



AGENDA REPORT

Meeting Date: December 18, 2012

Item Number: G-5

To: Honorable Mayor & City Council

From: David L. Snowden, Chief of Police

Subject: RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS AUTHORIZING THE APPLICATION FOR AND ACCEPTANCE OF A GRANT UNDER THE FISCAL YEAR 2010 STATE HOMELAND SECURITY GRANT PROGRAM FOR THE PURCHASE OF AUTOMATED LICENSE PLATE RECOGNITION SYSTEMS; AND

AUTHORIZING THE CITY MANAGER TO APPROVE AN AGREEMENT AND A PURCHASE ORDER WITH 3M (FORMERLY PIPS TECHNOLOGY) IN AN AMOUNT NOT TO EXCEED \$57,000 FOR PURCHASE AND INSTALLATION OF AUTOMATED LICENSE PLATE RECOGNITION SYSTEMS; AND

APPROPRIATION OF \$48,921 TO FUND THE PURCHASE OF AUTOMATED LICENSE PLATE RECOGNITION SYSTEMS

Attachments:

1. Resolution
2. Bid No. 13-15
3. Bid Winning Proposal

RECOMMENDATION

Staff recommends that the City Council adopt the resolution authorizing application for and acceptance of grant funding from the County of Los Angeles, authorize the City Manager to execute an agreement with 3M (formerly PIPS Technology) and issue a purchase order in an amount not to exceed \$57,000 for the purchase of mobile Automated License Plate Recognition (ALPR) systems and appropriate funds as follows:

<u>FROM</u>	<u>TO</u>
\$48,921 01 General Fund - Unrestricted Fund Balance	\$48,921 Police SHSGP 2010 Grant 1902105F026 -74101 Photo and Precision Equipment

INTRODUCTION

The State Homeland Security Grant Program (SHSGP) is a core homeland security assistance program offered by the United States Department of Homeland Security. This program provides funds to build capabilities at the State and local levels through planning, equipment, training, and exercise activities and to implement the goals and objectives included in State Homeland Security Strategies and initiatives in the Program and Capability Enhancement Plan. SHSGP funding also supports the four mission areas of homeland security—prevent, protect, respond, and recover. The 2010 SHSGP grant program for the Los Angeles area is administered by the County of Los Angeles.

DISCUSSION

The City has been awarded additional funding under the FY2010 SHSGP grant program. This \$48,921 in grant funding will be used to purchase three (3) mobile ALPR systems and install them in police vehicles. This equipment will assist law enforcement in recovering stolen vehicles, apprehending wanted persons, locating missing persons, etc. Data collected by the equipment will also be shared with allied agencies and assist the region in apprehending criminals and identifying other homeland security threats.

On October 22, 2012 staff released RFP #13-15 for Automatic License Plate Recognition Mobile Camera System. The City received one (1) bid from 3M formerly PIPS Technology. The cost for the purchase and installation of three (3) ALPR systems from 3M (formerly PIPS Technology) totals \$52,650 without tax.

Due to the recent notification by the County of Los Angeles about the award of this grant and the short deadlines imposed by the US Department of Homeland Security for the City to perform grant related activities, the agreement with 3M formerly PIPS Technology has not been finalized. Staff recommends that the City Council authorize the City Manager or his designee to negotiate the terms of the agreement, execute the agreement, and approve the issuance of the purchase order to 3M (formerly PIPS Technology) not to exceed \$57,000.

FISCAL IMPACT

The cost for the purchase and installation of three (3) mobile ALPR systems is estimated to total \$56,994. The City will be reimbursed by the County of Los Angeles for authorized grant expenditures up to a maximum of \$48,921. The remaining \$8,073 will be funded by the Police Department's Patrol Bureau equipment budget.

The grant purchases will increase the Police Department's Internal Service Fund charges by approximately \$14,000 per year, beginning in FY13/14, because the ALPR

systems will be included in each vehicle's replacement charge schedule. This increase in Internal Service Fund charges will allow for the eventual replacement of the ALPR equipment when the vehicle is replaced. When future funding opportunities arise, the Police Department will continue the expansion of the City's ALPR program. In order to eventually outfit all police patrol vehicles with ALPR technology, the department intends to make the up-front purchases of this technology with grant or other non-General Fund funding and then include the purchased ALPR equipment on the vehicles' replacement schedule.


David L. Snowden
Approved By


Noel Marquis
Approved By


David Schirmer
Approved By

Attachment 1

RESOLUTION NO. 12-R-_____

RESOLUTION OF THE COUNCIL OF THE CITY OF
BEVERLY HILLS AUTHORIZING THE APPLICATION FOR
AND ACCEPTANCE OF A GRANT UNDER THE FISCAL
YEAR 2010 STATE HOMELAND SECURITY GRANT
PROGRAM FOR THE PURCHASE OF AUTOMATED
LICENSE PLATE RECOGNITION SYSTEMS

The Council of the City of Beverly Hills does hereby resolve as follows:

Section 1. The County of Los Angeles administers the FY2010 STATE
HOMELAND SECURITY GRANT PROGRAM grant for the Los Angeles County region.

Section 2. The City hereby appoints the City Manager or his designee as
agent of the City of Beverly Hills to apply for and accept a grant from the County of Los
Angeles, and to execute and submit all documents including, but not limited to, applications,
agreements, amendments, and payment requests, which may be necessary for administration of
the Grant.

Section 3. Appropriation of funds in the amount of \$48,921.00 is authorized
as follows:

	<u>FROM</u>		<u>TO</u>
\$48,921	01 General Fund Unrestricted Fund Balance	\$48,921	1902105F026-74101 Grant Photo and Precision Equipment

Section 4. The City Clerk shall certify to the adoption of the Resolution and
shall cause the Resolution and his certification to be entered in the Book of Resolutions of the
Council of the City.

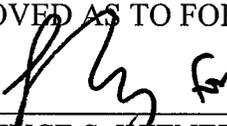
Adopted:

WILLIAM W. BRIEN, M.D.
Mayor of the City of Beverly Hills,
California

ATTEST:

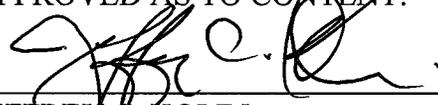
(SEAL)
BYRON POPE
City Clerk

APPROVED AS TO FORM:



LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT:



JEFFREY C. KOLIN
City Manager



NOEL MARQUIS
Acting Director of Administrative Services



DAVID L. SNOWDEN
Chief of Police

Attachment 2



RECEIVED
CITY OF BEVERLY HILLS
2012 NOV - 8 P 2:08
CITY CLERK'S OFFICE

Police

Issuing Department
SUMMARY OF BIDS

BID NO.: 13-15

BID OPENING DATE: NOVEMBER 8, 2012

NAME OF BID: ALPR MOBILE CAMERA SYSTEM/
MULTIPLE SYSTEM

VENDOR	BID	PARTIAL BID	NO BID	NO RESPONSE
<u>3M - FORMERLY PPS TECHNOLOGY</u>				
<u>ITEM 1) 2 ALPR CAMERAS</u>	<u>PARTS \$33,100.00</u>	<u>INSTALL/LABOR \$2,080</u>		
<u>ITEM 2) 3 ALPR CAMERAS</u>	<u>\$49,650</u>	<u>\$3,080</u>		
<u>ITEM 3) 9 ALPR CAMERAS</u>	<u>\$139,080</u>	<u>\$8,100</u>		
<u>WARRANTY COST</u>	<u>\$1,400/PER VEHICLE/PER YEAR</u>			

Keep a copy and submit original to Purchasing.

Attachment 3



BID PACKAGE

CITY OF BEVERLY HILLS
OFFICE OF THE CITY CLERK, ROOM 290
455 NORTH REXFORD DRIVE
BEVERLY HILLS, CALIFORNIA
90210 (310) 285-2440

LEGAL NOTICE - BIDS WANTED

Sealed proposals are requested on the list of materials, supplies, equipment or services set forth herein, subject to all conditions outlined in the Proposal Document, including:

- SECTION I:** REQUEST FOR BIDS
- SECTION II:** GENERAL INFORMATION AND INSTRUCTION
- SECTION III:** DETAILED SPECIFICATIONS
- SECTION IV:** BID FORM

(IF YOU CHOOSE NOT TO SUBMIT A BID, PLEASE COMPLETE PAGE 30)

Sealed proposals will be received only at the Office of the City Clerk, 455 North Rexford Drive, Beverly Hills, until 2:00 p.m. local time, on the dates hereinafter stated at which time they will be opened and publicly read for furnishing the materials, supplies, equipment or services or for supplying the materials, and/or providing labor for the repair, construction or improvement as the case may be, as indicated by the items hereunder listed and in accordance with the applicable specifications.

