

THE STATE OF TEXAS   §  
                                   §  
COUNTY OF HARRIS   §

**I. PARTIES**

A.    Address

**THIS AGREEMENT FOR A PHOTO RED LIGHT CAMERA ENFORCEMENT SYSTEM AND SERVICES ("Agreement") is made by and between the CITY OF HOUSTON, TEXAS ("City"), a municipal corporation, and AMERICAN TRAFFIC SOLUTIONS, INC. a Kansas corporation doing business in Texas ("Contractor").**

The initial addresses of the parties, which one party may change by giving written notice to the other party, are as follows:

<u>City</u>	<u>Contractor</u>
City of Houston Chief, Houston Police Department P. O. Box 1562 Houston, Texas 77054	American Traffic Solutions, Inc. 14861 North Scottsdale Road Suite 109 Scottsdale, Arizona 85254

The Parties agree as follows:

B.    Table of Contents

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**American Traffic Solutions**

480.368.0900 • Fax: 480.607.0901 • www.atsol.com • 14861 North Scottsdale Road • Suite 109 • Scottsdale, AZ 85254

C62248

06-0567

June 6, 2006

Mr. Frank Rodriguez  
Purchasing Agent  
City of Houston  
City Hall Annex  
90 Bagby  
Houston, TX 77002

**Re: Amendment to ATS Agreement for a Photo Red Light Camera Enforcement System and Services**

Dear Mr. Rodriguez:

This letter is to confirm our agreement to modify the pricing terms of the above-referenced agreement. Specifically, Section 3.1 of Exhibit "G" should be modified to reflect a reduction in the monthly minimum of citations issued per month from 750 to 500. Section 3.1 should therefore be replaced with the following paragraph:

**3.1 Minimum Fee:**

*The minimum fee the City shall pay Contractor during the initial term shall be equal to the sum of the fixed fees for equipment and maintenance costs plus the monthly citation processing costs based on a systemwide average of 500 issued citations per month.*

Please feel free to contact me if you have any questions, or require further clarification.

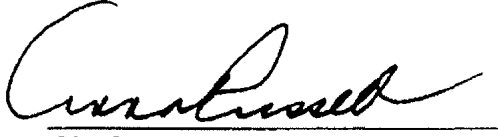
Sincerely,

**American Traffic Solutions, Inc.**

James D. Tuton  
President


ats contract amendment no 1

ATTEST/SEAL:

  
\_\_\_\_\_  
City Secretary

CITY OF HOUSTON, TEXAS

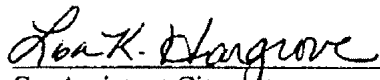
Signed by:

  
\_\_\_\_\_  
Mayor

COUNTERSIGNED BY:

  
\_\_\_\_\_  
City Controller 

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Sr. Assistant City Attorney  
L.D. File No.

DATE COUNTERSIGNED:

\_\_\_\_\_  
6-28-06

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  §  
COUNTY OF HARRIS §

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**EXHIBITS**

- A. Scope of Services**
- B. Equal Employment Opportunity**
- C. MWBE Subcontract Terms**
- D. Drug Policy Compliance Agreement**
- E. Certificate of No Safety Impact Positions**
- F. Drug Policy Compliance Declaration**
- G. Payments to Contractor**
- H. System Requirements**
- I. Violation Processing**
- J. Reports**
- K. Key Personnel**
- L. Intentionally Deleted**
- M. Equipment**
- N. Chain of Custody**
- O. Public Awareness Campaign**
- P. Citations Issuance/Collections Processing**
- Q. Letter of Credit**


C. Signatures

The Parties have executed this Agreement in multiple copies, each of which is an original.

APPROVED AS TO FORM:

By:   
Name: Alan Dreyfus  
Title: Executive Vice President

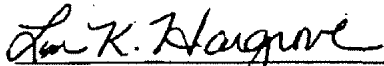
ATTEST/SEAL:

  
City Secretary

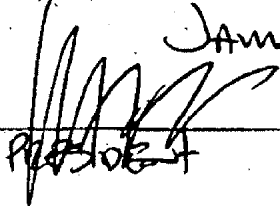
APPROVED:

  
Chief, Houston Police Department

APPROVED AS TO FORM:


  
Sr. Assistant City Attorney  
L.D. File No.

AMERICAN TRAFFIC SOLUTIONS, INC.

By:   
James D. Tuton

CITY OF HOUSTON, TEXAS

Signed by:

  
Mayor Martha L. Stein

COUNTERSIGNED:

  
City Controller 

DATE COUNTERSIGNED:

6-28-06



## II. DEFINITIONS

As used in this Agreement, the following terms have the meanings set out below:

"Agreement" means this contract between the Parties, including all exhibits and any written amendments authorized by City Council and Contractor.

"Approach" means one direction of travel of up to four lanes on a road or a traffic Intersection.

"City" is defined in the preamble of this Agreement and includes its successors and assigns.

"Citations" mean a Citation issued by a competent state or municipal law enforcement agent or agency or by a court of competent jurisdiction relating to a Violation documented or evidenced by the Photo Red Light Camera Enforcement System.

"Collection Revenue" means that revenue collected solely from the issuance of Citations, less court fees and returned check fees, as defined by City policy.

"Contractor" is defined in the preamble of this Agreement and includes its successors and assigns.

"Countersignature Date" means the date shown as the date countersigned on the signature page of this Agreement.

"Director" means the Chief of Police of the Houston Police Department, or the person he or she designates.

"Dummy System" means a non-operational Photo Red Light Camera Enforcement System that looks identical to operational cameras, but does not issue a Notice of Violation.

"Equipment" initially means those items of hardware and software described in Exhibit "M" which collectively monitor, or assist in monitoring, red light violations, traffic speed or

other traffic movements and issue Citations for traffic Violations or as otherwise enhanced or revised with the approval of the Director under this Agreement.

"HPD" means the City of Houston Police Department.

"Intersection" means the place or area where two or more streets intersect.

"Notice of Violation" means a notification or notice that is mailed to a violator that is photographed as running a red light at an Intersection Approach that is monitored by a Photographic Red Light Camera Enforcement System.

"Operational Time" means the actual time that a Photo Red Light Camera Enforcement System is monitoring traffic.

"Parties" mean all the entities set out in the Preamble who are bound by this Agreement.

"Person" or "Persons" means any individual, partnership, joint venture, corporation, trust, unincorporated association, governmental authority or political subdivision thereof or any other form of entity.

"Photo Red Light Camera Enforcement System" or "System" means that Equipment installed and utilized for monitoring red light Violations, traffic speed or other traffic movements and issue Citations for traffic Violations.

"Violation" means failure to obey an applicable traffic law or regulations, including, without limitation, failure to obey a traffic signal, operating a motor vehicle in excess of the posted speed limit, and operating a motor vehicle without displaying a valid license plate.

### **III. DUTIES OF CONTRACTOR**

#### **A. Scope of Services**

In consideration of the payments specified in this Agreement, Contractor shall provide all labor, material, and supervision necessary to provide a complete end-to-end Photo Red Light

Camera Enforcement System, and other services as described in this Agreement and the Exhibits attached hereto. Specifically Contractor's services shall consist of completing the services set forth in Exhibit "A". Notwithstanding any dates, notice periods and other provisions contained in this Agreement or the Exhibits attached hereto, all services shall be performed in accordance with Chapter 45, Article XIX, of the City of Houston Code (the "Code") as amended from time to time.

Contractor shall not initiate any services under this Agreement until it receives a written Notice to Proceed for such services from the Director.

Contractor shall assign the key personnel identified in Exhibit "K" to work on the services to be provided under this Agreement. Contractor shall not replace any of these key personnel without the Director's prior written consent. Contractor shall notify Director if replacement is necessary due to an event outside Contractor's control, such as resignation, termination, illness or death.

The Contractor shall assign a Contractor Project Manager to this project. The Contractor Project Manager shall be the single point of contact responsible for all work undertaken by the Contractor. The Contractor Project Manager shall be dedicated solely to the City's project and shall maintain a substantial presence in Houston during the period of installation of the first fifty (50) cameras and thereafter for no less than four (4) months. At all times, the Contractor Project Manager shall be accessible by telephone and e-mail, shall address project issues in a timely manner and shall be on site in Houston whenever necessary to ensure the success of the project. Contractor shall also provide the Director with the name, e-mail address and telephone number of an alternate person that shall answer any questions if Contractor's Project Manager is not available.

**B. RELEASE**

CONTRACTOR AGREES TO AND SHALL RELEASE THE CITY, ITS AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES (COLLECTIVELY THE "CITY") FROM ALL LIABILITY FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE UNDER THIS AGREEMENT, EVEN IF THE INJURY, DEATH, DAMAGE, OR LOSS IS CAUSED BY THE CITY'S SOLE OR CONCURRENT NEGLIGENCE AND/OR THE CITY'S STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY.

**C. INDEMNIFICATION**

CONTRACTOR AGREES TO AND SHALL DEFEND, INDEMNIFY, AND HOLD THE CITY, ITS AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES (COLLECTIVELY THE "CITY") HARMLESS FOR ALL CLAIMS, CAUSES OF ACTION, LIABILITIES, FINES, AND EXPENSES (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES, COURT COSTS, AND ALL OTHER DEFENSE COSTS AND INTEREST) FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE UNDER THIS AGREEMENT INCLUDING, WITHOUT LIMITATION, THOSE CAUSED BY:

- (1) CONTRACTOR'S AND/OR ITS AGENTS', EMPLOYEES', OFFICERS', DIRECTORS', CONTRACTORS', OR SUBCONTRACTORS' (COLLECTIVELY IN NUMBERED PARAGRAPHS 1-3;

"CONTRACTOR") ACTUAL OR ALLEGED NEGLIGENCE OR INTENTIONAL ACTS OR OMISSIONS;

(2) THE CITY'S AND CONTRACTOR'S ACTUAL OR ALLEGED CONCURRENT NEGLIGENCE, WHETHER CONTRACTOR IS IMMUNE FROM LIABILITY OR NOT; AND

(3) THE CITY'S AND CONTRACTOR'S ACTUAL OR ALLEGED STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY, WHETHER CONTRACTOR IS IMMUNE FROM LIABILITY OR NOT.

CONTRACTOR SHALL DEFEND, INDEMNIFY, AND HOLD THE CITY HARMLESS DURING THE TERM OF THIS AGREEMENT AND FOR FOUR YEARS AFTER THE AGREEMENT TERMINATES. CONTRACTOR'S INDEMNIFICATION IS LIMITED TO \$500,000 PER OCCURRENCE. CONTRACTOR SHALL NOT INDEMNIFY THE CITY FOR THE CITY'S SOLE NEGLIGENCE.

D. INDEMNIFICATION PROCEDURES

(1) Notice of Claims. If the City or Contractor receives notice of any claim or circumstances which could give rise to an indemnified loss, the receiving party shall give written notice to the other party within 10 days. The notice must include the following:

- (a) a description of the indemnification event in reasonable detail,
- (b) the basis on which indemnification may be due, and
- (c) the anticipated amount of the indemnified loss.

This notice does not estop or prevent the City from later asserting a different basis for indemnification or a different amount of indemnified loss than that indicated in the initial notice.

If the City does not provide this notice within the 10 day period, it does not waive any right to

indemnification except to the extent that Contractor is prejudiced, suffers loss, or incurs expense because of the delay.

(2) Defense of Claims

(a) Assumption of Defense. Contractor may assume the defense of the claim at its own expense with counsel chosen by it that is reasonably satisfactory to the City. Contractor shall then control the defense and any negotiations to settle the claim. Within 10 days after receiving written notice of the indemnification request, Contractor must advise the City as to whether or not it will defend the claim. If Contractor does not assume the defense, the City shall assume and control the defense, and all defense expenses constitute an indemnification loss.

(b) Continued Participation. If Contractor elects to defend the claim, the City may retain separate counsel to participate in (but not control) the defense and to participate in (but not control) any settlement negotiations. Contractor may settle the claim without the consent or agreement of the City, unless it (i) would result in injunctive relief or other equitable remedies or otherwise require the City to comply with restrictions or limitations that adversely affect the City; (ii) would require the City to pay amounts that Contractor does not fund in full, (iii) would not result in the City's full and complete release from all liability to the plaintiffs or claimants who are parties to or otherwise bound by the settlement.

E. Insurance

Contractor shall maintain in effect certain insurance coverage, which is described as follows:

(1) Minimum Insurance Requirements. Contractor shall maintain the following insurance coverage in the following amounts:

<u>(Coverage)</u>	<u>(Limit of Liability)</u>
Workers' Compensation	Statutory for Workers' Compensation
Employer's Liability	Bodily Injury by accident \$500,000 (each accident) Bodily Injury by Disease \$500,000 (policy limit) Bodily Injury by Disease \$500,000 (each employee)
Commercial General Liability: Including Broad Form Coverage, Contractual Liability, Bodily and Personal Injury, and Completed Operations	Bodily Injury and Property Damage, Combined Limits of \$1,000,000 each Occurrence and \$1,000,000 aggregate
Automobile Liability Insurance (for vehicles Contractor uses in performing under this Agreement, including Employer's Non-Owned and Hired Auto Coverage)	\$1,000,000 combined single limit
Crime Bond (covering Dishonesty, Disappearance and Destruction of property assets by Employees of Contractors), with the City of Houston named as "Loss Payee" as their interest may appear; with Form C, "inside and outside coverage" attached, covering theft of Contractor's and City's property or assets.	

Defense costs are excluded from the face amount of the policy.  
Aggregate Limits are per 12-month policy period  
unless otherwise indicated.

- (2) Form of Policies. The Director may approve the form of the insurance policies, but nothing the Director does or fails to do relieves Contractor from its duties to provide the required coverage under this Agreement. The Director's actions or inactions do not waive the City's rights under this Agreement.
- (3) Issuers of Policies. The issuer of any policy (1) shall have a Certificate of Authority to transact insurance business in Texas or (2) shall be an eligible non-admitted insurer in the State of Texas and have a Best's rating of at least B+ and a Best's Financial Size Category of Class VI or better, according to the most current edition Best's Key Rating Guide.

