2011
14. OMS – September 2011
15. Enforcement Dashboard – October 2011
16. Collections Dashboard – November 2011

EXHIBIT C
PERFORMANCE STANDARDS & PENALTIES

The AGREEMENT shall have penalties for non-compliance for services to ensure acceptable levels of performance. The CITY reserves the right to waive any performance penalty at its discretion. The assessment or non-assessment of penalties, however, does not affect the CITY'S option to terminate the AGREEMENT for repeated failure to comply with service levels.

The penalties associated with non-compliance shall be established by the level of severity.

Penalties shall be applied by CITY if the performance standard applies.

A. STAFFING LEVELS

1. Staffing levels require dedicated staff at both the management and clerical levels. Included in the former are a dedicated Project Manager and Project Analyst. The latter is comprised of nine (9) customer service representatives, one (1) payment processing clerk, one (1) quality assurance clerk, and two (2) reconciliation representatives. In the case of any unforeseen absences or resignations at the management level, CONTRACTOR shall notify the CITY within 48 business hours and assign a suitable substitute as a temporary basis until a permanent replacement is hired. If the CONTRACTOR'S clerical staffing level drops below the minimum staffing requirements in this AGREEMENT, a penalty of \$200 per day for each vacancy will be charged if customer service levels drop below their requirements and will continue to be assessed until failure to address quality assurance standards, customer service, and payment processing and data entry service levels are restored.

B. DELAY IN PROCESSING PAYMENTS AND/OR CORRESPONDENCE

1. The CONTRACTOR and CITY shall develop business processing rules (BPR) which will be used to establish policies for handling and processing correspondence / payments. The BPR will be used to determine accuracy in processing as well as, identifying contractor errors.
2. Payments and correspondence shall be processed in the manner and timeframe listed in the scope of services in accordance with the established business processing rules (BPR).

3. If payments are not processed, verified, entered and updated within one business day, failure to meet this requirement will result in a penalty of an amount equal to the interest income lost to the CITY for the amount of the late deposit. The interest income shall be determined by the CITY. In addition, a penalty will be assessed per the structure below for each occurrence of payments not processed in a given month.

First occurrence in month = \$200 penalty

Second occurrence in month = \$300 penalty

Third occurrence in month = \$400 penalty

Fourth occurrence and above in month = \$500 penalty

4. The CONTRACTOR shall reimburse the CITY each month for any accumulated account shortages, plus the amount of interest income lost.
5. Because missed pickups result in late posting of payments received, there will be a penalty for each batch of mail not picked up from the USPS at the designated time. The penalty will be assessed per the schedule below for each occurrence of missed mail pickups from the USPS per month.

First occurrence in month = \$200 penalty

Second occurrence in month = \$300 penalty

Third occurrence in month = \$400 penalty

Fourth occurrence and above in month = \$500 penalty

6. If the CONTRACTOR fails to process 100% of all correspondence within two business days, a penalty of \$200 will be charged for each whole or partial percentage point below the standard.

C. PROCESSING ERRORS

1. The City will hold the CONTRACTOR responsible for errors that results in the permanent suspension of a citation under the following circumstances:
 - a.) The CONTRACTOR did not comply with the written procedures established by the City for the processing of parking citations.
 - b.) As the result of CONTRACTOR error, the citation was not accorded due process according to the California Vehicle Code and as a result had to be dismissed by the

Exhibit C, Page 2

CITY's Project Director or CITY's Administrative Hearing Examiner.

The CONTRACTOR's responsibility in these cases shall be equal to the base fine for the violation, plus any accrued penalties. Additional penalties may apply in accordance with section K. Business Processing Rules.

2. The CONTRACTOR shall be responsible for batching and mailing correspondence such as scheduling and distributing files for administrative reviews either manually or electronically no later than two business days from date of receipt. There will be a penalty of \$100 per file for each day of delay beyond the requirement above, not to exceed \$500 for each occurrence per day.

D. COMPUTER MALFUNCTIONS OR INTERRUPTIONS

1. The CONTRACTOR shall correct, at no cost to the CITY, all system malfunctions and errors.
2. The computer network must maintain on-line system availability at 98% during principal hours of work when the parking citation processing system, including all subsystems, available to the CITY and the public for its intended use. The principal hours of work are defined as being Monday through Friday between 8:00 am and 5:00 pm (except holidays). During non-principal work hours, the system must maintain 95% availability between 5:01 pm and 11:59 pm and 90% availability between 12:00 am and 7:59 am. Pre-scheduled maintenance shall not count towards this calculation provided the maintenance was pre-approved by the CITY.
3. The system availability requirement shall not be in effect during the period of time that the CONTRACTOR is experiencing a catastrophic failure, at which time the standards governing catastrophic failure supersede system availability standards. If the CONTRACTOR experiences catastrophic failure and is unable to completely resume service levels within three days the CONTRACTOR shall credit the CITY an amount double the cost incurred by the CITY to reenter any data lost as a result of system failure should the CONTRACTOR fail to reenter said data within one week after the occurrence of such failure.
4. The CONTRACTOR shall agree to provide access to e-TIMS through the internet and make the system available during the principal hours of work as defined in section D. (2.) above.