SECTION I – REQUEST FOR BIDS

Date of Request: Monday October 22, 2012

Bid Number: 13-15

Item Description: ALPR Mobile Camera Systems/Multiple System Option

Bid Opening: Thursday November 8, 2012 @ 2:00 PM

All bids must be delivered by the specified opening time of the bid. Bids arriving after the specified hour will not be accepted. Mailed bids, which are delivered after the specified hour will not be considered regardless of postmarked time on the envelope. All bids must be in writing and must contain an original signature by an authorized officer of the firm - Electronic bids (telephone, FAX, etc.) are **NOT** acceptable.

BID DEPOSIT - NONE REQUIRED WITH THIS BID

PERFORMANCE BOND AND PAYMENT BOND - NONE REQUIRED WITH THIS BID.

THE CITY RETAINS THE RIGHT TO REJECT ANY AND ALL BIDS WITHOUT CAUSE AND/OR ELECT NOT TO AWARD A BID.

**CITY OF BEVERLY HILLS
SECTION II - GENERAL INFORMATION AND INSTRUCTION**

1. Bid deposits of unsuccessful bidders will be returned after the bid has been awarded. A successful bidder's bid deposit will be returned after he has entered into a written contract, or after a performance bond, if required, has been executed and accepted by the City.
2. The vendor's proposal may be withdrawn at any time prior to the bid opening. No proposal may be withdrawn after the bid opening. Violation of this policy may cause forfeiture of the bid deposit and removal from qualified Bidder's List.
3. Bidders are advised to become familiar with all conditions, instructions and specifications governing this bid. Once the award has been made, a failure to have read all the conditions, instructions and specifications of this contract shall not be cause to alter the original contract or for vendor to request additional compensation.
4. Bidders agree to defend and save the City from and against all demands, claims, suits, costs, expenses, damages and adjustments based on any infringement of any patent relating to goods specified in this contract.
5. Successful bidder shall not assign the contract, or subcontract the whole or any part of the contract without written consent of the City. Such consent shall neither relieve the bidder from his obligation nor change the terms of the contract.
6. The City shall have the right to inspect any material specified herein. Equipment, supplies or services that fail to comply with the specifications herein regarding design, material or workmanship are subject to rejection at the option of the City. Any materials rejected shall be removed from the premises of the City at the expense of the vendor.
7. Bidder shall state the nature and period of any warranty or guarantee. Manufacturer's specifications shall be submitted with the bid and shall be considered a part of this contract where such specifications meet the minimum of the City specifications.
8. Each bidder shall submit in full this completed original BID DOCUMENT and all necessary catalogues, descriptive literature, etc., needed to fully describe the materials or work he proposes to furnish.
9. Bidders shall state the delivery date for commodities in terms of calendar days after notification of award. Where the contract calls for performance of labor, the bidder shall also state the number of calendar days required for completion after notification of award.
10. Cash discounts shall be considered in the evaluation of the bids, except that payment periods of less than thirty (30) days will not be considered in award of this bid. Where cash discounts are offered, the discount date shall begin with the invoice date or delivery date to the City, whichever is later.

11. Upon the award of the bid to the successful bidder, if insurance is required by the terms of this bid, the City will require evidence of such coverage be furnished within fourteen (14) days of notification of bid award. The amounts and types of coverage will be specified in Section IV of this bid. **All insurance forms must be in a format acceptable to the City.**
12. The Contractor agrees to indemnify, defend and hold harmless the City, City Council and each member thereof, and every officer, and employee of the City, from any liability or financial loss including, without limitation, attorneys fees and costs, arising in any manner whatsoever from any intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of Contractor, or any person employed by Contractor, including agents and independent contractors, in the performance of this agreement.
13. Every supplier of materials and services and all contractors doing business with the City shall be an "Equal Opportunity Employer" as defined by Section 2000 (E) of Chapter 21, Title 42 of the United States Code Annotated and Federal Executive Orders #11375, and as such shall not discriminate against any other person by reason of race, creed, color, religion, age, sex or physical or mental handicaps with respect to the hiring, application for employment, tenure, terms or conditions or employment of any person.
14. The Contractor shall not be debarred or suspended from participation in Federal programs.
15. Prices quoted herein must be firm for a period of not less than ninety (90) days after date of bid opening.
16. Bids calling for other than a "lump sum" total bid may be awarded by single item, by groups of items, or as a whole, as the City deems to be in the best interest of the City.
17. The City will be the sole and exclusive judge of quality, compliance with bid specifications or any other matter pertaining to this bid. The City reserves the exclusive right to award this bid in any manner it deems to be in the best interest of the City.
18. Quantities specified in Section III are approximate only, the City reserves the right, within the period for delivery to increase or decrease the quantity ordered and upon mutual agreement after the period specified for delivery, order additional quantities of items bid.
19. "Contractor shall cooperate with the City in all matters relating to taxation and the collection of taxes. It is the policy of the City to self-accrue use tax associated with its own purchases. The City requests that its contractors self-accrue their use tax, **when applicable**, and report the use tax to the State Board of Equalization with a City-assigned permit number. The City's own use tax which is self-accrued by the City will be remitted to the State of California pursuant to the City's permit with the State Board of Equalization."
20. For any questions regarding this bid, please contact Sgt. Richard Knudsen 310-288-2626
21. **A duplicate copy of your bid must be submitted along with the original.**

SECTION III – DETAILED SPECIFICATIONS

SUBSECTION A - TECHNICAL NOTES

IN EVENT OF CONFLICT, THE FOLLOWING SPECIFICATIONS SHALL PREVAIL OVER GENERAL INSTRUCTIONS CONTAINED ELSEWHERE IN THIS BID.

IMPORTANT NOTICE - THIS SECTION III, SUBSECTION A, COMPLETED WITH REQUIRED INFORMATION AND/OR BIDDER'S EXCEPTIONS MUST BE ATTACHED TO AND RETURNED WITH SECTION IV - BID FORM.

BIDDER MUST EXPLAIN IN DETAIL ALL ITEMS OFFERED WHICH DO NOT CONFORM TO SPECIFICATIONS CONTAINED HEREIN. IF NO EXCEPTIONS ARE LISTED, IT WILL BE ASSUMED BIDDER IS BIDDING "AS SPECIFIED."

SPECIFICATIONS MOBILE ALPR SYSTEMS

BIDDER'S EXCEPTIONS

Item	Description	Cost Proposal (W/O Tax)
1.	2- ALPR Mobile Camera Systems and all needed equipment, mounts, brackets and cables. Systems to have 3 cameras for operation.	
	Parts Cost:	\$33,100
	Installation/Labor Cost:	\$2,000

Item	Description	Cost Proposal (W/O Tax)
1.	3- ALPR Mobile Camera Systems and all needed equipment, mounts, brackets and cables. Systems to have 3 cameras for operation.	
	Parts Cost:	\$49,650
	Installation/Labor Cost:	\$3,000

Item	Description	Cost Proposal (W/O Tax)
1.	9- ALPR Mobile Camera Systems and all needed equipment, mounts, brackets and cables. Systems to have 3 cameras for operation.	

	Parts Cost:	\$135,000
	Installation/Labor Cost:	\$8,100

A SEPARATE BID FOR AN EXTENDED WARRANTY ON ALL INSTALLED CAMERAS AND ASSOCIATED OPERATING EQUIPMENT WILL BE INCLUDED FOR CONSIDERATION. THE WARRANTY BID WILL INCLUDE A SEPARATE COST FOR ANY ENGINEERING/LABOR COSTS ASSOCIATED WITH THE SERVICING OF ITEMS UNDER WARRANTY. THE BID WILL CLEARLY DEFINE THE EQUIPMENT COVERED UNDER THE WARRANTY. THE BID WILL DEFINE A COST PER YEAR AND NUMBER OF YEARS AVAILABLE FOR EXTENSION.