- (4) Insured Parties. Each policy, except those for Workers' Compensation, and Employer's Liability, must name the City (and its officers, agents, and employees) as Additional Insured parties on the original policy and all renewals or replacements.
- (5) Deductibles. Contractor shall be responsible for and pay any claims or losses to the extent of any deductible amounts and waives any claim it may have for the same against the City, its officers, agents, or employees.
- (6) Cancellation. Each policy must state that it may not be canceled, materially modified, or nonrenewed unless the insurance company gives the Director 30 days' advance written notice. Contractor shall give written notice to the Director within five days of the date on which total claims by any party against Contractor reduce the aggregate amount of coverage below the amounts required by this Agreement. In the alternative, the policy may contain an endorsement establishing a policy aggregate for the particular project or location subject to this Agreement.
- (7) Subrogation. Each policy must contain an endorsement to the effect that the issuer waives any claim or right of subrogation to recover against the City, its officers, agents, or employees.
- (8) Endorsement of Primary Insurance. Each policy, except Workers' Compensation and Professional Liability (if any), must contain an endorsement that the policy is primary to any other insurance available to the Additional Insured with respect to claims arising under this Agreement.



(9) Liability for Premium. Contractor shall pay all insurance premiums, and the City shall not be obligated to pay any premiums.

(10) Subcontractors. Contractor shall require all subcontractors to carry insurance naming the City as an additional insured and meeting all of the above requirements except amount. The amount must be commensurate with the amount of the subcontract, but in no case less than \$500,000 per occurrence. Contractor shall provide copies of insurance certificates to the Director.

(11) Proof of Insurance.

(a) Prior to execution of this Agreement, Contractor shall furnish the Director with Certificates of Insurance, along with an Affidavit from Contractor confirming that the Certificates accurately reflect the insurance coverage maintained. If requested in writing by the Director, Contractor shall furnish the City with certified copies of Contractor's actual insurance policies.

(b) Contractor shall continuously and without interruption, maintain in force the required insurance coverages specified in this Section. If Contractor does not comply with this requirement, the Director, at his or her sole discretion, may

- (1) immediately suspend Contractor from any further performance under this Agreement and begin procedures to terminate for default, or
- (2) purchase the required insurance with City funds and deduct the cost of the premiums from amounts due to Contractor under this Agreement.

The City shall never waive or be estopped to assert its right to terminate this Agreement because of its acts or omissions regarding its review of insurance documents.

(12) Other Insurance. If requested by the Director, Contractor shall furnish adequate evidence of Social Security and Unemployment Compensation Insurance, to the extent applicable to Contractor's operations under this Agreement.

F. Licenses and Permits

Contractor shall obtain, maintain, and pay for all licenses, permits, and certificates required by any statute, ordinance, rule, or regulation.

G. Compliance with Laws

Contractor shall comply with all applicable state and federal laws and regulations and the City Charter and Code of Ordinances.

H. Compliance with Equal Opportunity Ordinance

Contractor shall comply with the City's Equal Employment Opportunity Ordinance as set out in Exhibit "B".

I. MWBE Compliance

Contractor shall comply with the City's Minority and Women Business Enterprise ("MWBE") programs as set out in Chapter 15, Article V of the City of Houston Code of Ordinances. Contractor shall make good faith efforts to award subcontracts or supply agreements in at least 10% of the total value of this Agreement to MWBEs. Contractor acknowledges that it has reviewed the requirements for good faith efforts on file with the City's Affirmative Action Division and will comply with them.

Contractor shall require written subcontracts with all MWBE subcontractors and shall submit all disputes with MWBEs to binding arbitration to be conducted in Houston, Texas, if directed to do so by the Affirmative Action Division Director. MWBE subcontracts must contain the terms set out in Exhibit "C". If Contractor is an individual person (as distinguished

from a corporation, partnership, or other legal entity), and the amount of the subcontract is \$50,000 or less, the subcontract must also be signed by the attorneys of the respective parties.

J. Drug Abuse Detection and Deterrence

(1) It is the policy of the City to achieve a drug-free workforce and workplace. The manufacture, distribution, dispensation, possession, sale, or use of illegal drugs or alcohol by contractors while on City Premises is prohibited. Contractor shall comply with all the requirements and procedures set forth in the Mayor's Drug Abuse Detection and Deterrence Procedures for Contractors, Executive Order No. 1-31 ("Executive Order"), which is incorporated into this Agreement and is on file in the City Secretary's Office.

(2) Before the City signs this Agreement, Contractor shall file with the Contract Compliance Officer for Drug Testing ("CCODT"):

- (a) a copy of its drug-free workplace policy,
- (b) the Drug Policy Compliance Agreement substantially in the form set forth in Exhibit "D," together with a written designation of all safety impact positions and,
- (c) if applicable (e.g. no safety impact positions), the Certification of No Safety Impact Positions, substantially in the form set forth in Exhibit "E."

If Contractor files a written designation of safety impact positions with its Drug Policy Compliance Agreement, it also shall file every 6 months during the performance of this Agreement or on completion of this Agreement if performance is less than 6 months, a Drug Policy Compliance Declaration in a form substantially similar to Exhibit "F." Contractor shall submit the Drug Policy Compliance Declaration to the CCODT within 30 days of the expiration of each 6-month period of performance and within 30 days of completion of this Agreement.

The first 6-month period begins to run on the date the City issues its Notice to Proceed or if no Notice to Proceed is issued, on the first day Contractor begins work under this Agreement.

(3) Contractor also shall file updated designations of safety impact positions with the CCODT if additional safety impact positions are added to Contractor's employee work force.

(4) Contractor shall require that its subcontractors comply with the Executive Order, and Contractor shall secure and maintain the required documents for City inspection.

K. Performance Bond

(1) Contractor shall furnish an initial performance bond for \$1,000,000 conditioned on Contractor's full and timely performance of all terms, conditions and covenants of this Agreement. The initial performance bond shall remain in place for one (1) year. Thereafter, Contractor shall furnish a performance bond for \$500,000 conditioned upon Contractor's full and timely performance of all terms, conditions and covenants of this Agreement. The second bond shall remain in place for one (1) year. Upon expiration of the second bond, Contractor shall furnish a third performance bond for \$250,000 conditioned upon Contractor's full and timely performance of all terms, conditions and covenants of this Agreement. Each bond must be in a form approved by the City Attorney and issued by a corporate surety authorized and admitted to write surety bonds in Texas. If the amount of the bond exceeds \$100,000, the surety must be listed on the current list of accepted sureties on federal bonds published by the United States Treasury Department or reinsured for any

liability in excess of \$100,000 by a reinsurer listed on the U.S. Treasury list.

- (2) For the fourth and fifth years of this Agreement and for the renewal period, if elected by the Director, Contractor may either furnish a performance bond in the amount of \$250,000 for such years conditioned upon Contractor's full and timely performance of all terms, conditions and covenants of this Agreement or an irrevocable letter of credit, substantially in the form attached to this Agreement as Exhibit "Q", payable upon presentation to a solvent bank or savings and loan in the initial principal amount of \$250,000 which shall be kept in full force and effect for the remainder of the term or renewal term as appropriate of this Agreement.
- (3) If Contractor has defaulted under the terms of this Agreement, has failed to cure such default and the Agreement has been terminated, the City shall have the right to enforce the performance bond or the letter of credit and apply the proceeds thereof to cover costs as may be incurred by the City as a result of the breach of contract and lost revenues resulting from such default. However, in no event shall enforcement of the bond or letter of credit be deemed an exclusive remedy of the City.
- (4) If Contractor has Contractor has delivered systems and services in accordance with the terms and conditions of this Agreement at all times during the first three years of this Agreement, the Director may release Contractor from its surety requirement at any point during years four (4)

through ten (10) in which case the bond or letter of credit will be released to Contractor.

L. Ownership of System

It is understood by the City that the Photo Red Light Enforcement System being installed by Contractor is, and shall remain, the sole property of Contractor, unless separately procured from Contractor. The Photo Red Light Enforcement System is being provided to City only under the terms and for the term of this Agreement.

M. Confidentiality of City Information

At all times, the Contractor will recognize the City's sole and exclusive ownership of all documents and information provided by the City or generated by Contractor based on information provided by the City relating to the services and the sole and exclusive right and jurisdiction of the City to control the use of this information.

(a) The Contractor agrees that neither it, or its employees, subcontractors, agents, or parent company shall disclose confidential information, to any person or to anyone except as necessary to perform the services under this Agreement, including other subsidiaries within Contractor without the expressed written permission of the City or unless required to do so by law.

(b) The Contractor shall further agree that in the event that any documents containing confidential information should be improperly used or be removed in any way from the possession or control of the Contractor or its subcontractors by anyone except the Director or authorized representatives, the Contractor shall immediately notify the City orally and in writing, and shall join with the Director at his request in taking such reasonable steps as the City may deem advisable to enjoin the misuse and regain possession of such confidential information, or

steps otherwise necessary for the protection of the City's rights and the confidentiality of the information.

(c) The Contractor agrees to return any and all data furnished and information derived hereunder promptly upon a request by the Director or his authorized designee.

(d) The Contractor shall provide the design and implementation of a security system which will protect both the physical documents and the confidential information contained therein from the time of Contractor's receipt until the delivery to the City. Security shall include, without limitation, fire protection, protection against smoke and water damage, alarm systems, locked files or other devices reasonable expected to prevent loss or unauthorized removal of documents and/or manually held data; passwords, access logs, badges, or other methods reasonably expected to prevent loss or unauthorized access to electronically or mechanically held data; limited terminal access, access to input documents and output documents, and design provisions to limit use of client or applicant name.

#### IV. DUTIES OF CITY

##### A. Payment Terms

The City shall pay and Contractor shall accept fees at the prices and the conditions set forth in Exhibit "G" for all services rendered by Contractor. Contractor's prices shall be revised as applicable by the service level performance standards all as set forth in Exhibit "G". All fees due to Contractor under this Agreement shall only be paid from Collection Revenue. Under no circumstances shall the current and past due fees due to Contractor in any one month exceed the service level performance standard established pursuant to Exhibit "G".

If a court issues an order prohibiting or enjoining the City in any way from issuing Citations or other penalties or fines for the Violations described in this Agreement, then the City

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shall pay to Contractor for the period up to the date of the order all accrued and eligible fees, including the fixed monthly fees set forth in Exhibit "G". During the period the City is ordered or enjoined from issuing Citations or other penalties or fines for the Violations described in this Agreement, but not to exceed twelve (12) months, the City shall pay to Contractor, subject to allocation of funds therefore by City Council, the monthly fee of \$1,250.00 , prorated if required for part of any month. However, under no circumstances shall the City be obligated to pay Contractor more than ninety percent (90%) of the money that the program has generated from the inception of the Agreement up to the date of suspension for the period of the suspension.

During the period of the suspension, Contractor shall not be required to perform any service described in this Agreement during such period. Both Parties are excused from performance under this Agreement and shall not be in default while the court order is in effect.

Contractor shall submit monthly invoices to the City detailing the amount of fees Contractor is due for the prior month based upon the fees set forth in Exhibit "G" and showing if the fees owing are modified by the requirements of Exhibit "G".

B. Limit of Appropriation

The City has allocated no funds for this Agreement. All payments to Contractor under this Agreement, except as otherwise provided for in this Agreement, for services shall be made from Collection Revenue.

C. Taxes

The City is exempt from payment of Federal Excise and Transportation Tax and Texas Limited Sales and Use Tax. Contractor's invoices to the City must not contain assessments of any of these taxes. The Director will furnish the City's exemption certificate and federal tax identification number to Contractor if requested.



D. Access to Data

The City shall, to the extent permitted by law, allow Contractor to access and make copies of documents in the possession or control of the City or available to it that are reasonably necessary for Contractor to perform under this Agreement.

The City does not, however, represent that all existing conditions are fully documented, nor is the City obligated to develop new documentation for Contractor's use.

**V. TERM AND TERMINATION**

A. Term

This Agreement is effective on the Countersignature Date and remains in effect for one five (5) year term, unless sooner terminated under this Agreement.

B. Renewal Term

The Director may extend the original term of this Agreement for one (1) five-year renewal period by providing thirty (30) days' written notice of such renewal to Contractor.

C. Termination for Convenience by City

For the first three (3) years of this Agreement, the City may not terminate this Agreement for its convenience. Thereafter, the Director may terminate this Agreement at any time by giving 120 days' written notice to Contractor. The City's right to terminate this Agreement for convenience is cumulative of all rights and remedies which exist now or in the future.

On receiving the notice, Contractor shall, unless the notice directs otherwise, immediately discontinue all services under this Agreement.

TERMINATION OF THIS AGREEMENT IS CONTRACTOR'S ONLY REMEDY FOR THE CITY'S TERMINATION FOR CONVENIENCE, WHICH DOES NOT CONSTITUTE A DEFAULT OR BREACH OF THIS AGREEMENT. CONTRACTOR WAIVES ANY CLAIM

IT MAY HAVE NOW OR IN THE FUTURE FOR FINANCIAL LOSSES OR OTHER DAMAGES RESULTING FROM THE CITY'S TERMINATION FOR CONVENIENCE.

D. Termination for Cause

If Contractor defaults under this Agreement, the Director shall allow Contractor to cure the default as provided below. The City's right to terminate this Agreement for Contractor's default is cumulative of all rights and remedies which exist now or in the future. Default by Contractor occurs if:

- (1) Contractor fails to perform any of its duties under this Agreement;
- (2) Contractor becomes insolvent;
- (3) all or a substantial part of Contractor's assets are assigned for the benefit of its creditors; or
- (4) a receiver or trustee is appointed for Contractor.

If a default occurs, the Director shall deliver a written notice to Contractor describing the default and the termination date (no less than thirty (30) days from the date of the notice). The Director, at his or her sole option, may extend the termination date to a later date. If the Contractor cures the default to the Director's satisfaction before the termination date, then the termination is ineffective. If Contractor does not cure the default before the termination date, then the Director may terminate this Agreement on the termination date, at no further obligation of the City.

To effect final termination, the Director must notify Contractor in writing. After receiving the notice, Contractor shall, unless the notice directs otherwise, immediately discontinue all services under this Agreement, and promptly cancel all orders or subcontracts chargeable to this Agreement.