5. The CONTRACTOR shall provide objective and mutually agreeable methods of measurement to enable the CITY to monitor the availability level. In the event an availability level of 98% is not maintained for any calendar month, the CITY shall reduce the CONTRACTOR'S invoice for that month by subtracting the actual availability level percentage from the 98% standard. The citation processing monthly invoice shall be reduced by the resulting percentage. For example, if the availability level is 84%, the reduction would be 14% of that month's citation processing invoice.

E. SYSTEM DISCONTINUANCE

1. The CONTRACTOR shall provide a minimum of one (1) year's written notice of intent to cancel support or maintenance of the existing ticket management system. Failure to comply with this requirement will result in penalties of \$500 per day for each day less than one year's notice.

F. SYSTEM HARDWARE REPLACEMENT

1. The CONTRACTOR shall agree to repair or replace, within eight (8) hours or the end of the next business day of receipt of notification from the CITY, whichever occurs first, CONTRACTOR'S system hardware, personal computers, Local Area Network hardware, and printers which fail to perform, in accordance with the specifications set forth in the RFP.

The term 'hardware' does not include handheld units, printers, License Plate Recognition units (LPR) equipment, or other specialized equipment that may require special order from a third party vendor. The repair or replacement of such specialized equipment will be covered separately by individual maintenance agreements acquired as part of the equipment purchase.

If the CONTRACTOR fails to provide this level of service, there will be a penalty of \$100 per hour, per piece of hardware, for each hour that any hardware remains inoperable.

2. The CONTRACTOR shall provide a terminal response time level of five (5) seconds maximum for 95% of all transactions processed, excluding inquiry transactions by name. The CONTRACTOR must measure and report terminal response time the CITY on a monthly basis. The City will have access to e-TIMS through existing CITY internet connections. As such, the response time will be measured from the time the request enters the CONTRACTOR's network and the time the response is returned to the CITY'S network. If the

CONTRACTOR fails to provide this level of service, the CITY shall be entitled to a credit against the monthly system charges billed by the CONTRACTOR equal to 1% of the citation processing charges billed by the CONTRACTOR for each whole second above the maximum.

G. CUSTOMER SERVICE CENTER

1. A 96% call completion rate must be maintained by the CONTRACTOR. The call completion rate shall be calculated by taking the call completion total against the total calls accepted. Each lost call in excess of the 4% maximum for incomplete calls is subject to a \$20 penalty per call.
2. If the average answer delay in the call center exceeds two minutes in any given month a penalty of \$250 will be charged for each quarter minute over two minutes of average answer delay, or wait time.

H. REPORTS

1. The CONTRACTOR shall provide the CITY with on-line reports. If the CONTRACTOR fails to provide required reports as per this AGREEMENT, a penalty of \$50 per report, or \$500, whichever is less, will be charged for each day that the reports are late.

I. CASHIERING OFFICE

1. The interior appearance of the public area in the building shall be consistent with, and held to general workplace standards and characteristics representative of that maintained by the CITY. Staff coming in contact with the public shall wear a badge with their first name.
2. If, after initial CITY approval of a cashiering location, the office is found to be in a substandard condition as determined by the CITY, the CITY will notify the CONTRACTOR in writing, giving ten (10) business days for the condition to be corrected. If after ten (10) business days the condition is not corrected, a penalty of \$100 per business day will be charged until the location is in compliance.
3. The customer wait in line the cashiering office shall not exceed an average of 15 minutes. The CONTRACTOR shall have the responsibility for clarifying how wait time will be objectively monitored to ensure that this service requirement is being met. The penalty for failure to meet this performance standard is \$100 for

each hour where each day exceeds the 15 minute average, not to exceed \$500 for any 24 hour period.

K. BUSINESS PROCESSING RULES

1. The CONTRACTOR shall present the CITY with a plan to implement business processing rules (BPR) which will be used to define procedures for handling both telephone calls and correspondence within thirty (30) days after the commencement of the effective date of the AGREEMENT. Unless extended by mutual agreement, the BPR's will be adopted within 30 days of execution.