1.	WARRANTY DESCRIPTION	COST PROPOSAL (W/O TAX)
	<i>See attached for description</i>	
2.	DESCRIPTION AND COST OF EXTENDED WARRANTY (SHOWN AS COST PER YEAR PER SYSTEM) NOTING NUMBER OF YEARS AVAILABLE FOR PURCHASE <i>Four additional years available for purchase</i>	
	<i>Per Vehicle</i> WARRANTY COST	<i>\$1,400 per yr. per vehicle</i>
	LABOR COST	<i>included in warranty</i>

I. GENERAL REQUIREMENTS

- a) Components supplied for the installation will be new, first quality units, except as specified herein.
The work shall be carried out in accordance with all applicable codes, regulations, and guidelines.
- b) All work shall be performed in a neat and craftsman-like quality, in accordance with accepted modern practices and industry standards. Care shall be exercised in installing material and equipment not to unnecessarily mar or deface components. No component shall be cut or removed without obtaining permission of the City. All unused materials, scrap and debris shall be removed.

- c) City staff intends to conduct quality-control inspections during the upfit process, pre-delivery, and final acceptance. Inspection schedules shall be coordinated in advance between the upfitter and City staff.
- d) The contractor shall provide the City with all associated manuals and documents covering all supplied equipment.

II. PROJECT OVERVIEW

The City of Beverly Hills is engaging in a project to install mobile ALPR cameras on the roof of black and white police vehicles. The project will consist of installing three (3) mobile camera systems. The systems will be integrated into the city's existing ALPR system and infrastructure and must be system compatible. The selected vendors hardware, software and management systems must be able to seamlessly intergrate with the existing server that is hosted by the Los Angeles County Sheriff's Office (LASO) and shared with numerous other agencies throughout the region. The vendor selected will be responsible for supplying all needed cameras and supporting equipment for installation. The actual installation will be conducted by the selected vendor. The vendor will be responsible for all system equipment installation, final alignment, adjustment and activation of the cameras and equipment on the selected vehicles.

III. MOBILE ALPR SYSTEM SPECIFICATIONS

Mobile Automated License Plate Recognition (ALPR) System Specifications

Hardware Specifications

ALPR Cameras: (May be referred to as "Cameras" and/or "cameras")

- The system must be comprised of self-illuminating Infrared (IR) cameras for effective license plate image capture in a variety of weather and lighting conditions.
- The Infrared (IR) Light Emitting Diodes (LEDs) must be "pulsed" to enhance license plate capture and extend the lifetime of the LED board.
- The cameras must have a dual lens configuration in a single camera housing featuring both an Infrared (IR) lens for license plate capture and a color overview image of the vehicle for verification purposes. This camera housing shall also contain onboard IR illumination, and shall be sealed to IP67 standards.
- The Infrared (IR) component of the Cameras must be available in various IR Wavelengths in order to provide effective license plate capture in different

- regions of the country in order to address the specific license plate properties found in various regions of the country.
- The dual lens camera must be capable of capturing up to 60 frames per second.
 - The cameras must be capable of producing multiple license plate images with varying flash, shutter and gain settings to ensure a high quality image regardless of weather or lighting conditions.
 - The cameras must utilize a Software Camera Controller to facilitate the selection of the optimum settings for the Gain and Shutter. Once configured by the System Administration or the vendor, all settings must be automated in each camera.
 - The cameras must be small enough, **no more than 2"** tall (height), and permanently attached to the vehicle's emergency lightbar so as not to obstruct or otherwise hinder visibility to the lightbar.
 - Each camera shall weigh **no more than 4** pounds.
 - All camera mounting bracket systems must be fabricated specifically for the vendor's cameras and must be furnished by the vendor
 - In addition to the camera mounting bracket systems that attach to the vehicle's emergency lightbar, the vendor must also provide camera mounting bracket systems that can be installed on those police vehicles commonly referred to as "unmarked units" or those with no roof-mounted lightbar. (i.e. magnet or clip-on). These brackets must easily allow for rotation, tilt, and yaw adjustments.
 - There must be no moving parts in the dual-lens cameras.
 - The cameras must have a fixed focal point or target distance from the camera to the vehicle's license plate from 9 ½ feet to 30 feet.
 - All camera cabling and camera connectors must be manufactured or assembled by the vendor that provides the ALPR system and all of the required components.

ALPR Processor: (May be referred to as the "Processor and/or "processor")

- The system must provide the customer with the ability to integrate to their existing MDT or MDC using Client – Server technology in order to minimize processor usage on their existing MDT or MDC.
- The Automated License Plate Recognition (ALPR) Processor must have a "self trigger" mode to detect the presence of lawfully mounted vehicle license plates in the cameras' Field of View (FOV) for image capture from the camera.
- The ALPR Processor must be designed to be trunk mounted and must incorporate an intelligent Power Supply Unit (PSU) that provides for a safe start and shut – down each time the vehicle's ignition is turned on and turned off.
- The ALPR Processor must control the power supplied to the cameras and provide video connection points for simplified system wiring.
- The ALPR Processor must have an operating input range of 10.5-16.5V DC at 90W.
- The ALPR Processor must utilize, *at least*, an automotive 30 GB extreme environment Hard Disk Drive.

- As an *option*, the ALPR Processor must be offered with a minimum, 1.1GB Solid State Hard Drive.
- The ALPR Processor must utilize a Core™2 Duo processor running Windows XP embedded operating system.
- The ALPR Processor shall have at least four digital camera connections, a dedicated GPS input, and four (4) USB Ports.
- The ALPR Processor must be designed to meet the environmental conditions associated with a trunk-mounted unit.
- When the system is configured to utilize an independent ALPR Processor, the ALPR Processor and the cameras must be developed, manufactured and supported by the same vendor.
- The vendor shall also offer a portable version of the ALPR Processor using essentially the same internal components as the trunk-mounted Processor and the portable version of the Processor must also support up to four (4) digital ALPR Cameras.
- The ALPR Processor must be CE certified.

Client (In-Vehicle) ALPR Software Specifications

- The application software must be capable of supporting an unlimited number of "hot list" databases for simultaneous matching.
- The System Administrator must have the capability to define the police department's database/s and assign a color code *and* priority level to each database to be used when a 'match' or a 'hit' occurs, i.e., stolen vehicles, stolen license plates, sexual predators, armed felon suspects, registered parolees, etc.
- The application software that resides in the police unit must provide for a User Name and Password as assigned by the System Administrator.
- The application software must be responsive in comparing a captured license plate against multiple and voluminous databases with *less* than a 2 second response to a query of a database/s containing up to 10,000,000 records.
- The system must have the feature that allows "hot list" databases to be created in the field by authorized users and the authorized users must have the capability to add license plate data to the system's database/s while in the field. All license plate data added by the authorized user will remain a part of the selected database until the database is 'overwritten' by the System Administrator or by a new or updated database(s).
- The system must provide a feature to enable or disable "fuzzy-logic" plate matching in each police unit to enable the system to match common number character issues (0/O and 8/B) or unknown characters. This feature can be enabled or disabled at the user's discretion.
- The system must provide for the ability to read license plates from up to four dual-lens cameras simultaneously.
- The system must provide live, simultaneous video display of all of the following data for the two (2) dual lens cameras as selected by the user:

- The IR License Plate Image
- The license plate interpretation or system read
- A corresponding color overview image of the vehicle displaying the captured IR license plate
- The date and time stamp
- Identification of the Camera capturing the image
- The GPS Coordinates for every license plate captured by the system
- When the system identifies a "match" or a "hit" of the license plate, the following additional data must be displayed in a timely manner on the system's Hit Screen:
 - The color coded database indicating the name or title of the database where the "match" occurred
 - All narrative text, if any, from the database where the "match" occurred
- The Hit Screen must remain displayed until acknowledged by the officer, *and* while displayed, the system must continue to process license plate data in the background and all captured data must be stored in the system during this interval.
- If so configured within the back office system software by the Administrator, the officer may also be required to select a Disposition Button on the system's Hit Screen. These Dispositions are determined by the Administrator and may be used in reporting the result of the hit and or dB match (Arrest, Vehicle Parked, Vehicle Recovered, Vehicle Impounded, etc).
- In the event that a subsequent dB "match or hit" should occur while the original Hit Screen is displayed to the officer, the system must alert the officer that a second or subsequent "hit" occurred and the system is waiting for the officer's intervention.
- The system must provide a touch screen feature to enlarge the vehicle's color overview image so that it can be examined by the police officer in order to gain additional information or the verification of information.
- The system must provide touch screen navigation for the police application GUI.
- The system must provide for the ability to run "covert" hotlists for gang investigations, organized crime, or other details. If so deployed by the administrator from the back office, a covert hotlist will not alert the officer to a hit, but will send this hit information to the back office where it can be sent to a defined notification list.
- The system must provide the System Administrator with the ability to customize audible alerts to differentiate between unique events within the software application.
- The system must provide a visual alert for each defined event that displays in the foreground regardless of other applications in use at that time.
- The system must provide the officer with the capability to mark a license plate read as a "misread."
- The system must provide the officer with the capability to manually enter a license plate for the purpose of searching that license plate against the system's database(s).