E. Effect of Termination

Upon termination or expiration of this Agreement for any reason, Contractor shall remove its Equipment no later than 45 days from the date of termination. Costs of removal shall be at Contractor's sole expense.

VI. MISCELLANEOUS

A. Independent Contractor

Contractor shall perform its obligations under this Agreement as an independent contractor and not as an employee of the City.

B. Severability

If any part of this Agreement is for any reason found to be unenforceable, all other parts remain enforceable unless the result materially prejudices either party.

C. Entire Agreement

This Agreement merges the prior negotiations and understandings of the Parties and embodies the entire agreement of the Parties. No other agreements, assurances, conditions, covenants (express or implied), or other terms of any kind, exist between the Parties regarding this Agreement.

D. Applicable Laws

This Agreement is subject to the laws of the State of Texas, the City Charter and Ordinances, the laws of the federal government of the United States, and all rules and regulations of any regulatory body or officer having jurisdiction.

Venue for any litigation relating to this Agreement is Harris County, Texas.

E. Notices

All notices required or permitted by this Agreement must be in writing and are deemed delivered on the earlier of the date actually received or the third day following: (1) deposit in a United States Postal Service post office or receptacle; (2) with proper postage (certified mail, return receipt requested); and (3) addressed to the other party at the address set out in the preamble of this Agreement or at such other address as the receiving party designates by proper notice to the sending party.

F. Non-Waiver

If either party fails to require the other to perform a term of this Agreement, that failure does not prevent the party from later enforcing that term and all other terms. If either party waives the other's breach of a term, that waiver does not waive a later breach of this Agreement.

An approval by the Director, or by any other employee or agent of the City, of any part of Contractor's performance does not waive compliance with this Agreement or establish a standard of performance other than that required by this Agreement and by law. The Director is not authorized to vary the terms of this Agreement.

G. Inspections and Audits

City representatives may perform, or have performed, audits of Contractor's books and records relating to the services provided under this Agreement, including, but not limited to, financial records related to the billing and collection process, and inspections of all places where work is undertaken in connection with this Agreement. Contractor shall keep its books and records available for this purpose for at least 2 years after this Agreement terminates. This provision does not affect the applicable statute of limitations.

H. Enforcement

The City Attorney or his or her designee may enforce all legal rights and obligations under this Agreement without further authorization. Contractor shall provide to the City Attorney all documents and records that the City Attorney requests to assist in determining Contractor's compliance with this Agreement, with the exception of those documents made confidential by federal or State law or regulation.

I. Ambiguities

If any term of this Agreement is ambiguous, it shall not be construed for or against any party on the basis that the party did or did not write it.

J. Survival

Contractor shall remain obligated to the City under all clauses of this Agreement that expressly or by their nature extend beyond the expiration or termination of this Agreement, including but not limited to, the indemnity provisions.

K. Contractor Debt

IF CONTRACTOR, AT ANY TIME DURING THE TERM OF THIS AGREEMENT, INCURS A DEBT, AS THE WORD IS DEFINED IN SECTION 15-122 OF THE HOUSTON CITY CODE OF ORDINANCES, IT SHALL IMMEDIATELY NOTIFY THE CITY CONTROLLER IN WRITING. IF THE CITY CONTROLLER BECOMES AWARE THAT CONTRACTOR HAS INCURRED A DEBT, SHE SHALL IMMEDIATELY NOTIFY CONTRACTOR IN WRITING. IF CONTRACTOR DOES NOT PAY THE DEBT WITHIN 30 DAYS OF EITHER SUCH NOTIFICATION, THE CITY CONTROLLER MAY DEDUCT FUNDS IN AN AMOUNT EQUAL TO THE DEBT FOR ANY PAYMENTS OWED TO

CONTRACTOR UNDER THIS AGREEMENT, AND CONTRACTOR WAIVES ANY  
RECOURSE THEREFOR.

## EXHIBIT "A"

### SCOPE OF SERVICES

In consideration for the payment of fees described in the Agreement to Contractor, Contractor shall perform the following services related to the Photo Red Light Camera Enforcement System:

#### 1. Implementation

##### A. Work Plan

Contractor shall provide, if notified in writing by the Director, its expertise to plan, monitor and complete implementation. This shall include Contractor's assistance in the preparation and maintenance of project work plans with implementation timelines for all items (listed below) in the scope of the project including dependencies on City resources and other third parties.

- Interface with Project Manager to define project, roles and expectations
- Perform intersection traffic surveys and site selections
- Conform to all city, state, and federal codes, standards and regulations of various authorities
- Submit detailed site plans to City of Houston and necessary authorities
- Submit specifications and/or tear-sheets for all pertinent material and equipment, as needed and if necessary
- Upon approval, obtain all necessary site construction permits
- Verify underground history and dangers
- Establish Critical Path – convey schedule to all proper authorities
- Mobilize personnel, materials, and equipment
- Secure proper traffic management to provide maximum safety and minimum impact to existing traffic patterns
- Perform any necessary construction work
- Display proper permit and warnings signs
- Test and review site construction and camera calibration and adjust equipment as needed
- Create and provide as-built drawings for City of Houston (See below)

- Issue official on-line notification of camera readiness

**B. As-Built Drawings**

The City shall provide the Contractor with "as built" drawings as may be required by the Contractor. Contractor shall resubmit these drawings to the City, inclusive of its added infrastructure, in paper and electronic format for review and approval. These plans shall become the property of the City and shall be prepared by an appropriately registered engineer in the State of Texas. Before final activation, each installation and its operation must be approved for activation by HPD and the City's Public Works departments.

The engineer or engineering firm that Contractor selects for these services must be licensed in the State of Texas and approved by the City prior to employment. Contractor shall select the most highly qualified engineer to provide the requested engineering services on the basis of demonstrated competence and qualifications. Contractor must be able to demonstrate to the City that its engineering selection was based upon the requirements contained in section 2254.004 of the Texas Government Code.

Upon City's approval of the selected engineering firm, Contractor may negotiate a fair and reasonable price with the selected engineering firm. The fair and reasonable price must then be approved by the City.

**C. Preliminary Drawings Approvals**

Contractor shall resubmit these drawings to the City, inclusive of its added infrastructure, in paper or electronic format for review and approval. These plans shall become the property of the City and shall be prepared by an appropriately registered engineer in the State of Texas. Before the final activation, each installation and its operation must be approved for activation by HPD and Public Works departments.

**2. Installation of Equipment**

**A. Notice to Proceed**

Contractor shall not make any installation of Equipment until instructed to do so via a written Notice to Proceed issued by the Director. Each Notice to Proceed will instruct Contractor to install its Equipment or a Dummy System at designated Intersections listed in the Notice to Proceed. Although the Director will solely determine the specific Intersections for camera installation, the Director may seek Contractor's assistance for site analysis recommendations prior to Intersection selection. From the start date listed in each Notice to Proceed, Contractor shall have 45 days to install and make operational a complete Photo Red Light Camera Enforcement System per group of 10 at the instructed Intersections. Each Notice to Proceed will be issued for ten (10) Intersections, unless a different number is approved by the Director. The City is not required to issue any Notices to Proceed. On or before the date for complete installation and operation of each ten Intersections, Contractor shall notify the Director in writing that the installation is complete and that the Equipment is operational. Contractor shall issue no Citations for any Intersection until instructed by the Director.



B. Installation

1. **Installation Requirements of the System and Associated Equipment** – The installation of the Equipment shall be non-invasive (above ground only), and vehicle detection shall be digital video based or equivalent alternative (with approval by the Director) without a minimum speed for detection. Installation shall be accomplished without interfering with existing roadway surfaces, with the exception of necessary conduit installation. **Loop-based detection systems are not acceptable.** Contractor shall install its Equipment on existing traffic poles or on newly installed poles. **The System shall in no way interfere with the cycling, timing or sequencing of the City's traffic signals.** Contractor shall provide for its own metered service pedestal for each site and shall be allowed to tap into the same power line feeding the City's meter or power source at each Intersection. If the power source to which a meter may be attached is not present at any Intersection, the City, at its expense, shall extend such power source to an agreed upon location at the Intersection convenient to both Parties. Contractor shall then attach a meter pedestal at the agreed upon location at the Intersection and pay all monthly power fees directly to the provider of the power. Aside from the provision of the power source described above, any additional construction required at any Intersection to effect the power source, such construction shall be at Contractor's sole expense.
2. **Thirty (30) Day Warning for First Installation** – A thirty (30) day Public Awareness Campaign, conducted in accordance with Exhibit "O", shall be completed before the first System is installed by Contractor, as may be agreed upon between Contractor and Director.
3. **Relocation of Active Installations** – The Director may instruct Contractor to relocate any System installation during the term of the Agreement, at Contractor's expense, and Contractor shall do so. However, before the Director may request a System installation be relocated, such System installation shall have been in place a minimum of twelve (12) months, unless otherwise agreed to by the Contractor and the Director. The Director may request no more than three (3) System installation relocations in any twelve (12) month period, unless otherwise agreed to by the Contractor and the Director.
4. **Signage** – Contractor shall post warning signs, to be approved by the Director and the Director of the City's Public Works & Engineering Department, at each Intersection Approach. This signage shall be installed and maintained by Contractor and shall meet current and future Texas Manual of Uniform Traffic Control Devices (TxMUTCD) to insure proper notification to drivers of the System in advance of the Intersection. Sign installations shall not violate TxMUTCD or the Americans With Disabilities Act ("ADA").

C. Dummy Camera Systems

If instructed by the Director, Contractor shall install and remove upon the City's request Dummy Systems. These Dummy Systems shall look identical to operational cameras, but do not issue Violation notices. Contractor's charges for these Dummy Systems are as listed in Exhibit "G".

Additionally, Contractor shall measure the before and after compliance of enforcement at the Dummy System site. If Contractor's reports reveal that compliance rates are not improving or if the reports indicate continuous high levels of Violation at these sites, Contractor, at the Director's direction, shall quickly fit the Dummy Systems with full enforcement Systems. The Director shall determine the number and locations of Dummy Systems.

D. Violation Monitoring System ("ViMS")

With the Director's approval, Contractor may use its ViMS units to monitor and measure Violation rates at Dummy sites or any City Intersection at no additional cost to the City. Contractor shall advise the Director of any recommendations for future sites, based upon the results of its ViMS units.

3. Photo Red Light Camera Enforcement System Requirements

Upon Contractor's notification that the Equipment is installed and operated as described in (1) above and at all times thereafter, Contractor's Equipment must meet or exceed the Photo Red Light Camera Enforcement System requirements set forth in Exhibit "H".

4. Violation/Collection Processing

For each Citation generated, Contractor shall perform the processing/collection procedures set forth in Exhibits "I" and "P".

5. Reports

Contractor shall provide to the Director the reports set forth in Exhibit "J".

6. Training

Contractor shall provide an initial training plan before proceeding with the installation of the System at the first Intersection Approach. Contractor shall present a schedule of its training courses (see courses below) to the Director and shall coordinate times, dates and locations of these training courses with the Director. Contractor shall conduct all training within the City at a site and time that is convenient for City personnel.

Contractor shall provide, at no additional cost to the City, a comprehensive training program inclusive of all training materials for up to thirty (30) City personnel in each course category listed below. Each training class within a course shall consist of no more than five (5) City personnel per class.

The training shall include, but not be limited to, the following categories:

- Equipment Orientation
- Centralized and in-field training

- Familiarization with the software programs used for citation processing
- Familiarization with the Contractor's customer service and payment operations
- Handling of payment processing

### **Specific Courses**

#### **Camera Technology Course**

Contractor shall provide City personnel with a Camera Technology Course that will teach City personnel the basic understanding of how the camera system operates from a certified technician and trained camera instructor. This course will be conducted in a complete classroom environment and will be conducted in a half-day session. There will also be an additional field inspection where students are instructed on the entire lifecycle of installation, maintenance, and camera field tuning.

#### **Violation Processing Course**

Contractor shall provide training to designated officers and selected others on the use of the System. Training will be conducted within the City at a site and time that is convenient for City personnel. These courses will be scheduled so that there are fewer than five (5) participants per session.

This course shall include a complete overview of the Violation process in the City's context as well as hands-on training with the application in all areas of processing including those areas that will be provided by Contractor.

This program is a comprehensive Violations processing course that will attune trainees to the major issues in Violations processing that have a direct impact on their daily job tasks. This course will also provide training on the payment processing function. This included approach will provide City staff with a complete picture of how Violations are processed so that they can understand how their specific duties relate to the entire process. This will be a half-to full-day course.

#### **Court Training Course**

This course will provide a similar type of training as the Violation Processing Course with a focus on the court processing aspects of the System as well as a review of how the field camera technology works.

In addition, the Court Training Course will provide a historical and legal framework review of photo enforcement, the common reasons for dispute, the tactics of defendants, and the typical counter measures used by the prosecution. This course is applicable to court clerks, attorneys, police witnesses, and even judges. Taken in two parts, this is a half-day course.

### **Other Training**

Contractor shall provide any other training necessary for the City to understand, implement and utilize the Red Light Camera Enforcement Systems and services effectively and efficiently.

### **7. Public Awareness Campaign(s)**

At the Director's request, Contractor shall prepare a public awareness campaign. All campaigns and campaign budgets shall proceed only with the Director's written approval and be in accordance with the requirements of Exhibit "O".