The following penalty structure will apply if CONTRACTOR errors exceed the below listed numbers on a monthly basis:

0-10 errors	No additional penalty over that stated above
11-20 errors	\$200 per month
21 errors and above	\$500 per month

Penalties will not be assessed when non-compliance with any performance standard is deemed to be the cause by circumstances beyond the control of CONTRACTOR. The CITY's Project Manager may waive any penalty.

EXHIBIT D HANDHELD UNITS AND PRINTERS SERVICE LEVEL AGREEMENT

The AGREEMENT shall have a Service Level Agreement ("SLA") for the CONTRACTOR to provide the CITY with Handheld Ticket Issuing Computers ("Handhelds"), thermal ticket printers ("Printers"), and associated support accessories as detailed below. The SLA contains penalties for non-compliance for services to ensure acceptable levels of performance. The CITY reserves the right to waive any SLA performance penalty at its discretion. The assessment or non-assessment of penalties, however, does not affect the CITY'S option to terminate the AGREEMENT for repeated failure to comply with service levels.

A. PERFORMANCE LEVELS

1. CONTRACTOR shall maintain 90% fully functioning handheld units and printers to the CITY at all times during the term of the AGREEMENT. CONTRACTOR may provide additional spare units for use by the CITY at no additional cost to the CITY to meet this standard. Failure to maintain 90% fully functional handheld units and printers shall result in CONTRACTOR paying a penalty of \$250 per unavailable unit per day until the 90% level is satisfied.
2. CITY will make a best faith effort to notify CONTRACTOR within 48 hours (business days) of any equipment being disabled. To ensure ability of CONTRACTOR to meet 90% fully functional handheld and printer requirement and to avoid stockpiling of disabled equipment that could trigger SLA penalties, CONTRACTOR will have a 72 hour grace period before penalties will begin to apply.

CITY will make a best faith effort to avoid situations where CONTRACTOR receives a quantity of disabled equipment all at one time that triggers SLA penalties.

B. EQUIPMENT PERFORMANCE REQUIREMENTS

1. Handheld Computers Specifications: CONTRACTOR shall insure handheld computer selected meets the minimum specifications listed below. CONTRACTOR can offer handheld units capable of additional features for future implementation as well:
 - i. Lithium ION Battery with sufficient battery life or hot swappable battery to last a minimum of an eleven (11) hour shift within a 24-hour period with only one (1) swap of battery. Temperature rated to 160°F storage
 - ii. Keyboard — 26 Alpha, 10 numeric or QWERTY based on CITY selection with backlight
 - iii. Color Camera with Flash
 - iv. GPS enabled
 - v. Bar Code 1D & 2D Reader Capable WiFi enabled
 - vi. 320x240 resolution color display

- vii. 128MB RAM with additional 512MB Flash Ram minimum
Windows CE 5.0 or higher
 - viii. Audio recording capability in background when enabled while
utilizing other features/programs
2. Printer: May be integrated printer as part of hand computer or
separate unit with wireless connectivity.

C. EQUIPMENT

1. CONTRACTOR shall provide forty (40) Motorola MC9500 handheld
computers with T-Mobile/AT&T Wireless Network Access. Each unit
will have two (2) hot swappable batteries to provide for a minimum of
an eleven (11) hour shift within a 24-hour period.
2. CONTRACTOR shall supply sufficient quantities of the following items
to support the MC9500 handhelds:
- i. Replacement batteries (to replace spare batteries during term of
5-year SLA)
 - ii. Handheld charging and Ethernet communication stations
 - iii. Spare battery charging stations
 - iv. Power supply units and associated cabling to CITY provided
power and network access points
 - v. Handheld holsters
 - vi. Five (5) year handheld warranty (Warranty for sixth and
subsequent years at option of City)
3. CONTRACTOR shall provide CITY forty (40) Datamax O'Neil
Motorola microFlash 2Te printers. Each unit will have a cigarette
lighter car charger adapter to provide for a minimum of an eleven (11)
hour shift.

CONTRACTOR shall supply sufficient quantities of the following items
to support the microFlash 2Te printers:

- i. Charging unit
 - ii. Cigarette charger unit
 - iii. Carrying case
 - iv. Replacement batteries
 - v. Five (5) year printer warranty (Warranty for sixth and subsequent
years at option of City)
4. CONTRACTOR will be responsible for maintaining operation of all
provided equipment. The CITY will be responsible for damage/repairs
caused by abuse or neglect to include damaged cradles, damaged
batteries and damaged battery chargers. CITY will also be
responsible for replacing miscellaneous items such as lost/broken
stylus pens, handheld straps, screen protectors and holsters.

5. CITY must provide an incident report in a mutually agreed upon format to the CONTRACTOR for equipment that needs replacement, repair or warranty service.