- The system must provide the officer with the capability to review all of the following:
 - "hits"
 - license plate images and associated data
 - license plate searches performed by the officer indicating the date and time the search was conducted
 - misreads
- The system must provide the User with the ability to query the client software application to determine if a particular license plate has been captured in the system (prior to a download of the system data). If the license plate data is in the system, the officer must have the ability to review each license plate capture and the associated system data displayed on the Review Screen to include:
 - The IR License Plate Monochrome Image and system "read"
 - The corresponding color overview image of the vehicle
 - The date and time stamp
 - The GPS coordinates
 - The camera name or camera identification associated with the data
- The system must provide the ability to add notes to the "hit" record for permanent storage and subsequent retrieval.
- The system must be capable of capturing license plates in any of the following modes: (a) an adjacent lane on either side of the police vehicle while driving through traffic and/or parking lots; (b) traffic in an adjacent lane while parked on the side or shoulder of a roadway; (c) any parking application from parallel to perpendicular parked car orientation with respect to the movement of the police vehicle and (d) an adjacent lane to capture the rear license plate of the vehicle as it passes the police unit or vice versa
- The camera configuration must be capable of switching from one monitoring mode to another via the software application by "pressing" the corresponding on-screen function button.
- The system must have the capability to capture a still image of importance at the officer's discretion using the color overview camera(s).

Back Office Software Specifications

- As part of the overall system and functionality, a customized back – office software application must be provided so the customer can manage all the data collected by the various ALPR deployment (client applications), manage the database functions and manage the user administration functions.
- The client workstations, sometimes referred to as the "smart clients," shall be able to be deployed on Microsoft Windows XP® and Windows 7® workstations.
- The system shall allow the Administrator to view Users currently logged into the back office system software and disconnect Users as needed.
- The system shall allow selective tracking and auditing of User queries in order to prevent system abuse.

- The system shall provide the capability to cross-link license plate data from external systems, such as DMV records, for query purposes.
- The system shall allow for queries to be saved as "favorites," to enable quick and easy access to a data set being used in an investigation.
- The system must provide the ability to customize the client application screens and alarms based on system "hits," sometimes referred to as a dB match.
- The system must provide the ability to assign priorities to the various databases utilized by each police agency/User.
- The system must provide the System Administrator with the ability to import national and local databases from a website, ftp location, or network address.
- The system shall allow for the option of automatically updating all hotlist databases from the originating website, FTP, or network location.
- The system shall allow for the scheduling of hotlist updates from the source location.
- The system shall allow for the definition of custom hotlist import formats, to enable a standard .csv or text file to be easily imported and made useable by the system without the need for vendor involvement.
- The system should allow for the option of configurable disposition buttons to be pushed out the client application. These Dispositions are determined by the Administrator, and when enabled, require the officer to enter a disposition prior to clearing the Hit screen (Arrest, Vehicle Parked, Vehicle Recovered, etc). This information is fed back into the server application for reporting purposes.
- The system must provide application security by assigning users to a Group, with a defined Role, which determines privileges within the system.
- The system must allow for an administrator to easily import users from their Active Directory, assign these users to a Group, and establish a password.
- The system must provide the System Administrator with the ability to define and configure custom roles with various access privileges based upon user responsibilities.
- The system must provide remote access to stored data for analysis and reporting using a Zero Administration Smart Client. The Smart Client shall be freely deployed to any number of network PC's.
- The system shall allow the administrator to view users currently logged into the system, and disconnect users as needed.
- The system must provide Quick Click reporting system statistics (reads, hits, etc) for a given timeframe, mobile unit, or officer login ID.
- The system must provide the ability to perform a full or partial license plate query against the databases.
- The system must provide the ability to query for license plate data based upon time, date, location and the user.
- The system must provide the ability to query for a full or partial license plate based on a physical address and search radius.

- The system must provide the ability to utilize a mapping function to plot or identify the locations of a particular license plate or identify all plates captured in a particular area during a particular time.
- The system must provide the ability to utilize a mapping function to plot or identify the location of all "hits."
- The system must provide the ability to run a query, and select a subset of that query for Detail Reporting, or for plotting on a single map for cluster or pattern analysis.
- The system must allow for advanced mapping to include street, satellite, and birds-eye views for investigations and planning of surveillance operations.
- The system must provide multiple methods for downloading and uploading information between the vehicle and the back – office application including USB thumb drive and wireless.
- The system must provide a server network environment to facilitate the sharing of data.
- The system shall use Microsoft SQL as its database engine.
- The system shall allow for remote user setup, and networking capabilities, to facilitate querying and data sharing across agencies and jurisdictions.
- The client application for networked PC's must be a zero administration installation from a web page residing on the server.
- Data and images stored in the system must have the capability to be printed as determined by the System Administrator.
- An "Export to Excel" and "Print to pdf" function must be provided within the application for reads, hits, and reports.
- The system must provide a method for automatically purging data at the device level, based upon the System Administrator's specifications.
- The system shall feature a help menu within the application.
- The system shall allow for role-based access to individual reports.
- The system shall provide a standard e-mail template to be used for email alert notifications and shall allow customization of that e-mail template.
- The system shall allow for the automated and controlled deployment of a hotlist to any selection of cameras or mobile systems.
- The system shall allow for the notification rules to be set for a specific hotlist, allowing the administrator to define which User Groups with defined roles receive alert notifications from a given hotlist.
- The system shall allow for a hotlist to be marked as covert, such as gang members, terrorist or organized crime as defined by the administrator. This allows for a hotlist to be matched against in a mobile vehicle with no officer notification, unless that officer is on the defined notification list for that covert hotlist.
- The system shall allow for the live monitoring of reads and/or hits from any number of fixed cameras or mobile/portable systems, such as may be used in a dispatch facility.

- The system must provide the ability to utilize a mapping function to plot or identify the locations of a particular license plate or identify all plates captured in a particular area during a particular time.
- The system must provide the ability to utilize a mapping function to plot or identify the location of all "hits."
- The system must provide the ability to run a query, and select a subset of that query for Detail Reporting, or for plotting on a single map for cluster or pattern analysis.
- The system must allow for advanced mapping to include street, satellite, and birds-eye views for investigations and planning of surveillance operations.
- The system must provide multiple methods for downloading and uploading information between the vehicle and the back – office application including USB thumb drive and wireless.
- The system must provide a server network environment to facilitate the sharing of data.
- The system shall use Microsoft SQL as its database engine.
- The system shall allow for remote user setup, and networking capabilities, to facilitate querying and data sharing across agencies and jurisdictions.
- The client application for networked PC's must be a zero administration installation from a web page residing on the server.
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- The system shall allow for a hotlist to be marked as covert, such as gang members, terrorist or organized crime as defined by the administrator. This allows for a hotlist to be matched against in a mobile vehicle with no officer notification, unless that officer is on the defined notification list for that covert hotlist.
- The system shall allow for the live monitoring of reads and/or hits from any number of fixed cameras or mobile/portable systems, such as may be used in a dispatch facility.

- The system shall allow monitoring and management of fixed (stationary), mobile and portable ALPR units or "devices" within the same application. Devices shall be able to be assigned to sites for ease of management.