## EXHIBIT "B"

### Equal Employment Opportunity

1. The contractor, subcontractor, vendor, supplier, or lessee will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, or age. The contractor, subcontractor, vendor, supplier, or lessee will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, color, sex, national origin, or age. Such action will include, but not be limited to, the following: employment; upgrading; demotion or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation and selection for training, including apprenticeship. The contractor, subcontractor, vendor, supplier or lessee agrees to post in conspicuous places available to employees, and applicants for employment, notices to be provided by the City setting forth the provisions of this Equal Employment Opportunity Clause.
2. The contractor, subcontractor, vendor, supplier, or lessee states that all qualified applicants will receive consideration for employment without regard to race, religion, color, sex, national origin or age.
3. The contractor, subcontractor, vendor, supplier, or lessee will send to each labor union or representatives of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer advising the said labor union or worker's representative of the contractor's and subcontractor's commitments under Section 202 of Executive Order No. 11246, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
4. The contractor, subcontractor, vendor, supplier, or lessee will comply with all provisions of Executive Order No. 11246 and the rules, regulations, and relevant orders of the Secretary of Labor or other Federal Agency responsible for enforcement of the equal employment opportunity and affirmative action provisions applicable and will likewise furnish all information and reports required by the Mayor and/or Contractor Compliance Officer(s) for purposes of investigation to ascertain and effect compliance with this program.
5. The contractor, subcontractor, vendor, supplier, or lessee will furnish all information and reports required by Executive Order No. 11246, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to all books, records, and accounts by the appropriate City and Federal Officials for purposes of investigations to ascertain compliance with such rules, regulations, and orders. Compliance reports filed at such times as directed shall contain information as to the employment practice policies, program, and work force statistics of the contractor, subcontractor, vendor, supplier, or lessee.
6. In the event of the contractor's, subcontractor's, vendor's, supplier's, or lessee's non-compliance with the non-discrimination clause of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part, and the contractor, subcontractor, vendor, supplier, or lessee may be declared ineligible for further City contracts in accordance with procedures provided in Executive Order No. 11246, and such other sanctions may be imposed and remedies invoked as provided in the said Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as may otherwise be provided by law.
7. The contractor shall include the provisions of paragraphs 1-8 of this Equal Employment Opportunity Clause in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontractor or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event the contractor becomes involved in, or is threatened with litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.
8. The contractor shall file and shall cause his or her subcontractors, if any, to file compliance reports with the City in the form and to the extent as may be prescribed by the Mayor. Compliance reports filed at such times as directed shall contain information as to the practices, policies, programs, and employment policies and employment statistics of the contractor and each subcontractor.

**EXHIBIT "C"**

**MWBE SUBCONTRACT TERMS**

Contractor shall ensure that all subcontracts with MWBE subcontractors and suppliers are clearly labeled "**THIS AGREEMENT IS SUBJECT TO BINDING ARBITRATION ACCORDING TO THE TEXAS GENERAL ARBITRATION ACT**" and contain the following terms:

1. \_\_\_\_\_ (MWBE subcontractor) shall not delegate or subcontract more than 50% of the work under this subcontract to any other subcontractor or supplier without the express written consent of the City of Houston's Affirmative Action Director ("the Director").

2. \_\_\_\_\_ (MWBE subcontractor) shall permit representatives of the City of Houston, at all reasonable times, to perform (1) audits of subcontractor's books and records, and (2) inspections of all places where work is to be undertaken in connection with this subcontract. Subcontractor shall keep its books and records available for inspection for at least 4 years after the end of its performance under this subcontract. Nothing in this provision shall change the time for bringing a cause of action.

3. Within 5 business days of execution of this subcontract, Contractor (prime contractor) and Subcontractor shall designate in writing to the Director an agent for receiving any notice required or permitted to be given under Chapter 15 of the Houston City Code of Ordinances, along with the street and mailing address and phone number of the agent.

4. Any controversy between the parties involving the construction or application of any of the terms, covenants, or conditions of this subcontract must, upon the written request of one party served upon the other or upon notice by the Director served on both parties, be submitted to binding arbitration, under the Texas General Arbitration Act (Tex. Civ. Prac. & Rem. Code Ann., Ch. 171 - "the Act"). Arbitration must be conducted according to the following procedures:

a. Upon the decision of the Director or upon written notice to the Director from either party that a dispute has arisen, the Director shall notify all parties that they must resolve the dispute within 30 days or the matter may be referred to arbitration.

b. If the dispute is not resolved within the time specified, any party or the Director may submit the matter to arbitration conducted by the American Arbitration Association under the rules of the American Arbitration Association, except as otherwise required by the City's contract with the American Arbitration Association on file in the City's Affirmative Action Division Office.

c. Each party shall pay all fees required by the American Arbitration Association and sign a form releasing the American Arbitration Association and its arbitrators from liability for decisions reached in the arbitration.

d. If the American Arbitration Association no longer administers Affirmative Action arbitration for the City, the Director shall prescribe alternate procedures to provide arbitration by neutrals in accordance with the requirements of Chapter 15 of the Houston City Code of Ordinances.

e. All arbitrations shall be conducted in Houston, Texas, unless the parties agree to another location in writing.

**EXHIBIT "D"**

**DRUG POLICY COMPLIANCE AGREEMENT**

I, \_\_\_\_\_ as an owner or officer of  
(Name) (Print/Type) (Title)  
\_\_\_\_\_  
(Name of Company) (Contractor)

have authority to bind Contractor with respect to its bid, offer or performance of any and all contracts it may enter into with the City of Houston; and that by making this Agreement, I affirm that the Contractor is aware of and by the time the contract is awarded will be bound by and agree to designate appropriate safety impact positions for company employee positions, and to comply with the following requirements before the City Issues a Notice to Proceed:

1. Develop and implement a written Drug Free Workplace Policy and related drug testing procedures for the Contractor that meet the criteria and requirements established by the Mayor's Amended Policy on Drug Detection and Deterrence (Mayor's Drug Policy) and the Mayor's Drug Detection and Deterrence Procedures for Contractors (Executive Order No. 1-31).
2. Obtain a facility to collect urine samples consistent with Health and Human Services (HHS) guidelines and a HHS certified drug testing laboratory to perform the drug tests.
3. Monitor and keep records of drug tests given and the results; and upon request from the City of Houston, provide confirmation of such testing and results.
4. Submit semi-annual Drug Policy Compliance Declarations.

I affirm on behalf of the Contractor that full compliance with the Mayor's Drug Policy and Executive Order No. 1-31 is a material condition of the contract with the City of Houston.

I further acknowledge that falsification, failure to comply with or failure to timely submit declarations and/or documentation in compliance with the Mayor's Drug Policy and/or Executive Order No. 1-31 will be considered a breach of the contract with the City and may result in non-award or termination of the contract by the City of Houston.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Contractor Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

**EXHIBIT "E"**

**CONTRACTOR'S CERTIFICATION  
OF NO SAFETY IMPACT POSITIONS  
IN PERFORMANCE OF A CITY CONTRACT**

I, \_\_\_\_\_  
(Name) (Title)

as an owner or officer of \_\_\_\_\_ (Contractor)  
(Name of Company)

have authority to bind the Contractor with respect to its bid, and hereby certify that Contractor has no employee safety impact positions, as defined in §5.18 of Executive Order No. 1-31, that will be involved

in performing \_\_\_\_\_  
(Project)

Contractor agrees and covenants that it shall immediately notify the City of Houston Director of Personnel if any safety impact positions are established to provide services in performing this City Contract.

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Typed or Printed Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Title)



EXHIBIT "F"

DRUG POLICY COMPLIANCE DECLARATION

I, \_\_\_\_\_ as an owner or officer of  
(Name) (Print/Type) (Title)  
\_\_\_\_\_  
(Name of Company) (Contractor)

have personal knowledge and full authority to make the following declarations:

This reporting period covers the preceding 6 months from \_\_\_\_\_ to \_\_\_\_\_, 20\_\_.

\_\_\_\_\_ A written Drug Free Workplace Policy has been implemented and employees notified.  
Initials The policy meets the criteria established by the Mayor's Amended Policy on Drug  
Detection and Deterrence (Mayor's Policy).

\_\_\_\_\_ Written drug testing procedures have been implemented in conformity with the  
Initials Mayor's Drug Detection and Deterrence Procedures for Contractors, Executive Order  
No. 1-31. Employees have been notified of such procedures.

\_\_\_\_\_ Collection/testing has been conducted in compliance with federal Health and Human  
Initials Services (HHS) guidelines.

\_\_\_\_\_ Appropriate safety impact positions have been designated for employee positions  
Initials performing on the City of Houston contract. The number of employees in safety  
impact positions during this reporting period is \_\_\_\_\_.

\_\_\_\_\_ From \_\_\_\_\_ to \_\_\_\_\_ the following testing has occurred:  
Initials (Start date) (End date)

	<u>Random</u>	<u>Reasonable Suspicion</u>	<u>Post Accident</u>	<u>Total</u>
Number Employees Tested	_____	_____	_____	_____
Number Employees Positive	_____	_____	_____	_____
Percent Employees Positive	_____	_____	_____	_____

\_\_\_\_\_ Any employee who tested positive was immediately removed from the City worksite  
Initials consistent with the Mayor's Policy and Executive Order No. 1-31.

\_\_\_\_\_ I affirm that falsification or failure to submit this declaration timely in accordance  
Initials with established guidelines will be considered a breach of contract.

I declare under penalty of perjury that the affirmations made herein and all information contained in  
this declaration are within my personal knowledge and are true and correct.

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Typed or Printed Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Title)

**EXHIBIT "G"**

**PAYMENTS TO CONTRACTOR**

HALKH21328.DOC  
L.D. FILE NO.

5/18/2006

**EXHIBIT "G"**  
**PAYMENTS TO CONTRACTOR AND**  
**SERVICE LEVEL PERFORMANCE STANDARDS**

**1. FEES FOR EQUIPMENT, INSTALLATION AND MAINTENANCE OF EACH INTERSECTION APPROACH**

Each Intersection Approach covers up to four lanes of traffic going in one direction. An Intersection may have 1 – 4 Intersection Approaches. Contractor's **fixed monthly fee** for each Intersection Approach installation is identified in Section 10, Item 1, Contractor's Fees, below.

**2. FEES FOR PROCESSING, COLLECTIONS & ADMINISTRATIVE FUNCTIONS**

**2.1 Monthly Fees:**

**2.1.1 Monthly Installation Fee**

Contractor's unit cost for processing, collections and administrative fees shall be based upon each Violation approved by officers for citing. This cost shall include all administrative, related overhead, mailing of Citations, re-mailings due to corrected addresses or corrected violator, notices, and other correspondence, all customer service activities, and all payment processing activities.

Contractor's monthly fee for processing, collections and administrative functions per installation or Intersection Approach is identified in Section 10, Item 2 (a), Contractor's Fees, below.

**2.1.2 Monthly Per Citation Fee**

In addition, the City shall pay Contractor a Citation fee amount for each Citation issued. This fee is dependent upon the number of Citations issued each month as identified in Section 10, Item 2 (b), Contractor's Fees, below. This is a **variable monthly fee paid to Contractor in addition to the above fixed monthly processing, collections and administrative functions fee** and shall be determined by the number of Citations approved and issued at each Intersection Approach based upon a system-wide average.

**3. Minimum and Maximum Fees:**

**3.1 Minimum Fee:**

The minimum fee the City shall pay Contractor during the initial term shall be equal to the sum of the fixed fees for equipment and maintenance costs plus the monthly citation processing costs based on a systemwide average of 750 citations per month.

During a suspension, the City shall pay Contractor \$1,250 monthly (prorated, if required for part of any month) for each active installation for a period of up to twelve months.

**3.2 Maximum Fee:**

The maximum monthly fee the City shall pay Contractor shall not exceed \$5,000 per month per active operational camera approach based on an average of all active camera approaches for the previous month. This monthly cap amount shall be calculated by adding the fixed fees for equipment and maintenance costs plus the monthly citation processing costs.

**4. COLLECTIONS FOR PAST DUE PAYMENTS**

The City shall pay Contractor monthly fees for collection of past due bills over 70 (seventy) calendar days. These fees shall be twenty-three (23) percent of the total amount of past due or delinquent collections received by the City. This amount is a variable cost dependent on the amount of past due accounts collected and shall be paid to the Contractor by the City monthly.

**EXHIBIT "G"**  
**PAYMENTS TO CONTRACTOR AND**  
**SERVICE LEVEL PERFORMANCE STANDARDS**

**5. LIQUIDATED DAMAGES FOR POOR PERFORMANCE OF APPROACH INSTALLATIONS**

As stated in Exhibit "T", Violations Processing, Contractor shall perform the initial review of images for Violations. Contractor's fixed fee for Approaches shall be reduced for poor performance in the following manner. This performance percentage shall be designated by Contractor as detailed below, but may never be below 60 percent.

**5.1 One-Hundred Twenty-Day Performance Level Percentage:**

Contractor's initial designated performance level percentage shall be 90 percent effective after the first 120 days after the first installation becomes operational, based on the number of Violations presented to the HPD for approval versus those rejected for Citation.

**5.2 Contractor's Designated Performance Levels During the Contract Term:**

Thereafter, Contractor shall be allowed to submit subsequent performance level designations every twelve months from the date of Contractor's last written effective designated performance level. These performance designations must be submitted in writing to the Contract Administrator, HPD, Budget & Finance Division within 30 (thirty) days of the expiration of each twelve-month period. The performance level designated by Contractor for each subsequent year shall then become effective for payments to Contractor the beginning of the following month or the Countersignature Date of this Agreement each year of the term of this Agreement or extension thereof. These yearly revised performance level percentages shall never exceed more than ten percent (10%) less than the previously designated performance level and must never be less than sixty percent.

If, at any time during the year, Contractor's performance level falls below sixty percent (60%) for any month(s) during the year, the City shall not be obligated to pay any monies for fees to Contractor for that/those month(s).

**5.3 Calculation Formula for Poor Performance Below the Contractor's Designated Performance Percentage:**

5.3.1 The formula shall be (images approved for Citation by Police + Images deemed not citable by reviewing HPD police officers for cause\*) divided by the total number of images presented to reviewing HPD police officers for approval.

\* See below for a nonexclusive example of un-citable images included, at a minimum, but not limited to.

5.3.2 If Contractor fails to meet its designated performance level, on a system-wide basis, Contractor's fixed monthly fee will be discounted by the percentage of failure.