D. TERM

The SLA will be for 5-years and will be co-terminus with the base contract. At the end of 5-years the CITY will own the equipment and have the option to continue operating the equipment (at the City's own support cost) or to have a technology refresh and evaluate new equipment. If selected, the technology refresh option will include testing by the CITY of new equipment options. Technology refresh pricing will be based on new equipment selected by the CITY and be part of any AGREEMENT extension. Prices on new technology will be negotiated by the parties.

E. SOFTWARE

Handheld equipment will be provided with PocketPEO or other mutually approved ticket issuance software. CONTRACTOR will be responsible for providing applicable software updates as they are available. Software upgrades will be done in consultation with the CITY.

When software upgrades are conducted, CONTRACTOR will work with the CITY to coordinate upgrades. CITY and CONTRACTOR will coordinate efforts to ensure and test that all handhelds received the software updates. Specific responsibilities for software updates to be mutually agreed upon by both parties and will be based on the type of software update being performed.

If the CITY chooses to load additional software onto the handheld or printer devices, additional power requirements (such as, but not limited to additional batteries or installation of in-car chargers), support, setup, reconfigurations may be required. Both parties will mutually agree to specific responsibilities and any additional costs that may apply in writing, in advance of loading additional software applications onto the handheld and printer devices.

CONTRACTOR notes that loading software and allowing access over internet, brings risks and recommends to continue running Motorola's AppCenter software utility. AppCenter is fully customizable and allows an administrator to specify which programs a user may run and which programs a user may not run. The applications would be started using AppCenter.

F. CONTRACTOR RESPONSIBILITIES

1. Maintain operation of all provided equipment including handheld units, printers and associated accessories.
2. Provide equipment as specified in Item C to also include appropriate power surge protectors for the charging of both handhelds and printers.

3. Assist the City with installing and configuring the system in the CITY designated office space.
4. Provide PocketPEO or other mutually approved ticket issuance software as described in Item E.
5. Cost of courier pick-up/delivery and cost of shipping for all equipment service and repair.
6. Provide on-going equipment training to designated CITY staff to be scheduled between the CITY and the CONTRACTOR upon the CITY'S request.
7. All equipment costs, applicable taxes, and the cost of shipping.

G. CITY RESPONSIBILITIES

1. Costs associated with wiring their offices for power, Ethernet connectivity, and internet access to CONTRACTOR network, as well as costs to construct the CITY office space for storing and charging the equipment (shelving, server racks, etc.).
2. Providing power for charging the handheld units, printers, and spare batteries.
3. Allow a minimum of 6 hours between shifts to allow for full recharging of handheld batteries and printer batteries. To meet the eleven hour (11) shift requirement, CITY must ensure batteries are fully recharged between each shift and send fully charged batteries out with the enforcement officers.

If the CITY chooses to use the handheld and printers in a time period that does not allow for sufficient recharging of batteries, CITY can choose to purchase (at CITY cost) additional batteries and chargers. Specific equipment required to be discussed by both parties to best meet the CITY'S needs.

4. Providing Ethernet access for the handheld units to the CONTRACTOR system for data transfers to/from CONTRACTOR system.

CONTRACTOR is responsible for providing access from the CONTRACTOR'S system to the CITY termination point. CITY is responsible for the network beyond the termination point to include servers, LAN connections, network, firewall, etc. CONTRACTOR shall be responsible for meeting the IT security requirements of CITY or shall provide their own network at CITY.

5. Ensuring that designated CITY staff that is assigned to use the equipment receives proper training.
6. Replacing miscellaneous items such as lost/broken stylus pens, handheld straps, screen protectors and holsters. The CITY can

request replacement items to be provided by the CONTRACTOR and invoiced as delivered or utilize approved items from a vendor of CITY'S choice.

7. All consumable materials to include thermal ticket stock and ticket envelopes. At CITY's request, the CONTRACTOR can provide consumable items for the handheld units as a monthly pass-through cost.
8. Costs associated with providing wireless communication costs for the handheld units. This functionality is an option to be selected at the CITY's discretion to provide real-time communication for the handheld units. It is not required for the handheld units to issue tickets. At the CITY'S request, the CONTRACTOR can provide wireless communication for the handheld units as a monthly pass-through cost.
9. Submit incident report along with broken or damaged equipment or equipment that is need of repairs or servicing.
10. CONTRACTOR will provide CITY with a weekly list of handheld equipment that has communicated to the CONTRACTOR'S system. This will assist with ensuring compliance with 90% equipment availability.

CONTRACTOR will also supply a weekly list that provides ongoing status updates of equipment submitted by CITY for repair or servicing. This list will detail handheld ID#, date received, action item/status, scheduled date for return to service, date shipped back to CITY.