General Requirements

- All Automated License Plate Recognition hardware *and* software provided by the vendor must be covered under a one-year parts and labor warranty at no additional cost to the customer.
- The vendor must furnish extended warranty/maintenance costs for both hardware and software for up to four (4) years from the date of system installation if required by the customer.
- The vendor must have at least 7 years of proven experience in Automated License Plate Recognition technology.
- The vendor must have at least 7 years of experience in the Public Safety market.
- The vendor must have, at least, a minimum of one-hundred (100) Customer Accounts/End Users in the United States alone that have purchased and are actively using the vendor's product, system or components thereof, at the time of issuance of any RFP, RFI, RFQ or any like document.
- The vendor must provide variants of the Optical Character Recognition (OCR) Engine that are tailored/designed for a specific country, state, or region of the country.
- As part of the vendor's system maintenance agreement with the customer, Optical Character Recognition (OCR) updates and/or revisions must be provided as determined by the vendor to address changes in the state's license plates during the term of the maintenance agreement
- The system must have the capability to capture vehicle license plates at speeds up to 160 mph with license plate capture and read accuracy rates in excess of 90% for machine readable plates.
- The system must provide effective license plate capture at night with no external lighting required.
- After issuance of the purchase order, all hardware and software must be delivered to the customer site within eight (8) weeks. This specification, however, may vary depending upon the size or scope of the required ALPR hardware.
- The successful vendor must provide on-site system training for the system Users and the System Administrator/s.
- The successful vendor must provide "turnkey" system installation and/or system installation oversight based upon the customer's requirements.
- All system documentation must be furnished in electronic format.
- The manufacturer/vendor must have the ability to provide ALPR cameras for fixed site (stationary) monitoring, as well as installation services and support for these cameras. These fixed site cameras must be compatible with the same

back – office software application outlined in these bid specifications for the mobile and portable systems, allowing for the data to be collected in a central location for all mobile, portable and fixed ALPR camera systems.

Standards and Testing Requirements

- The IR cameras must meet "eye safe" certification standards, as established by an international testing agency.
 - The cameras must be sealed to IP67 Standards.
 - The cameras must meet BS EN 60068 2-27 requirements for Mechanical Shock.
 - The cameras must meet Mil. Std. 810F method 516.5, Procedure V requirements for Shock Crash Hazard.
 - The cameras must meet BS EN 50293:2001 and IEC 61000-4-2 1995 requirements for electrostatic discharge and Radiated Emissions, FCC Part 15 and EN 55022.
 - The cameras must be RoHS Compliant
 - The cameras must be CE certified
- a) The vendors experience and past performance will also be considered in the selection of contractor for this project.
- Please provide at least four references associated with past projects, which were similar in scope to the project specified in this bid and which involved other public agencies:

	Name of Agency	Point of Contact	Contact Number
1.	Long Beach P.D.	LT. Chris Morgan	562-570-7494
2.	Claremont P.D.	Chi-f Paul Cooper	909-399-5401
3.	San Bernardino Sheriff	Capt. Dave Williams	909-425-9793
4.	San Diego P.D.	Shannon Hart	619-531-2321

SUBSECTION B - SPECIAL REQUIREMENTS

1. City shall be the sole and final judge of compliance with bid specifications and reserves the exclusive right to award this bid in any manner it deems to be in the best interests of the City.

SECTION IV - BID FORM
(Must be completed by Vendor)

The undersigned proposes to furnish all materials, supplies, equipment or services set forth herein subject to all conditions outlined in the Bid Document, including the general instructions and information to bidders, at prices indicated above:

Payment Terms: Net 30 Days upon shipment

Exceptions or Deviations attached **YES**; **NO** See attached Insurance (p.18)

Price Quote Valid Until: 180 days after bid opening

Company Name: 3M formerly PIFS Technology

Address: 804 Innovation Drive, Knoxville TN 37932

Telephone: 949-280-1716 Fax: 865-392-5599

Email: krobinson@federalsignal.com Cell phone (optional): _____

Person Submitting Bid: Kris Robinson Sales Manager
(Print Name) (Title)



(Signature)

F.O.B.

All prices of the bid shall be F.O.B. destination Beverly Hills, California; and delivery to any point within Beverly Hills shall be without additional charge.

TAX

All bid proposals shall be exclusive of tax; City staff will compute all tax involved when applicable.

ACCEPTANCE OF PROPOSAL

The City reserves the right to accept or reject any and all bids and reserves the right to waive technicalities where such action best serves the interests of the City. The manufacturer of the proposed materials or equipment may be required to acknowledge by written conformation that the minimum requirements of the specifications are included in the Bidder's proposal before the award of the bid.

EXCEPTIONS

Any bidder's exceptions to these terms or conditions or deviations from the written specifications shall be shown in writing and attached to bid form. However, such exceptions or deviations may result in bid rejection.

INSURANCE (applicable to successful bidder who may come into the City)

- (1) **Commercial general liability** coverage at least as broad as Insurance Services Office Commercial General Liability occurrence coverage ("occurrence" form CG0001, Ed. 11/85) with a limit of not less than \$2,000,000 (Two Million Dollars) per occurrence. If the insurance includes a general aggregate limit, that limit shall apply separately to this contract or it shall be at least twice the required per occurrence limit.
- (2) **Business automobile liability** insurance at least as broad as Insurance Services office form CA 0001 (Ed. 1/87) covering Automobile Liability, code 1 "any auto" and endorsement CA 0029 (Ed. 12/88) with a limit not less than \$1,000,000 (One Million Dollars) per accident.
- (3) **Workers Compensation** Insurance as required by the State of California and **employers liability** insurance with a limit not less than \$1,000,000 (One Million Dollars) per accident.

All insurance coverages shall be provided by insurers with a rating of B+; VII or better in the most recent edition of Best's Key Rating Guide, Property-Casualty Edition.

Work on City property covered by a purchase order cannot be commenced until certificates of insurance have been approved.

Please use the official City of Beverly Hills certificate of insurance form (attached). If you use another form, the following requirements must be met to make the certificates acceptable to the City:

1	name the City of Beverly Hills as additional insured for both GENERAL liability and AUTO liability; and
2	have at least thirty (30) days written notice of cancellation.

All certificates of insurance must remain current until the purchase order expires or is sooner cancelled.

AFTER THE ACCEPTANCE AND AWARD OF THE BID BY THE CITY COUNCIL UPON RECEIPT OF A WRITTEN PURCHASE ORDER EXECUTED BY A PROPER OFFICER OF THE CITY, THIS DOCUMENT WILL CONSTITUTE THE LEGAL CONTRACT BETWEEN THE CITY AND THE SUCCESSFUL BIDDER.

If your response is "NO BID", please explain below:

COMPANY NAME: _____

ADDRESS: _____

CITY, STATE, ZIP CODE: _____

TELEPHONE NUMBER: _____

FAX NUMBER: _____

BY: _____

(Print Name)

(Signature)

(Title)

(Date)

PLEASE RETURN TO:

CITY OF BEVERLY HILLS
OFFICE OF THE CITY CLERK, ROOM 290
 455 NORTH REXFORD DRIVE
 BEVERLY HILLS, CA 90210

RE: Bid No.
 Title: ALPR Mobile Camera Systems
 Opening Date: August 2, 2010

(END)

Just one clarification to provided to the City of Beverly Hills:

"Insurance" (p. 18)

Request: Certification must have at least thirty (30) days written notice of cancellation.

3M Response: 3M will provide notice of material modifications or cancellation as provided under 3M's policy provisions. 3M, however, is not able to provide a certificate that specifically states the insurer will provide 30-day notice of cancellation.

PIPS Technology Warranty & Maintenance Program

Warranty Period

- Hardware warranty – For a period of one year from the date of shipment, PIPS Technology’s hardware warranty provides free repair or replacement of faulty equipment (does not include equipment damaged by the customer or due to a Force Majeure event such as acts of God, acts of a public enemy, fires, floods, hurricanes, wars, civil disturbances, acts of terrorism, etc). The warranty does not cover the travel expenses associated with a required site visit. The engineering labor is provided at no cost to the customer. The customer is responsible for all travel and living expenses associated with the site visit.
- Software warranty – For a period of 90-days, PIPS Technology warrants the software media to be free from defects and will replace any defective media at PIPS Technology’s expense. PIPS Technology will endeavor to resolve any reported software bugs (based on classification of the bug as either critical (negatively impacts program’s ability to function – immediately work to resolve).

Hardware Maintenance

- Extends initial hardware warranty for an additional year to provide free repair or replacement of faulty equipment in accordance with the initial warranty terms.
- Provides access to PIPS Technology technical phone support during normal support hours.

Software Maintenance

- Extends initial software warranty for an additional year of coverage for continued PIPS response to software issues as defined in the Software Warranty.
- Provided access to PIPS Technology technical phone support during normal support hours.