**EXHIBIT "G"**  
**PAYMENTS TO CONTRACTOR AND**  
**SERVICE LEVEL PERFORMANCE STANDARDS**

**5.3 Calculation Formula for Poor Performance Below the Contractor's Designated Performance Percentage: (continued)**

Assume	Calculation	Penalty
1. Contractor for the month submits <u>10,000 images</u> : - 7000 are citable - 500 are deemed not citable for cause	$(7,000 + 500) / 10,000$	75%
2. Contractor has designated a <u>performance level of 90%</u> : Monthly fixed fee per approach is \$5,000		Fixed Fee of \$5,000 per approach is adjusted by 15% or reduced by \$750 = \$4,250 per month

**5.3.3 Examples of images deemed not citable by HPD reviewing officers:**

- lawful right or left turn on red
- funeral procession or other wave through
- directions from a peace officer or flag man
- yielding to an emergency vehicle
- governmental vehicle in an emergency response situation
- faulty signal equipment
- vehicle clearing an intersection

**6. LIQUIDATED DAMAGES FOR POOR PERFORMANCE OF COLLECTIONS & PROCESSING**

Contractor shall mail 90% of the approved first notices within the processing time set out in Exhibit "P", Section 1.1.2. Contractor shall mail 90% of the second notices within ten days after the expiration of the payment due date posted on the first notice in accordance with the provision set out in Exhibit "P", Section 1.1.7.

Should Contractor fail to meet the above performance levels for two consecutive months, Contractor shall be assessed 10% as liquidate damages on the next month's Processing, Collections, Administrative Costs portion of the payments to Contractor.

**7. LIMIT ON PAYMENTS BY CITY FOR INTERSECTION APPROACHES, PROCESSING, PAST DUE COLLECTIONS, AND OPERATIONAL SERVICES**

The City shall not pay Contractor more than 90% of the gross collections less court fees over the term of the Agreement. See below Example:

**EXHIBIT "G"**  
**PAYMENTS TO CONTRACTOR AND**  
**SERVICE LEVEL PERFORMANCE STANDARDS**

Assume			Amounts Paid to Contractor and City			
Mo.	Collections for Month	Contractor Billings (Adds 10 additional sites every four mos.)	Initial Monthly Charges From Vendor - \$50,000 - Amount Carried Over to Apply to Future Collections  (Bill-90% of collections, if applicable)	Amount Owed to Contractor	Amt Paid to Contractor  (Amount owed or 90% of collections, as applicable)	Amnt to City
1	\$10,000	\$50,000	\$0.00	\$50,000	\$9,000	\$1,000
2	\$60,000	\$50,000	\$41,000	\$91,000	\$54,000	\$6,000
3	\$100,000	\$50,000	\$37,000	\$87,000	\$87,000	\$13,000
4	\$200,000	\$100,000	\$0.00	\$100,000	\$100,000	\$100,000
5	\$250,000	\$100,000	\$0.00	\$100,000	\$100,000	\$150,000
6	\$175,000	\$100,000	\$0.00	\$100,000	\$100,000	\$75,000
7	\$300,000	\$150,000	\$0.00	\$150,000	\$150,000	\$150,000
8	\$300,000	\$150,000		\$150,000	\$150,000	\$150,000
9	\$400,000	\$150,000		\$150,000	\$150,000	\$250,000
10	\$500,000	\$200,000		\$200,000	\$200,000	\$300,000
11	\$600,000	\$200,000		\$200,000	\$200,000	\$400,000
12	\$700,000	\$200,000		\$200,000	\$200,000	\$500,000
<b>Total:</b>	<b>\$3,595,000</b>	<b>\$1,500,000</b>				<b>\$2,095,000</b>

**8. PAYMENTS TO CONTRACTOR FOR ADDITIONAL SERVICES**

All payments for the below additional services shall be paid to Contractor within Net 30 days from receipt of Contractor's properly documented invoice(s).

**8.1 Dummy Sites:**

The City shall pay Contractor the monthly costs for Dummy Sites at Contractor's rates shown in this exhibit below, Contractor's Fees, upon completion of each Dummy Site installation.

**8.2 Public Awareness Campaign:**

The City shall pay Contractor monthly for the cost for public awareness campaign costs upon receipt of applicable and appropriately documented invoices. These costs shall be reimbursed on an actual cost basis not to exceed \$120,000 per year. The annual campaign and campaign cost must be approved by the City prior to Contractor proceeding with the campaign. Contractor shall not bill the City for time spent on these services provided by their own employees. Actual costs shall not include any markup, handling or salary costs from the Contractor.

**9. INSTALLED PERFORMANCE AND PRO-RATED PAYMENTS**

For an installation to be chargeable in a given month, the Contractor shall warrant, in writing to the Director that it will operate continuously for a 24-hour period for at least 80% of the days in the month. Should Contractor fail to operate any of its Intersection Approach installations for 80% or more of the days in any given month, the City shall deduct 1/25<sup>th</sup> times the number of days below 80% from Contractor's fees for that Intersection Approach installation(s) as outlined in Section 10, Item 1 as liquidated damages.

For units installed and operational after the beginning of a month, charges shall be pro-rated for the days the unit(s) are in operation.

**EXHIBIT "G"**  
**PAYMENTS TO CONTRACTOR AND**  
**SERVICE LEVEL PERFORMANCE STANDARDS**

**10. CONTRACTOR'S FEES**

<b>YEARS 1 – 5</b>	
	<b>Number of Intersection Approaches</b>
	<b>1 - 50</b>
<b>MONTHLY FEES FOR EQUIPMENT COSTS</b>	
<b>1. Equipment Costs / Camera / Month</b> <u>Cameras, Installation, and Maintenance Cost – Fixed Fee</u>	<b>\$1,250</b> Per Installation Fixed Fee
<b>MONTHLY FEES FOR CITATIONS PROCESSING</b>	
<b>2. Processing, Collections, Administrative Costs</b>  a. Per installation fixed fee  b. Per Citation Issued – Variable fee  b.(1) Additional Tier if maximum cap is removed.	<b>\$750</b> Per Installation  <b>\$2.50 for up to 750 citations</b> <b>\$2.25 for 751 to 1,000 citations</b> <b>\$2.00 for 1,001 - 1100 citations</b> <b>\$1.75 for 1,101 + citations</b> Per Citation Issued
<b>OPTIONAL PRICING</b>	
<b>3. Monthly Fees for Dummy Cameras:</b> a. Per unit hardware cost for "Dummy Units"  b. Per unit installation cost for "Dummy Units"  c. Per unit removal cost for "Dummy Units" (for other than ending or termination of the contract).  <b>4. Other Services:</b> a. Maximum Annual Cost for Public Awareness and Media Campaign Services  b. Monthly Fee for Front Camera and Strobe for License Plates Per Installation c. Delinquent Account Collections	<b>\$25</b> Per Unit <b>\$10</b> Per Unit <b>\$10</b> Per Unit  <b>\$120,000</b> Maximum Annually  <b>\$395</b> Per Installation <b>23% of collected \$</b>

**EXHIBIT "G"**  
**PAYMENTS TO CONTRACTOR AND**  
**SERVICE LEVEL PERFORMANCE STANDARDS**

**11. CONTRACTOR FEES FOR FIVE-YEAR OPTION PERIOD:**

Should the City elect to renew this contract for the five-year option period, the fees outlined in this Exhibit "G", Item 10 above shall apply with the following modifications.

<b>Basic Pricing Model:</b>		
1.	Equipment costs/camera/month-fixed fee	\$1,250
2. Monthly Fees for citations processing		
a.	Per installation – fixed fee	\$ 750 per month
b.	Per Citation issued -	\$2.50 for up to 750 Citations \$2.25 for 751 to 1,000 Citations \$2.00 for 1,001 + Citations
c.	If maximum cap is removed, an additional tier is applied -	\$1.75 for 1,101 + Citations

<b>Five-Year Option Pricing:</b>
Should the City elect to extend this Agreement for the additional five-year option period, the above pricing model shall be applicable for this five-year period with the following revisions as outlined below:
The minimum monthly fee per installation shall be \$3,000 per month.
<b>Cost of Living Adjustment (COLA):</b>
A COLA shall be applied to the "monthly fixed fee for citations processing" and to the "per citations issued" fee schedule. It shall also be applied to the fixed fee for equipment costs for all installations installed or moved after the beginning of the 37 <sup>th</sup> month of the contract. The COLA for the fixed fee for equipment costs shall terminate at the end of the 60 <sup>th</sup> month after the initial installation or moved month.
The COLA shall apply to the fixed fee for equipment costs for those installations with new equipment on the thirteenth month after installation of new equipment during the renewal term as defined in Exhibit "M".
The COLA shall be based upon the average of the final annual index of the Consumer Price Index – Urban Wage Earners and Clerical for Houston-Galveston-Brazoria and the Phoenix-Mesa, Arizona, Metropolitan Statistical area that has been published at the time the adjustment is to be made.
Upon each anniversary following the fifth anniversary, the applicable fees shall be adjusted based upon the COLA and shall be applicable for the next twelve months. Specifically, adjustments shall be made on the 73 <sup>rd</sup> , 85 <sup>th</sup> , 97 <sup>th</sup> and 109 <sup>th</sup> month of the contract. If the COLA is less than zero, then the adjustment will be zero for that year. The adjustments shall be cumulative.
<b>The maximum annual increase shall be 4 percent (4%) annually.</b>



## EXHIBIT "H" SYSTEM REQUIREMENTS

### 2. SYSTEM REQUIREMENTS

#### 2.3 Plate Blocker Defense System:

The System shall provide a plate blocker defense system to guard against the possible proliferation of plate covers or "anti-red light camera products" that may negatively impact the System. This plate blocker defense system shall reduce the effects of license plate covers and blockers.

#### 2.4 Nighttime Images and Varying Weather Conditions:

The System shall provide the necessary lighting to capture clear, nighttime images without the damaging effects of license plate bloom. The System shall also be capable of recording Violations at all times of day or night and during varying weather conditions.

Contractor shall provide supplemental roadway lighting, when required (such as at night), that shall be short duration flash. This short duration flash shall ensure that it will not startle or blind motorists.

#### 2.5 City-Specified Minimum Speed and Time Delay Requirements:

The System shall record red light Violations with City-specified minimum speed and time delay requirements - either of these may be zero. When the traffic signal turns red the System's camera system shall analyze sensor inputs to identify potential Violations.

After a variable time delay, the camera shall be triggered if certain conditions are met by a vehicle passing through the sensor array after the signal has turned red. The cameras shall not capture images of those who enter Intersections when the signal is yellow. Common grace period settings (camera trigger delay after the light turns red) may range from one to three tenths of a second. The City shall determine this setting.

#### 2.6 System Security:

##### 2.6.1. Log of all System Events

The System shall maintain a secure and complete log of all System events, including every change of status and user intervention of any type or security level. All access logs shall be written to a log server that shall be on a private network segment and shall be accessible by authorized systems and users only. The host log file for each Violation shall not be capable of being edited or erased.

Security access levels shall be user specified and multi-level. All failed attempts to log in shall be recorded. Events are to be time-stamped to the nearest millisecond by a PC clock calibrated daily. The System shall email security administrators if a trigger is detected. The logs shall be archived on the server and kept for twelve (12) months or in accordance with State of Texas Retention laws, whichever is longer. All systems shall use Network Time protocol to synchronize to public time clocks.

## EXHIBIT "H" SYSTEM REQUIREMENTS

### 2. SYSTEM REQUIREMENTS

#### 2.6 System Security:

##### 2.6.2 System Security and Disaster Recovery

###### 2.6.2.1 Chain of Custody

Contractor shall maintain a chain of custody for all documents relating to the operation of the City's program. This shall include secure record keeping and evidence storage procedures.

All Violation data shall be secured from its point of capture until final disposition. Contractor's defined Chain of Custody Process is shown in Exhibit "N". Contractor's Chain of Custody Process shall ensure the data is secure, original and unaltered. Contractor shall transfer the data using Triple DES Encryption over a Virtual Private Network (VPN) Tunnel or equal and as approved by the Director between the camera site and its secure data center in Contractor's designated City approved location.

###### 2.6.2.2 Data Security Infrastructure

Contractor shall ensure that all customer data, programs, tools, databases and back-end systems are secured behind robust firewalls, making these systems secure from intrusion.

###### 2.6.2.3 Network Transmission / Communications Failure

Contractor shall transfer video streams and Intersection data shall be transmitted securely from the Intersection to the processing facility in near real time without human intervention. In the event of transmission or communications failure, the Intersection equipment shall be capable of storing at least a full day's complete Violation records; in such case, the data shall be retrieved daily, by linking to a portable computer at the roadside.

Contractor shall collect images using a dedicated high-speed telecommunications line to each red light camera. Images shall be transmitted from the camera to the collection point through an encrypted VPN tunnel secured by a firewall, switching and routing gear.

## EXHIBIT "H" SYSTEM REQUIREMENTS

### 2. SYSTEM REQUIREMENTS

#### 2.6 System Security:

##### 2.6.2 System Security and Disaster Recovery (continued)

###### 2.6.2.4 Unauthorized Intrusion:

Contractor shall ensure that websites, data links, and all data are protected from unwanted intrusion and manipulation from unauthorized persons. Contractor shall perform backup operations, provide disaster recovery services and keep information available and intact 24 hours a day, 7 days a week, and 365 days a year, except for scheduled outages. Contractor shall follow the steps below to undertake recovery from such attack(s), in terms of restoring daily operations; restoring customer confidence, especially if given wrong information; and ensuring validity of evidence for hearings. Contractor shall continually test for...

- Hardware failure
- Human failures
- Physical security
- Natural disasters
- Outside attacks
- Power disruption
- Internal attacks

###### 2.6.2.5 Incident Response Plan

In the event of a security breach, Contractor shall perform the following incident response plan.

- Take necessary steps to contain and control the systems affected by the breach and conduct a preliminary internal assessment of the scope of the breach. Preserve all logs, make backup copies of damaged or altered files, identify network location of affected system or systems, and identify all systems and agencies that connect to the affected system.
- All known or suspected vulnerabilities must be communicated expeditiously and confidentially to the Contractor's Information Security Manager by physical meeting or telephone only. The Information Security Manager will contact other members of the security enforcement team. Unauthorized disclosures of Contractor or client information shall be reported to the involved information owners. Reporting security violations, problems, or vulnerabilities to any party outside Contractor (except external auditors) without the prior written approval of the Contractor's Legal Department shall be strictly prohibited.
- If it is believed that the incident may involve illegal activities, Contractor shall immediately report it to proper authorities.
- All security breaches shall be reported to HPD.