Statement of Terms, Conditions and Warranties of Sale

PIPS Technology
804 Innovation Drive
Knoxville, TN 37932
www.pips technology.com
Office: 865-392-5540

In these Conditions of Sale, "PIPS" shall mean PIPS Technology, Inc.; "the Customer" shall mean the purchaser of the goods including all agents, employees, contractors, subcontractors, and other people acting on the customer's behalf under these conditions; the "Goods" shall mean the goods referred in the quotation supplied by PIPS.

1. **Acceptance** – This is to acknowledge receipt of your ("Purchase") order for the PIPS goods ("Goods") and/or licensed software and/or firmware, which are preloaded, or to be loaded into Goods ("Software") and/or performance of services ("Services"). Performance of any Services or sale of Goods or Software by PIPS is expressly conditioned upon the terms and conditions herein. Acceptance of offers to purchase Goods, license Software or perform Services is expressly conditioned upon Purchaser's assent to the terms and conditions contained herein, which assent is acknowledged by Purchaser upon accepting shipment, and shall prevail as the final expression for the parties in the event of conflict.

These terms and conditions take precedence over Purchaser's additional or different terms and conditions, to which notice of objection is hereby given. Neither commencement nor delivery by PIPS shall be acceptance of Purchaser's additional or different terms and conditions. PIPS expects, and Purchaser acknowledges, that if Purchaser disagrees with the terms contained herein, Purchaser will immediately (i.e., prior to use) return the Goods or Software to PIPS or cancel performance of Services before PIPS commences the performance of such Services.
2. **Validity** – PIPS reserves the right to amend any errors and/or unintentional omissions on quotations at the time of acceptance of order. Quotations by PIPS do not constitute an offer and PIPS reserves the right to withdraw or amend the same at any time prior to the issue by PIPS of any acceptance of order. No binding contract shall come into effect until the Customer's order has been accepted in writing, facsimile or E-mail by PIPS. The Uniform Laws on International Sales are hereby excluded.
3. **Price** – PIPS reserves the right to increase prices to allow for any increase in cost of appropriate federal, state and/or local taxes, surcharges, handling and/or shipping fees, labor and/or materials which may occur before delivery of the goods. The prices do not include any export duties or tariffs payable in respect to the goods nor any costs of insurance relating thereto. Prices for Goods and Software are FOB shipping point and remain in effect for thirty (30) days from quotation date. Prices quoted for Services shall remain in effect for the period stated in PIPS' written quotation or proposal for such Services, or, if none is stated, for ninety (90) days after the quotation is given. In all other respects, the quotation and solicitation for offers/orders for Goods, Software or Services may be withdrawn or modified at any time prior to acceptance by PIPS.
4. **Taxes** – Prices do not include any sales, use, excise, value-added or similar taxes. Liability for all taxes, licenses, or other fees imposed by any governmental authority upon the production, sale, shipment, or use of Goods or Software or the performance of Services covered by this solicitation shall be assumed and paid for by the Purchaser, and Purchaser shall indemnify PIPS against any such liability. Applicable sales or use taxes are billed by PIPS unless suitable exemption certificates are furnished by Purchaser before acceptance by PIPS.
5. **Insurance** – Where PIPS insures the goods at its discretion or at the Customer's request, charges for such insurance will be reflected on the invoice. PIPS liability shall be limited to be amount received by PIPS under such insurance or the value of the good whichever is less from which amount deduction may be made by PIPS in respect to any expenses incurred by PIPS. PIPS shall be under no liability to affect any insurance in respect of the good for any period after the passing of the risk as stated in paragraph 21 below, notwithstanding that title remains with PIPS.
6. **Shipment** – Shipping/freight is not included in the price, which is quoted FOB PIPS facility in Knoxville, TN. Shipping to the Customer's premises will, if required by the Customer, be arranged by PIPS and charged as an extra. Any costs of insurance incurred by PIPS in respect of such shipping shall also be charged as an extra and reflected on the invoice.
7. **Payment** – Unless otherwise specified in PIPS' quotation and solicitation for offers, payment terms for Goods, Software and Services are net thirty (30) days from the date of PIPS' invoice, payable in United States dollars. Purchaser shall be billed monthly for Services performed. Upon PIPS' failure to receive payment within thirty (30) days, in addition to any other remedies, which PIPS may have, it shall have the right to (i) repossess Goods and Software as to which full payment has not been received (ii) suspend further performance under this and/or other agreements with Purchaser, and (iii) terminate this agreement and/or other agreements with Purchaser, which other agreements PIPS and Purchaser hereby amend accordingly. Purchaser shall be liable for all expenses, including attorney's fees, relating to the collection of past due amounts. On all currency-based transactions, interest of one and one-half percent (1-1/2%) per month, eighteen percent (18%) annually or, if lower, the maximum rate permitted by law, from the date on which it is due until it is paid, shall be added to past due accounts. Should Purchaser's financial responsibility become unsatisfactory to PIPS, cash payments or security satisfactory to PIPS may be required by PIPS for future deliveries of Goods or Software or performance of Services. If such cash payment or security is not provided, in addition to PIPS' other rights and remedies, PIPS may discontinue deliveries of Goods or Software and/or suspend performance of Services without liability. Customer shall be responsible for payment upon receipt of an invoice, and PIPS shall not be responsible for sending Customer more than one invoice.
8. **Destination** – PIPS reserves the right to decline or cancel contracts received directly or indirectly where the ultimate destination of the goods is a country with which it is not lawful for a United States company to trade or where the law of the destination country prohibits the importation of the goods.
9. **Regulation** – The Customer, in placing the order with PIPS, is deemed to warrant compliance with every applicable legal or regulatory requirement of any government or other relevant authority and those necessary licenses or permits required in connection with the contract have been lawfully obtained by the Customer prior to the shipment of the goods.
10. **Consignment** – PIPS may make any extra charge as required to ship goods in consignments of smaller quantities than originally quoted.
11. **Illustrations and Brochures** – All descriptive literature and illustrations given are intended as a general guide of the goods described and none of these shall form part of the contract nor shall any provision contained therein be deemed to be a representation, warranty, term or condition of or relating to the contract or constitute a collateral contract. All drawings prepared by PIPS in connection with the goods and the copyright of such drawings shall remain at all times the property of PIPS.
12. **Specifications** – PIPS follows a policy of continual product or component development, which may be implemented without notice and without affecting the validity of this contract, and PIPS shall not be responsible for providing Customer with any product improvements that occur after the date of sale. PIPS shall not be liable for failure to attain performance figures stated in the contract unless these have been guaranteed within a specific margin of tolerance.
13. **Weights and Measurements** – PIPS drawings, descriptive matter, weights, dimensions, and shipping specifications are approximate only, unless specifically guaranteed. Cable is provided within $\pm 10\%$ of specified length.
14. **Cancellation** – Contracts may only be altered or cancelled by the Customer with the written consent of PIPS who shall, upon giving such consent, be entitled to invoice the customer for all and any costs and lost profits incurred or that would be incurred as a result of the cancellation.

15. **Limited Warranty – Hardware Limited Warranty:** Purchaser assumes the responsibility for the selection of a particular Good to achieve its intended results, and for the installation, use, and results obtained therefrom. Subject to the limitations of liability set forth in Section 16, PIPS warrants the hardware it manufactures to be free from defects in material and workmanship under normal use for a period of twelve (12) months from the date of purchase. PIPS' obligation under this warranty shall be limited to the repair or exchange of any part or parts which may prove defective under normal use and service within one (1) year from the date of purchase and which our examination shall disclose to our reasonable satisfaction to be defective. Any field engineering required to resolve a hardware warranty item will be billed to the customer on a labor rate per day basis plus travel and living expenses (billed in accordance with Paragraph 27).

THIS LIMITED WARRANTY IS EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES EXPRESSED OR IMPLIED INCLUDING THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND OF ALL OTHER OBLIGATIONS OR LIABILITIES ON PIPS' PART, AND PIPS NEITHER ASSUMES NOR AUTHORIZES ANY OTHER PERSON TO ASSUME FOR IT ANY OTHER LIABILITY IN CONNECTION WITH THE SALE OF THE GOODS. BY USING THE GOODS, THE PURCHASER ACKNOWLEDGES THAT NO OTHER REPRESENTATIONS WERE MADE TO HIM OR RELIED UPON BY HIM WITH RESPECT TO THE QUALITY AND FUNCTION OF THE GOODS HEREIN SOLD.