## EXHIBIT "H" SYSTEM REQUIREMENTS

### 2. SYSTEM REQUIREMENTS

#### 2.6 System Security:

#### 2.6.2 System Security and Disaster Recovery (continued)

##### 2.6.2.6 Archiving, Data Security, Record and Image Retention

Contractor's storage processes of all Citation and Notice of Violation images shall be in compliance with State of Texas Retention laws, be transferable to a CD format or equivalent, and shall be accessible upon request by the Director or an authorized representative.

Contractor's violation data and image retention shall be a City-defined requirement. Violation images shall be retained 30 (thirty) days after final disposition. Once this time period has expired (per Violation), the individual images shall be archived, removed and stored from Contractor's live system in accordance with State of Texas Retention laws. Contractor's System shall allow for the number of days to be configured per the City's requirement.

In the event of a network communication failure, the camera units shall have the ability to store Violation images and data for more than one week locally. In the event of an extended network outage the data shall be physically collected daily by Contractor's field technicians, if necessary. Contractor's live video system shall be able to record and save live video streams for up to 270 days or in accordance with State of Texas Retention laws, whichever is longer.

##### 2.6.2.7 Rejected Violations

Typically, rejected Violations shall be removed from the database within a day of rejection. However, these images and data will also be retained for a configurable number of days (from the 'rejection' disposition date). Once this time period has expired (per Violation) the individual images shall be archived and removed from the live System (instead of being purged).

All Violation data shall be stored on/protected by Contractor's EMC Clarion Disk Array, *or approved equal and approved by the Director.* Built-in disk array redundancy shall allow for disk failure without data loss. The EMC array shall also provide other redundancy-related features that will allow for component failure without loss of service.

## **EXHIBIT "H"**

### **SYSTEM REQUIREMENTS**

#### **2. SYSTEM REQUIREMENTS**

##### **2.6 System Security:**

##### **2.6.2 System Security and Disaster Recovery (continued)**

##### **2.6.2.8 Database Storage and Backup Process**

All Violation data shall be stored within an Oracle database. To further protect all Violation data, magnetic tape shall be utilized. All Violation data will be backed up on a daily basis to Contractor's LT02-based tape library (ADIC Scalar i2000), or Director-approved equal. In addition to local storage, special 'off-site' backup tapes shall be produced on a weekly basis and shall be taken off-site for additional protection. Tape backup schedules shall be City-defined, so modifications to the aforementioned process may be modified to fit the City's needs.

##### **2.6.2.9 Electronic Interface with DMV**

Contractor shall electronically interface with the Department of Motor Vehicles (DMV) to determine and/or verify each violator's information and address. All DMV data shall be obtained automatically and without manual intervention by Contractor's staff or City officials. This shall be accomplished as quickly as possible to support issuing Citations promptly and within the agreed upon timeframe.

Contractor shall obtain in-state DMV data directly from the State of Texas. In addition to in-state data, Contractor shall obtain data from as many out-of-state or Canadian provincial DMV's as are available to Contractor through direct means or third parties at no additional cost to the City.

##### **2.6.2.10 Vehicles Reported Stolen**

Contractor shall maintain an updated database of vehicles reported stolen. These updates shall be provided by HPD's Technology Services Division via FTP, CD, e-mail, or any other mutually agreed upon media. Contractor shall remove from the workflow all events wherein vehicles are identified on this list and record these events on an exception report. The Contractor shall not submit these events for police review and/or issue citations/warnings to the registered owners.

##### **2.6.3 Secure Website for Violator's Use**

Contractor shall make Citations available for viewing to violators via a secure web site maintained by Contractor. Violators may login to Contractor's website and view their Violation images, view associated video, pay the fine, or request a hearing. The web site established for this service shall be secured to prevent and prohibit unauthorized access to the Violation database.

## EXHIBIT "H" SYSTEM REQUIREMENTS

### 3. MAINTENANCE AND REPAIRS:

#### 3.1 Scheduled Maintenance:

The Contractor shall perform scheduled maintenance on the System not less than once each month, and Contractor's staff shall certify all System's testing. All reports detailing such testing, maintenance and repair must be maintained by Contractor and made available to the City upon request. The Contractor shall notify the Signal Engineering & Operations Section, Public Works and Engineering Department by fax listing location(s) and activities to 713-881-3171 prior to visiting any Approach locations.

#### 3.2 Remote Monitoring:

The System shall be capable of continuous remote monitoring to determine proper operation. Contractor shall perform remote status checks and camera monitoring at least twice daily. The System must automatically notify appropriate personnel of any System failure or other problem that would cause the System to be inoperable. The following is a list of conditions that Contractor shall monitor:

- Internet Connection Status
- System Controller Status
- Violation Count
- System Storage Remaining
- Violation Transfer Queue
- Camera Status
- Camera Controller Status
- Camera Exposure Settings
- Camera Storage Remaining
- Lane Sensor Status

The Contractor shall respond and repair any report of a malfunctioning system within 24-hours of receiving notice. No existing traffic signal systems telemetry shall be used for conveyance of any system information, reports, or failure notification.

**EXHIBIT "H"**  
**SYSTEM REQUIREMENTS**

**3. MAINTENANCE AND REPAIRS:**

**3.3 Field Staff Monitoring:**

**3.3.1 Daily Maintenance**

On a daily basis, Contractor shall perform a series of image quality audits from every deployed camera. Contractor's maintenance and service staff shall be fully trained to maintain the highest standards of quality control, which shall include daily spot review of images from every camera site, before the images are even reviewed by Contractor's back office processing team, and any camera faults including focus or setup problems. Contractor's staff shall be trained to act immediately to correct deficiencies that may compromise contracted service levels or internal quality control standards.

**3.3.2 Local Maintenance**

Contractor shall provide local maintenance that shall include flow-down service level requirements to ensure rapid response and correction of any equipment related issue within or even before twenty-four hours. The Contractor shall furnish the City with a maintenance services telephone number for the purpose of forwarding malfunction calls (311).

**3.4 Stock Spare Equipment / Replacement Equipment:**

Contractor shall stock spare equipment to ensure that each camera system operates well within the contract-mandated parameters. Contractor shall also implement a proactive preventive maintenance plan by swapping complete camera systems with previously maintained and inspected camera systems throughout the course of the maintenance routine on an as-needed basis. Contractor shall obtain the Director's approval for any equipment changes at any intersection approach.

**4. ON-SITE INSPECTIONS**

Contractor shall permit on-site inspections of property, personnel, financial and other records and reports that may be required by the City. Complete Violation and citation records shall be made available for HPD and/or court review. These records shall also be capable of being exported for display.

**EXHIBIT "I"**  
**VIOLATION PROCESSING**

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5/18/2006



## **EXHIBIT "I"**

### **VIOLATION PROCESSING**

#### **1. VIOLATION IMAGES/VIDEO PROVIDED TO THE CITY:**

##### **1.1 Images and Recorded Video:**

Contractor shall provide to reviewing HPD police officers a minimum of two (2) single high-resolution images of rear license plates of the violating vehicle and at least ten seconds of recorded video of the Violation that shall contain all of the information needed to prosecute a violator.

##### **1.2 Magnified License Plate Crop:**

In addition, Contractor shall provide one magnified license plate crop from one of the two images for easy viewing. The license plate crop shall be a close-up view of one of the two original single Violation images.

##### **1.3 Data Recorded on System Images:**

Each camera owned by Contractor shall record the date and time of day for each image that is captured. In addition to the date and time data, the System shall also record:

- the speed of vehicle
- time the light has been red
- posted speed
- location identifier
- lane number
- amber phase time
- amount of time elapsed between photographs

##### **1.4 Violation Video Services:**

Contractor shall provide, in addition to the high resolution still images, a video system that shall capture and store separate video "clips" of the Violation event, showing the scene and key Violation data. This video clip shall be securely transmitted to Contractor's data center along with the two still Violation images.

This Violation video clip can be configured to capture continuous video, 24 hours per day that may be stored locally at the intersection on an industry standard ultra-large capacity hard drive for up to 270 days or in accordance with State of Texas Retention laws, whichever is longer. These recorded video segments may be accessed and downloaded by any authorized ATS user via the Internet.

## EXHIBIT "T" VIOLATION PROCESSING

### 1. VIOLATION IMAGES/VIDEO PROVIDED TO THE CITY:

#### 1.4 Violation Video Services: (continued)

Violation video clip features shall include:

- Monitors up to 4 lanes of traffic (including turn lanes) traveling in the same direction.
- Right turn on red Violations
- Adjustable recording speed
- Saves digital video data for nearly 1 year
- Traffic flow and pattern evaluation for DOT's
- Records the action of any violating vehicle and all relevant circumstances
- Easy Internet access by court and police for review

#### 1.5 Full Motion Video System:

Contractor shall provide a full motion video system with the capabilities for pause and slow frame advance/rewind. Contractor shall also provide high resolution still camera images with image magnification ability. The full motion video system shall provide at least ten (10) seconds of full-motion video imaging of each Violation. At least three (3) frames of color images shall be printed on the Violation notice, one showing the vehicle prior to entering the intersection with the signal red from the drivers view and a second showing the vehicle in the intersection with the signal light still red.

#### 1.6 Magnification Ability of All System Image Types:

The System shall have the ability to magnify all still images that are provided for HPD review.

#### 1.7 Transmission of Images:

Under normal operation, Violation images shall be transmitted electronically, on a daily basis to the police officers' workstations. These Violation images shall be transmitted in a queued workflow method. Once transmitted and verified, the Violation recorded shall be automatically removed from the roadside and sent to a central processing facility where Violation records are received.

Contractor shall provide software that will enable reviewing HPD police officers to verify, select, and approve or disapprove the image.

If requested by the City, Contractor shall transfer all Notice of Violation information and images to the Houston's Municipal Court's Record Management System.

**EXHIBIT "I"**  
**VIOLATION PROCESSING**

**2. VIOLATION IMAGE PROCESSING:**

**2. VIOLATION IMAGE APPROVAL PROCESS:**

Contractor shall make Citations available on-line for HPD police officers' approval at locations to be designated by the Director.

**2.1 Workstations for Police Officers:**

At no additional cost Contractor shall provide four (4) workstations complete with software and hardware (CPU, monitor 19-inch or larger, and at least two printers) to HPD for police review of Violation images. These units shall be owned and maintained by Contractor. Contractor shall provide first level service and support and respond to service, repair, maintenance and replacement of malfunctioning equipment.

These workstations shall be provided and installed to HPD ten calendar days from the date of the first City approved construction permit.

**2.2 Quality-Control System:**

Contractor shall have a quality control system in place to verify that all required Violation evidence as detailed in (1) above is assimilated prior to being submitted to police officers for approval.

**2.3 Batch Workflow of Images:**

Contractor shall provide these images in a batch workflow method as determined by HPD for intersections assigned to each of the four assigned workstations. When the police officer opens up the workflow screen, he/she will only see those images for those assigned Intersections.

**2.4 Approval Process – Selection Features:**

Contractor shall provide selection features (such as drop-down menus) as determined by HPD for use by the police officers during the approval process. These features shall allow statistical information to be downloaded into special reports to be determined by HPD.

**2.5 High-Speed Internet Web Access:**

Contractor shall provide, at no additional charge, a high-speed Internet web access to its server to ensure the fastest possible Violation approval process.

**EXHIBIT "J"**

**REPORTS**

## EXHIBIT "J"

### REPORTS

*Contractor shall furnish reports to the Director via email or directly through the web interface.*

#### 1. OPERATIONAL, STATISTICAL AND FINANCIAL REPORTS

##### 1.1 Automated Enforcement Operations:

Contractor shall provide monthly reports to the Director detailing automated enforcement operations, including but not limited to the following:

- Violation Records
- Detailed Phone Customer Assistance
- Appointments Scheduled/Held
- Citation Status/Dispositions
- Equipment Hours of Operation
- System Reliability/Operations
- Performance Data

##### 1.2 Statistical Reports:

Contractor shall provide monthly reports to the Director detailing statistical data, including but not limited to the following:

- Total number of recorded events detected
- Total number of Citations issued
- Total number of prosecutable image rate by location and in total
- Total number of recorded violations that occurred and the percentages of total vehicle traffic per lane
- The total number of percentage of rejected images by reason (broken down into controllable and uncontrollable reasons). The sum of all events shall include the exceptions listed below.

##### Contractor's Controllable Exceptions:

False camera triggers  
Dark or improperly illuminated images  
Washed out license plates / reflective sheeting  
Out of focus / unreadable license plate images  
Vehicles out of position in the first or second images  
Images with unmatched Violation event data  
Improper red time delay  
Green light in second image  
Too old to issue notice (legal time expired)  
Wrong license plate entered  
Red light not visible in frame

##### Contractor's Uncontrollable Exceptions:

Missing license plate  
Obstructed license plate  
Temporary / Paper / Dealer Plate  
Unenforceable license plate –law enforcement or emergency vehicle  
Funeral procession or other wave through  
No DMV record found  
Lawful right or left turn on red after stop  
Directions from peace officer or flag man  
Faulty signal equipment  
Vehicle clearing an intersection  
License plates with plate blockers  
Police waiver of enforceable right or left turn on red  
Other event types identified and approved by the Director

## EXHIBIT "J"

### REPORTS

#### 1. OPERATIONAL, STATISTICAL AND FINANCIAL REPORTS

##### 1.3 Financial Reports:

Contractor shall provide financial reports that provide the following information in a format that meets the needs of the City.

- Monthly and Fiscal YTD Collections & Gross Revenues by category, i.e., (citation, late fee, etc.)
- Aged Accounts Receivable with detailed information showing dollar amounts for 30, 60, 90, 120 and 180 days outstanding and number of accounts in each
- Lists of credits and adjustments by account, summary reports by type of adjustments and the value of the adjustments.
- Monthly billing information of citations indicating original billing information, rebilling information to new violator, adjusted billings, and collection notices.
- Monthly and YTD collections information of past due accounts

#### 2. STANDARD REPORTS

Contractor's System shall furnish the City with the following standard reports upon the Director's request. These reports shall provide the City with long-term analysis data of Violations and Violation trends. These reports shall be grouped by types: Statistical, Financial and Operational.

##### 2.1 Program Statistics Report:

This report is an executive level management report summarizing the monthly historical program results on one page. The report shall provide a breakdown of all Notices of Violation issued for each month of the selected year. The notice(s) shall first be reported by the issuance date then by the Violation date. Each of the two sections shall include the number of notices issued (actionable Violations), the number of exceptions (un-actionable Violations) and the number of total events. In addition, the average number of notices, exceptions and total events by location by Violation date, the adjudication results, and the fee(s) received shall also be included.

This report can be expanded to differentiate between the speed and red light Violation notices. The performance figures can reflect a range of film, video and new color digital camera systems.

##### 2.2 Location Performance Summary Report:

This report shall provide a count, by camera location, of the total number of Violation events for the date range selected. It shall also include the total number of Violation exceptions (or, un-enforced Violations) and shall further break this figure down into those that impact camera performance (performance exceptions) and those that do not (exception exceptions).

## EXHIBIT "J"

### REPORTS

#### 2. STANDARD REPORTS (continued)

##### 2.3 Location Performance Detail Report:

This report shall provide further analysis of each camera location by listing specific Violation exception reasons (reasons that the Violations were deemed unenforceable) for the date range selected. The reasons shall be grouped by those that impact camera performance (performance flag is set) and those that do not.

##### 2.4 Location Reject Statistics Report:

This report shall provide summary and detail level exceptions (reject reasons) for a grouping of camera locations. The grouping of camera locations is configurable.

##### 2.5 NOL/Citation Monthly Aging Report:

This report shall show for each camera location the disposition of all Notices of Violation for the months selected. It shall include, for example, how many notices were paid before the second (late) notices were issued. This report can be expanded to include other dispositions, such as complaints filed or for whom personal service has to be initiated.

##### 2.6 Daily User Activity Report:

This report is a management report providing daily operational statistics at an individual user level for work performed on the Violation workflow processing steps. It includes the login time, the logoff time and the various back-office operational activities performed throughout the day.

##### 2.7 Queue Graph Report:

This report is a management report that provides the current number of Violations waiting at each manual and automated Violation workflow step. This report helps determine where operation support is needed in order to process the Violations in a timely manner.

#### 3. CUSTOMIZED REPORTS

Contractor shall work closely with the Director to determine the exact data elements and requirements for each of the reports types listed above. Contractor shall have the capability to create customized reports to meet the needs of the Director and capture the data elements and information that the City requires.

The Director shall identify employees that shall receive certain reports only by email and which City employees shall have direct access to Contractor's report system.

**EXHIBIT "K"**

**KEY PERSONNEL**



## EXHIBIT "K"

### CONTRACTOR'S KEY PERSONNEL

Contractor shall submit to the Director for approval the names and resumes of all key personnel for the below listed functions responsible for executing the requirements of this Agreement.

In addition, Contractor shall provide the Director the latest contact information for the listed individuals. The contact information should include address, phone number, e-mail address, and twenty-four hour contact number (if applicable).

Project Director of Executive
Project Manager
Local Project Manager – Person who will oversee the daily operations related to the Houston Agreement.
Public Relations & Communications Manager
Customer Service Manager
Collections and Violation Processing Manager
Business Process Design & Quality Control

**EXHIBIT "L"**

**INTENTIONALLY DELETED**

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**EXHIBIT "M"**

**EQUIPMENT**

## EXHIBIT "M"

### CONTRACTOR'S EQUIPMENT

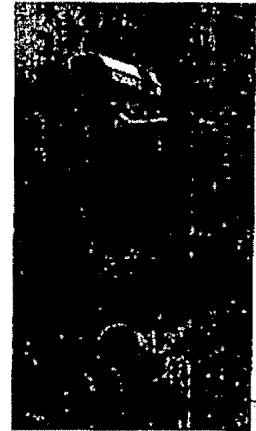
Prior to substituting any Equipment during the term of this Agreement, the Contractor must submit to the Director in writing proposed revisions or upgrades. Upon the Director's approval, Contractor may then install the approved revisions or upgrades.



#### The Axis™ RLC-300 Digital Red Light Camera System

The Axis™ RLC-300 is the newest and most advanced camera system on the market today.

The Axis™ RLC-300 red light camera system is a modular and highly portable unit that can be rotated among any number of existing or new locations. The cameras and electronics are housed within small portable enclosures and are configurable through handheld PDA's and/or other devices, remotely through communication lines.

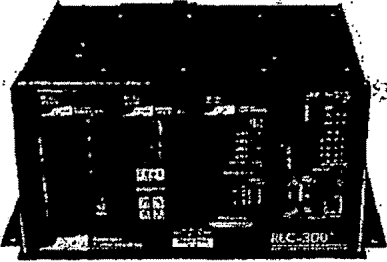

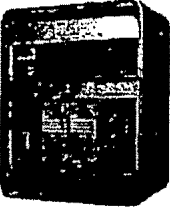

The unit consists of robust electronic devices designed for extreme temperature and humidity ranges. Aside from the camera lens focus ring, there are no moving parts in the Axis™ RLC-300 camera solution.



Component	Component Description
	<p>The Axis™ RLC-300 weather and vandal proof camera enclosure. This is an easy to install and maintain housing. This housing is usually installed on the same pole as the controller housing. System flexibility allows installation on another existing pole or structure that is already available. A built-in glass wiper option is also available.</p>
	<p><u>The Axis™ RLC-300 Camera is a 12.4 megapixel (4,288 x 2,848 ) ultra-high resolution digital color camera with advanced features ideal for photo traffic enforcement, including:</u> Five frames per second; ultra-high dynamic range to capture reflective plates along with the darkest blacks; wide range of available high resolution lenses; industrial construction and reliability.</p>





## EXHIBIT "M"

### CONTRACTOR'S EQUIPMENT

	<p>The Axis™ RLC-300 controller is a modular system that includes a series of "Hot Swappable" industrial grade components including the PS-100 Power Supply, the LD-100 loop detector with diagnostic display, the PIC-100 piezo interface card with indicators and front panel test points, and the Axis™ RLC-300 Master Controller which is the "brain" that controls the entire system. The RLC-300 controller has an Ethernet interface and a wireless upgrade port for remote access and data transmission to the Axis™ VPS servers. Data is also temporarily stored locally on high capacity Axis™ Compact Flash Cards capable of storing thousands of images.</p>
	<p>The Axis™ RLC-300 supports the Vantage Edge Non-Invasive video loop detection technology by Iteris™. This system will be used in this project. Iteris detectors are the standard video detector in Houston.</p> <p><b>ITERIS</b></p>
	<p>The Axis™ RLC-300 System weather and vandal proof controller cabinet. This versatile cabinet can be mounted at technician height to allow for easy maintenance. This cabinet configuration has the Axis™ LIVE and Axis™ RLC-300 controller mounted into it. It has built-in heating and cooling for year-round trouble free operation.</p>
	<p>The Axis™ LIVE controller manages up to four (4) intersection scene cameras. This controller interfaces the High Speed Internet connection, the LIVE Video Cameras, and Ultra-Large Capacity local disk storage. Through the Axis™ LIVE controller any direction of travel can be viewed live, or recorded video can be recalled.</p>

## EXHIBIT "M"

### CONTRACTOR'S EQUIPMENT

	<p>The Axis™ LIVE Wireless Camera makes complete intersection video affordable and practical. The Axis™ LIVE Wireless Camera needs only a power connection to communicate with the controller, while the single Axis™ LIVE Camera on the same pole as the controller connects directly.</p>
	<p>The Axis™ FR-100 is a precision focused fast recycle industrial grade strobe unit which is specifically designed to be able to trigger as fast as the camera triggers so that each violation image is properly exposed and clear. Because of the wide dynamic range of the Axis™ camera, the FR-100 output is only 100Ws, which is much less than most competing strobes.</p>
	<p>The Axis™ RLC-300 utilizes standard or ruggedized handheld PDA's for control when on-site maintenance is required. It is the only system known to support this unique and flexible user interface for on-site setup, calibration and maintenance. For remote access, the Ethernet port is used.</p>
	<p>Contractor's optional, Mobile Axis™ RLC-300M Red Light Camera System can be deployed for you on short notice to problem intersections in you area. These units are solar powered, wireless red phase communication enabled, video triggered, and the resulting violation data can be uploaded through wireless connections or stored locally for later retrieval.</p>
<p>Four each Workstations that consist of:</p> <ul style="list-style-type: none"><li>• Four each - CPUs inclusive of software</li><li>• Four each 19-inch (minimum size)</li><li>• Monitors and two network printers.</li></ul> <p>(These units will be used by Police Officers who shall review images.)</p>	<p>THESE UNITS SHALL BE APPROVED BY THE DIRECTOR.</p>

**EXHIBIT "M"**

**CONTRACTOR'S EQUIPMENT**

**REPLACEMENT OF EQUIPMENT DURING OPTIONAL FIVE-YEAR RENEWAL PERIOD:**

During the optional five-year renewal term, the Contractor may propose to replace installations that have reached the end of their useful life or upgrade to newer technology. If approved by the Director, the Contractor shall perform the necessary work to change out the equipment at Contractor's sole expense.

**EXHIBIT "N"**

**CHAIN OF CUSTODY**

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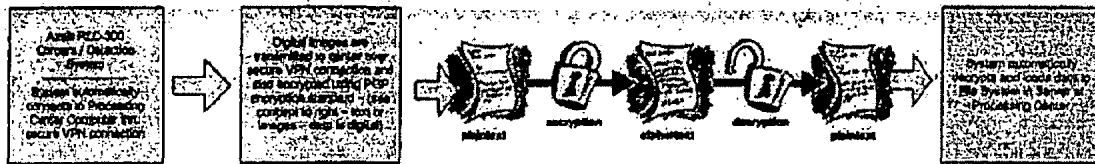
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## EXHIBIT "N" CHAIN OF CUSTODY

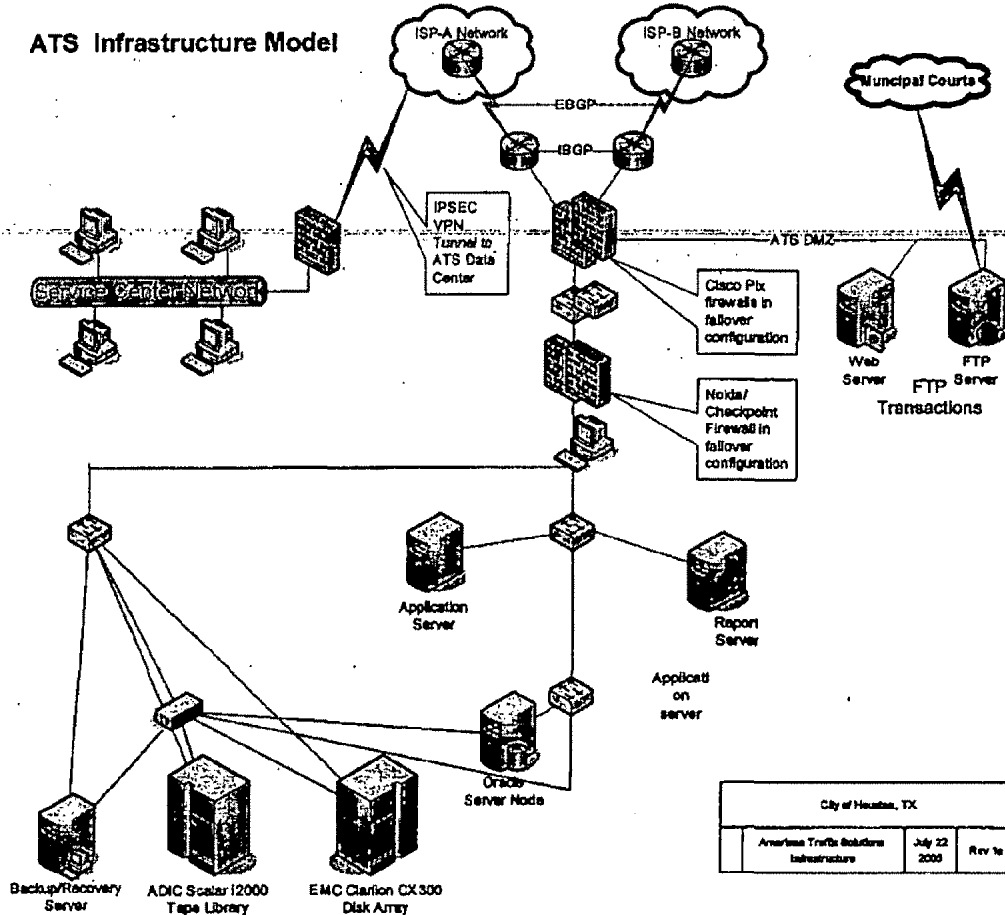
Contractor's Chain of Custody for securing the violation data from its point of capture until final disposition to ensure the data is secure, original and unaltered is as follows:

Automated Chain of Custody Process



From a data security perspective, all customer data, programs, tools, databases and back end systems are secured behind robust Cisco firewalls, making these systems secure from intrusion.

The following diagram shows an example of Contractor's infrastructure with security and hardware describing the City's Red Light Camera Enforcement Program integration.



**EXHIBIT "O"**

**PUBLIC AWARENESS CAMPAIGN**

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## EXHIBIT "O"

### PUBLIC AWARENESS CAMPAIGN

Contractor shall commence its thirty-day Public Awareness Campaign prior to the first System being installed, as may be agreed upon between the Contractor and the Director.

#### 1. COMMUNICATION / WORKING GROUP

##### 1.1 Communication:

Contractor shall perform and work with the City Mayor's Office, HPD, City oversight committees and other appropriate City departments in developing public awareness campaign programs.

Contractor shall:

- develop the most effective community outreach strategies.
- identify primary and secondary stakeholders.
- ascertain areas of commonality and interdependencies.
- verify influence and credibility with the community-at-large.
- assist the City with the development of public awareness campaign guidelines to effectively implement the program.

Contractor shall, in cooperation with the City's Legal Department and Office of Communications determine the relevant legal requirements of public information and awareness programs.

##### 1.2 Photo Red Light Camera Working Group:

If the Director so directs, Contractor shall formulate a Photo Red Light Camera Working Group. The purpose of this group shall be to keep all pertinent City departments updated and involved in the communications efforts.