This warranty does not extend to any losses or damages due to misuse, accident, abuse, neglect, normal wear and tear, negligence (other than PIPS'), unauthorized modification or alteration, use beyond rate capacity, or improper installation, maintenance or application. To the extent that Purchaser or its agents has supplied specifications, information, representation of operating conditions or other data to PIPS in the selection or design of the Goods and the preparation of PIPS' quotation, and in the event that actual operating conditions or other conditions differ from those represented by Purchaser, any warranties or other provisions contained herein which are affected by such conditions shall be null and void.

If within thirty (30) days after Purchaser's discovery of any warranty defects within the warranty period, Purchaser notifies PIPS thereof in writing, PIPS shall, at its option, repair, correct or replace F.O.B. point of manufacture, or refund the purchase price for, that portion of the Goods found by PIPS to be defective. Failure by Purchaser to give such written notice within the applicable time period shall be deemed an absolute and unconditional waiver of Purchaser's claim for such defects. Goods repaired or replaced during the warranty period shall be covered by the foregoing warranty for the remainder of the original warranty period or ninety (90) days from the date of shipment, whichever is longer.

Purchaser assumes all other responsibility for any loss, damage, or injury to persons or property arising out of, connected with, or resulting from the use of Goods, either alone or in combination with other products/components.

Software Limited Warranty: Subject to the limitations in Section 16, PIPS warrants the media (CD ROM, diskette, etc) upon which Software is furnished, but not the Software itself, to be free from defects in material, and workmanship for a period of one (1) year from the date of purchase. Our obligation under the software warranty shall be limited to repair or replacement of the defective media during the one (1) year period. Defective media shall be returned prepaid to PIPS for service. PIPS reserves the right to determine in its sole discretion whether to repair or replace the defective media.

PIPS MAKES NO WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO ITS SOFTWARE, AND IT IS LICENSED "AS IS." THIS LICENSE IS MADE ON THE EXPRESS UNDERSTANDING THAT THERE IS NO IMPLIED WARRANTY, THAT THE SOFTWARE SHALL BE MERCHANTABILITY, AND NO IMPLIED WARRANTY THAT THE SOFTWARE SHALL BE FIT FOR ANY PARTICULAR PURPOSE. BY USE OF THE SOFTWARE, THE PURCHASER ACKNOWLEDGES THAT HE IS NOT RELYING ON PIPS' SKILL OR JUDGEMENT TO SELECT OR FURNISH PRODUCTS SUITABLE FOR ANY PARTICULAR PURPOSE AND THAT THERE ARE NO WARRANTIES ON SOFTWARE WHICH EXTEND BEYOND THE DESCRIPTION HEREOF.

Service Warranty: PIPS warrants to Purchaser that Services provided will be performed by trained personnel using proper equipment and instrumentation for the particular Service provided. Any analysis of data, subsequent recommendations and other Services will be in accordance with established industry standards and practices, as applicable.

EXCEPT AS SPECIFICALLY PROVIDED FOR ABOVE, PIPS EXTENDS NO WARRANTIES OF ANY KIND TO SERVICES, EQUIPMENT OR MATERIALS AND HEREBY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

This warranty does not extend to any losses or damages due to misuse, accident, abuse, neglect, normal wear and tear, negligence (other than PIPS'), unauthorized modification or alteration, use beyond rate capacity, or improper installation, maintenance or application. To the extent that Purchaser or its agents has supplied specifications, information, representation of operating conditions or other data to PIPS in the selection or design of the Services and the preparation of PIPS' quotation, and in the event that actual operating conditions or other conditions differ from those represented by Purchaser, any warranties or other provisions contained herein which are affected by such conditions shall be null and void.

Equipment Manufactured by Others: Computer equipment and peripherals sold by PIPS, but manufactured by other companies, carries the manufacturer's original warranty, and PIPS does not warrant and shall not be liable for equipment or instruments supplied by PIPS but manufactured by others.

16. **Limitation of Remedy and Liability –** THE SOLE AND EXCLUSIVE REMEDY FOR BREACH OF ANY WARRANTY HEREUNDER SHALL BE LIMITED TO REPAIR, CORRECTION REPLACEMENT, PROPER PERFORMANCE, OR REFUND OF THE PURCHASE PRICE AS NOTED IN SECTION 15. BECAUSE OF THE NATURE OF THE GOODS, SOFTWARE AND/OR SERVICES AND THE CIRCUMSTANCES PECULIAR TO IT OR THEM, THE PURCHASER ACKNOWLEDGES THAT THE EXCLUSION OF REMEDIES IS NEITHER UNREASONABLE NOR UNCONSCIONABLE.

PIPS SHALL NOT BE LIABLE FOR DAMAGES CAUSED BY DELAY IN PERFORMANCE AND IN NO EVENT, REGARDLESS OF THE FORM OF THE CLAIM OR CAUSE OF ACTION (WHETHER BASED IN CONTRACT, INFRINGEMENT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE), SHALL PIPS' LIABILITY TO PURCHASER AND/OR ITS CUSTOMERS EXCEED THE PRICE PAID BY PURCHASER FOR THE SPECIFIC GOODS, SOFTWARE AND/OR SERVICES PROVIDED BY PIPS GIVING RISE TO THE CLAIM OR CAUSE OF ACTION. PURCHASER AGREES THAT IN NO EVENT SHALL PIPS' LIABILITY TO PURCHASER AND/OR ITS CUSTOMERS EXTEND TO INCLUDE INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES. The term "consequential damages" shall include, but not be limited to, loss of anticipated profits, business interruption, loss of use or revenue cost of capital or loss or damage to property or equipment.

It is expressly understood that any technical advice furnished by PIPS with respect to the use of the Goods, Software or in connection with the Services is given without charge, and PIPS assumes no obligation or liability for the advice given, or results obtained, all such advice being given and accepted at Purchaser's risk.

17. **Inspection –** There shall be no special tests of the goods except as provided for either in PIPS quotation or in the Customer's order and, if the Customer fails, after fourteen (14) business days notice, to attend or to be represented at any such tests, they may be conducted by PIPS in the Customer's absence. Results of such tests will be binding upon the Customer. Further, if the goods fail to meet such tests, the Customer may reject the goods within ten (10) business days of the date of delivery to the Customer. After this time, if not rejected, the goods shall be deemed accepted. During the fourteen business day time period, the Customer must provide to PIPS in writing the specific reason/s the goods are being rejected. If no such writing is provided, the goods are deemed to have been accepted by the Customer.

18. **Indicated Delivery Dates** – Delivery dates are approximate only and PIPS shall be under no liability to the Customer in respect of any delay or non-delivery of the goods however caused.
19. **Partial Deliveries** – PIPS reserves the right to dispatch part of the order and each installment shall be separately invoiced and paid for when due without regard to subsequent deliveries. Delay in delivery of any installment shall not relieve the Customer of the obligation to accept remaining deliverables. The order shall not be cancelable by the Customer for delays in delivery of any installment.
20. **Date and Place of Deliveries** – Delivery shall be FOB PIPS facility in Knoxville, TN. The Customer is responsible for all shipping costs to the final point of destination. Shipping shall take place when the Customer receives PIPS invoice addressed to the Customer informing the Customer that the goods are ready for dispatch. Where such invoice is sent to the Customer by the United States Postal Service, it shall be conclusively presumed to have been received by the Customer on the fifth working day after mailing in the United States.
21. **Risk** – The risk of loss in the goods will pass to the Customer on delivery in accordance with paragraph 20 above.
22. **Labeled and Listed Products** – Whenever the goods comprise products which have been certified as labeled and listed by approved certification authorities (“Labeled and Listed Products”), it is the sole responsibility of the Customer to ensure that the Labeled and Listed Products are operated and serviced only in accordance with the instructions contained in any relevant PIPS product user and maintenance manual in accordance with PIPS guidelines referred to in paragraph 15.
23. **Storage and Delayed Delivery** – If the Customer fails to give instructions for shipment within fourteen (14) days of received advice from PIPS that the goods are ready for shipment (as provided by paragraph 20 above), payment shall be due forthwith and PIPS shall be entitled to store the goods at any available place at the Customer’s risk and expense.
24. **Property** – Ownership of goods will pass to the Customer when PIPS has received payment in full and, until such time as this shall occur, the goods shall be stored by the Customer separately from all other goods and shall be clearly marked by the Customer as being the property of PIPS.
25. **Shortage in Delivery or Damage or Loss in Transit** – PIPS shall in no way be responsible for any breakage or loss of goods in transit and shall be under no liability to affect any insurance in this respect unless otherwise previously agreed. Both the carrier concerned and PIPS must be advised in writing of all shortages in quantity delivered and any breakage or loss within three (3) days of the consignment. In the event of the goods failing to reach their destination, both the carrier and PIPS must be notified of this in writing within seven (7) days after the date on which the Customer was advised that the goods had been shipped. As further security for payment of the price of the goods by Customer, Customer hereby grants to PIPS a security interest in the goods.
26. **Commissioning** – The quotation does not include commissioning and installation services unless expressly stated otherwise. If PIPS is requested to supply:
 - a) Descriptive literature or instructions other than one (1) copy in English for the operation of the equipment, or
 - b) The services of any PIPS’ engineer on-site for the purpose of checking, servicing, or commissioning, an extra charge will be made. Any complaints regarding the quality of such service must be made to the President of PIPS within seven (7) business days of the said services being carried out.
27. **Subsistence and Other Travel Expenses** – Meals, transportation, lodging, and miscellaneous expenses are considered travel expenses and are billed at actual cost plus a ten percent (10%) administrative fee. If time required to complete work is extended at the Purchaser’s request, travel and living expenses will also increase. Travel hours consumed by the PIPS engineer will be incorporated within the daily rate for services performed. The cost of shipping supplies required for Services are likewise charged at cost plus ten percent (10%). Payment of all travel and living expenses are in accordance with the payment terms defined in paragraph 7.
28. **Overseas Sales** – In any case where goods are sold CIF or on the basis of any other international trade terms contained in Incoterms (1980), such term shall apply as if expressly incorporated herein except so far as any part of the same is inconsistent with any of the provisions contained in these terms.
29. **Repairs** – Goods returned for repair must be sent to PIPS Technology, Inc., 804 Innovation Drive, Knoxville, TN 37932, with shipping paid by the Customer and, after repair or exchange, items will be shipped COD to the Customer. All goods returned to PIPS must have a corresponding Return Merchandise Authorization (RMA). An RMA can be issued by calling 865 – 392 – 5590 or via an E-mail to: support@pipstechnology.com Any goods shipped to PIPS without an RMA will be returned to the Customer/Sender. The Customer should note the RMA on the packing slip that accompanies the returned goods. All repairs outside of the 12-month warranty are guaranteed for ninety (90) days.
30. **Force Majeure** – PIPS shall not be liable to the Customer for any loss or damage which may be suffered by the Customer as a direct or indirect result of PIPS being prevented, hindered or delayed in the manufacture of the goods by reason of any circumstances whatsoever outside the control of PIPS including but without limit to the generality of the foregoing: any act of God, riot, strike, lock-out, trade dispute or labor disturbance, accident, breakdown of PIPS facility or PIPS machinery, fire, flood, difficulty in obtaining workers, materials or transport or any foreign or domestic terrorism.
31. **Property Information and Copyright** – Any data supplied by PIPS is for use in support of its manufactured and supplied Goods, Software and/or Services only. Reproduction or use of supplied data for any other purpose is prohibited, except with the express written permission of PIPS. Any Software supplied is copyrighted. The Purchaser may copy the Software for backup or modification purposes in support of the Purchaser’s use of the Software only.
32. **License** – PIPS grants to Customer a non-exclusive royalty free license to use the PIPS Back Office System Software (BOSS) on one computer at any one time. A separate license(s) is required for each additional computer on which the Software will be used. The Software may be transferred to other computers provided it is first deleted from the previous computer upon which the Software was loaded. All right, title, and interest in and to the Software shall at all times remain the sole and exclusive property of PIPS. Violation of these terms immediately terminates said license.
33. **Variation of Conditions** – No employee, servant, representative, agent, distributor or any other such person or organization is empowered to vary these conditions. The President of PIPS, Inc. can only expressly make any variation with this written agreement.
34. **Non-Assignment** – The benefit to the Customer of this contract shall not be assigned in whole or in part to any other person, company or agent except with the express prior written consent of PIPS.

35. **Default and Insolvency** – Each of the following shall constitute an “Event of Default” under this Agreement:

- a) The Customer fails to perform or observe any term, covenant or undertaking in any agreement with PIPS (including failure to pay any amount due to PIPS) and such default continues for seven (7) calendar days after PIPS gives the Customer written or oral notice of such failure to perform.
- b) The Customer files a voluntary petition under any bankruptcy, reorganization or insolvency law of any jurisdiction; the Customer consents to or applies for appointment of a trustee, receiver, custodian or similar official appointed to take possession of all or substantially all of the Customer’s assets and shall not be dismissed within thirty (30) days after appoint; the Customer makes any assignment for the benefit of creditors or other arrangement or composition under any laws for the benefit of insolvents; an order for relief is entered against the Customer under any bankruptcy, reorganization or insolvency law of any jurisdiction or in any case, proceeding or other action seeking such order remains undismissed for thirty (30) days after its filing; or any writ of attachment, garnishment or execution is levied against all or substantially all of the Customer’s assets; or all or substantially all of the Customer’s assets become subject to any attachment, garnishment, execution or other judicial seizure, and the same is not satisfied, removed, released or bonded within thirty (30) days after date the writ was levied or date of the attachment, garnishment, execution or other judicial seizure.
- c) If the Customer is an individual, the Customer shall die.

Upon the occurrence of an Event of Default:

- a) The Customer shall forthwith, upon demand, deliver to PIPS any goods which are in the possession or control of the Customer the property in which remains with PIPS and, in default thereof, PIPS shall be entitled to repossess the same and for such damage caused thereby and the Customer shall indemnify PIPS from, and against all actions, proceedings, claims and such like arising; and;
- b) PIPS shall be entitled by notice in writing to the Customer to declare that all amounts due are immediately payable (whether under this or any other contract) and all such amounts shall bear interest in accordance with paragraph 25 from date of notice until payment.
- c) PIPS shall have the remedies provided under the Uniform Commercial Code of the State of Tennessee and other applicable laws of the State of Tennessee for any breach, default or nonperformance of and provision of this Agreement.
- d) No right or remedy given to PIPS hereunder is intended to be exclusive; each shall be cumulative and in addition to any other remedy provided herein or otherwise available at law or in equity. No failure by PIPS and no delay in exercising any right shall operate as a waiver of that right. Nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise of a right, power or privilege granted hereunder or otherwise.

37. **Headings** – The headings used in these Terms and Conditions of Sale are for convenience only and shall not affect the construction thereof.

38. **Entire Contract** – This writing constitutes the entire agreement and understanding between the parties as of the date of acceptance by PIPS and shall not thereafter be modified in any way except in writing by an authorized PIPS representative. No waiver of these terms and conditions shall be binding upon PIPS unless made in writing and signed by PIPS. No conditions, usage of trade, course of dealing or performance, understanding or agreement purporting to modify, vary, explain, or supplement these terms and conditions shall be binding unless hereafter made in writing and signed by the party to be bound, and no modification or additional terms shall be applicable to this agreement by PIPS’ receipt, acknowledgement or acceptance or purchase orders, shipping instruction forms, or other documentation containing terms at variance with or in addition to those set forth herein. No waiver by either party with respect to any breach or default or of any right or remedy, and no course of dealing, shall be deemed to constitute a continuing waiver of any other breach or default or of any other right or remedy, unless such waiver be expressed in writing and signed by the party to be bound.

39. **United States Law** – The contract shall be governed by, construed, and interpreted in accordance with the laws of the United States of America and the State of Tennessee and, for the purpose of the determination of any dispute arising out of or in connection with the contract, the parties hereby submit to the jurisdiction of the Tennessee courts. Any controversy or claim arising out of or relating to this order shall be settled by arbitration held in Knox County, Tennessee, in accordance with the rules of the American Arbitration Association and judgment upon any arbitration award may be entered in any court having jurisdiction. In the event of a dispute under this contract, the prevailing party shall be entitled to recover its attorney’s fees and costs from the other.

Authorized Customer Acceptance:

Signed: _____

Name: _____

Title: _____

Date: _____