With the City's approval, this group may be comprised of representatives from the Mayor's Office, HPD, Public Safety & Homeland Security, and City Council Committee members that may meet on a regular basis.

In addition, with the Mayor's approval, the Contractor may include representatives from Harris, Fort Bend and Montgomery counties, as the City of Houston falls within all three counties.

Contractor shall facilitate meetings, develop agendas, and record and distribute meeting minutes.

## EXHIBIT "O"

### PUBLIC AWARENESS CAMPAIGN

#### 2. PLANNING AND IMPLEMENTATION

##### 2.1 Planning:

Contractor shall present the City with its initial public awareness campaign plan that shall include, but not be limited to the following:

- Develop timeline for public surveys, program implementation, evaluation & follow-up
- Develop community implementation strategies, objectives and timeline
- Identify and engage in existing community activities and events
- Create a community partners' coalition from and with existing community groups and stakeholders
- Secure endorsements from credible and convincing sources
- Enlist support of other local and national complementary organizations (public and private) and interested parties to build broad-based support

##### 2.1.1 Meetings and Surveys

Contractor's initial focus shall be to engage the community through public meetings and surveys to not only get a true gauge of public knowledge about the Photo Red Light Camera Enforcement program but to also educate the community about the program.

The information gathered through these meetings and surveys shall help to ensure that the City is prepared for any potential misinformation or negativity that the community may have. This information will also help guide the development of key messages and provide recommendations directly from the community for constructive communications.

##### 2.2 Implementation of Official Campaign Kick-Off:

Contractor and the City shall hold an initial official campaign kick-off meeting to develop effective public awareness campaign programs that will:

- Generate community awareness
- Educate and engage the news media
- Incorporate multicultural community outreach
- Develop and plan ongoing information flow, education, community dialogue and media relations

## EXHIBIT "O"

### PUBLIC AWARENESS CAMPAIGN

#### 3. TYPES OF CAMPAIGNS AND PROGRAMS

Contractor shall work with and obtain City approval prior to implementation of all public awareness campaigns and programs.

##### 3.1 Community Awareness & Education Programs:

Contractor shall create, formulate and manage an ongoing community awareness and media relations campaign in collaboration with the Mayor's Office of Communications and the HPD's Public Affairs Division.

Contractor shall stress in all of its community awareness and outreach efforts the benefits of increasing public safety through the Photo Red Light Camera Enforcement program.

##### 3.2 Media & Community Outreach Programs:

Contractor's overall community outreach and education objectives shall be:

- To emphasize that the City is committed to the safety of the community and dedicated to reducing preventable accidents at red light intersections.
- To build consensus and trust within the community-at-large to ensure that the program achieves a positive response and comfort level within the community to limit antagonism, opposition or concerns about, the program.
- To generate community-wide awareness of the seriousness of running red lights.
- To create public understanding of the new Photo Red Light Camera Enforcement Program.

##### 3.3 Radio and TV Public Service Announcements (PSA):

All of Contractor's radio PSAs shall be approved by the City and shall be in *English and Spanish*. Some PSAs may be produced to target specific language groups. Contractor shall evaluate annual public opinion polls to measure public support for the program and the effectiveness of the campaign elements, analyze the implemented program and direct feedback, and prepare a summary report and recommendations to the City.

##### 3.4 Signage and Message Programs:

All of Contractor's signage and display messages shall be approved by the City and shall be in full compliance with the City legal requirements. All written signage and message programs shall be in English, Spanish and Vietnamese.

## EXHIBIT "O"

### PUBLIC AWARENESS CAMPAIGN

#### 4. DELIVERABLES

Contractor shall produce and deliver to the City for approval the following:

- Key message points
- Two 30-second Public Service Announcements (PSAs), in English, Spanish and Vietnamese, for airing on the Municipal Channel and other medium
- Drive time radio sponsorships (frequency to be determined based on budget)
- Educational and engaging website design and content to be provided to the City's webmaster
- Design and content of graphically appealing and informative public education materials in English, Spanish and Vietnamese languages
- PowerPoint slide show for use by the Mayor, City Council Members, the Police Chief, and other City personnel for presentations and speaking engagements
- Media kit and ongoing media materials
- Press Releases
- Media Advisories
- Backgrounder on City's photo enforcement program
- Project "fact" sheet
- Research summary confirming effectiveness of program in other markets
- Graphics (How a Red Light Camera Works, Sample Traffic Citation)
- Assistance with media kick-off event, press conferences and media briefings
- Proactive ongoing media relations activities (i.e. pitching story ideas, bookings appearances)
- Grassroots community outreach and education campaign
- Additional efforts may include utility bill inserts and annual opinion polls.

#### 5. ON-GOING PUBLIC AWARENESS CAMPAIGNS

Contractor shall work with the City continually throughout the term of this Agreement to ensure that community outreach and engagement with the community shall continue after the official campaign kick-off to keep the public abreast of the Photo Red Light Camera Enforcement program. Contractor shall also report to the City the effectiveness of the campaigns and programs and provide statistical analysis and reports identifying the effectiveness of the campaigns and programs.

#### 6. PUBLIC AWARENESS CAMPAIGN FEES

Contractor's fees for public awareness campaigns and programs are as listed in Contractor's Fees listed in Exhibit "G". Contractor shall submit an annual plan along with the plan cost for each public awareness event scheduled for that year. The City shall approve this plan and cost prior to Contractor proceeding with any public awareness campaign scheduled for that year. Fees shall be paid to Contractor based upon the maximum annual fee quoted and as stipulated in Exhibit "G", Item 10 (4a) and further explained in Exhibit "G", Article 8, 8.2.

**EXHIBIT "P"**

**CITATIONS ISSUANCE/COLLECTIONS PROCESSING**

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## EXHIBIT "P"

### CITATIONS ISSUANCE / COLLECTIONS PROCESSING

#### 1. CITATIONS ISSUANCE

##### 1.1 Generation of Approved Citations:

###### 1.1.1 Certificate of Mailing

Contractor shall generate a Certificate of Mailing and shall be responsible for the Citation mailing and postage costs for at least two notices mailed on a schedule to be approved by the Director.

###### 1.1.2 Three (3) Day Issuance of Citation – Processing Time

As directed by the Director, Contractor shall prepare one Notice of Violation letter for all chargeable Violations and shall mail such Notice of Violation letters to vehicle owners.

Contractor shall process and forward to the Police Review queue within 7 (seven) business days of the Violation event date Violations for which matching-in-state DMV data is found.

Contractor shall process and forward to the Police Review queue within 14 (fourteen) business days of the Violation event date Violations for which matching out-of-state DMV data is found.

As directed by the Director, Contractor shall prepare and mail one Notice of Violation letter for all chargeable Violations vehicle owners within 3 (three) business days from date of the approved Citation by the reviewing police officer. If the 3 (three) business day timeframe has been exceeded, the approved Citation shall still be issued to the vehicle owner but will be logged as a performance factor and included in the Contractor's performance evaluation. A complete audit trail of late Citation issuance shall be maintained as performance data with a reason for late issuance. In order for a Violation to be chargeable, the Notice of Violation must be issued within the time period stipulated in the City Code..

###### 1.1.3 Printing of Citation

Contractor shall process and forward the Citation documents to Contractor's local Houston printing facility, where they will be printed, folded and inserted into a properly metered envelope with the document number showing through the window. The document number shall be scanned and the System shall receive a reconciliation record that will trigger an update of the document record as "MAILED". Should the System fail to obtain a reconciliation record for each approved document, the document shall be resubmitted to Contractor's printing facility until a proper reconciliation is received.



## EXHIBIT "P"

### CITATIONS ISSUANCE / COLLECTIONS PROCESSING

#### 1. CITATIONS ISSUANCE

##### 1.1 Generation of Approved Citations: (continued)

##### 1.1.4 Website for Violator's to View/Pay Citations

Contractor shall, at no extra charge, make Citations available for viewing to violators via a secure Internet web site maintained by Contractor. This website shall enable violators to login to an internet website and view their Citation images, view associated video and evidence, and click on a link to the payment portal to pay the fine. The website for this service shall be secured to prevent and prohibit unauthorized access to the Citation database.

##### 1.1.5 Charges for Citations

Contractor shall comply with the ordinances that City Council has enacted pertaining to photo enforcement including the establishment of the fines for civil penalties of \$75.00 for running a red light, \$25.00 late payment fee for unpaid Citations after forty-five (45) calendar days, and \$150.00 for a third or subsequent Violation during any 12-month period. Fees and penalties charged shall be in accordance with the current City Code as may be amended from time to time.

The Contractor shall verify multiple Violations in a 12-month period and bill violators in accordance with City ordinances. Notices of Violation are considered civil penalties and not moving violations. Therefore, no driver's license or insurance points shall be assessed for a Citation.

##### 1.1.6 Address Validations

Contractor shall utilize a secondary source(s), other than the DMV, to obtain a valid address of the violator for all Notices of Violation returned to sender for invalid address.

##### 1.1.7 Generation of Second Notices

In the event that there is no response to the original Citation that was mailed to the violator or if the Violation remains unpaid as of its due date in accordance with the City Code, Contractor shall prepare and mail a second Notice of Violation for any Citations that remain unpaid along with an additional late fee of \$25.00.

Contractor shall include in each second Notice of Violation one set of images and a license plate image. All images shall be stamped with the date, time, and location of the Violation. Each second Notice of Violation shall also include other items as required in Sec. 45-483 of the City Ordinance.

If, after expiration of the second Notice of Violation due date and after 70 (seventy) calendar days from the issuance of the first notice, the Contractor shall pursue collections on unpaid notices. The Contractor shall provide a monthly aged listing of unpaid Citations to the City's Municipal Courts Administration (MCA) and the HPD.

## EXHIBIT "P"

### CITATIONS ISSUANCE / COLLECTIONS PROCESSING

#### 1. CITATIONS ISSUANCE

##### 1.1 Generation of Approved Citations: (continued)

##### 1.1.8 Transfers of Liability Based Upon Identification of Driver

If the registered owner of a violating vehicle states in an affidavit that another person was operating the vehicle at the time of the Violation, the Contractor shall re-bill the Citation and Notice of Violation to the person named as the driver. The Contractor shall pursue a valid address for the new named driver using all sources available. The Citation and Notice of Violation shall then be reprinted with the new information and mailed. Only one such transfer shall be allowed per Violation. Additional transfers will be determined by an appeal.

#### 2. ADJUDICATION AND APPEALS PROCESS

##### 2.1 Hearing and Appeals Process (Contested Citations):

##### 2.1.1 Municipal Courts Hearing

In the event of a contested Citation, Contractor shall refer the Citation recipient to the Municipal Courts Administration (MCA). The MCA will schedule and hold an appeal hearing by a hearing officer. As an alternative, MCA may, with City Council approval, hold hearings on a walk-in basis. Contractor shall implement the appropriate interface(s) after consultation with MCA and Municipal Courts Judicial Department (MCJD). Contractor shall cease collections processing while the Citation is being contested.

##### 2.1.2 Not Liable Findings

A resolution by a hearing officer that results in a finding of "not liable" will be communicated by the MCA to the Contractor for records update and Citation clearance. Contractor's System shall be able to support a manual process or a simple daily electronic interface for exchange of record status. The System shall also be able to provide the City with a full hearing and adjudication module.

##### 2.1.3 Upheld Citations

A resolution by a hearing officer that upholds a Citation and is accepted by a Citation recipient may have revenues collected by the MCA. The MCA shall deposit any collected revenues and send updates of the account to Contractor. The Contractor shall then update its records accordingly.

If a Citation recipient is found "liable" after a hearing before a hearing officer, the Citation recipient may appeal the decision as outlined in the Code.

The MCA shall inform Contractor of adjustments to the Citation account in accordance with the judge's decision, collect monies as appropriate and forward the information to the Contractor. The Contractor shall then make the appropriate adjustments to its System.

## EXHIBIT "P"

### CITATIONS ISSUANCE / COLLECTIONS PROCESSING

#### 2. ADJUDICATION AND APPEALS PROCESS

##### 2.1 Hearing and Appeals Process (Contested Citations):

###### 2.1.4 Internet Access to Hearing Officers and Judges

The Contractor shall provide, at no extra charge, Internet access to hearing officers and judges for viewing of Citations. The City shall provide the equipment for this access and viewing. Contractor shall provide the protocols and passwords necessary.

##### 2.2 Hearings and Court Testimonies:

###### 2.2.1 Hearings

For each Citation adjudication or appeal, the Contractor shall work with the MCAD and MCJD personnel to provide hearing information. Hearing information shall be available for viewing online or printed as needed at court. The information provided may include, but shall not be limited to the following:

- All issued and disputed Notices of Violation addressed to Citation recipients
- A Violation history report
- A statement certifying the reliability and accuracy of the System

###### 2.2.2 Contractor's Evidence Package(s)

The System shall be configured to produce an electronic evidence package that includes the Violation images and data, violator history, document history, and any other relevant documents (such as letters from the defendant) that may be included in the file prior to each scheduled hearing based upon a mutually agreed upon schedule. Contractor's Evidence Package shall be in an Adobe PDF file that can be passed to the City court for reference by the hearing officer or judge during the hearing.

Contractor shall ensure that its evidence package includes all the information required by the City court and HPD to effectively adjudicate or process the appeal.

###### 2.2.3 Court Testimonies – Qualified Expert Witness

Contractor shall provide at no extra charge, when required for Court testimony, a qualified expert witness who is knowledgeable on the theory, reliability, operation, and functional capabilities of the Photo Red Light Camera Enforcement System. Contractor shall provide an expert witness as needed to establish judicial notice.

## EXHIBIT "P"

### CITATIONS ISSUANCE / COLLECTIONS PROCESSING

#### 2. ADJUDICATION AND APPEALS PROCESS

##### 2.2 Hearings and Court Testimonies:

##### 2.2.4 Video or Audio Recording of Hearing

As may be mutually agreed upon between Contractor and the Director, Contractor shall provide video or audio recordings of hearings for each hearing. Contractor shall provide these video or audio recordings to the chief clerk who shall retain this information until the time for an appeal has expired. This requirement is not a mandatory requirement and shall be based upon Contractor's ability to provide such recordings at a future time during the term of this Agreement.

#### 3. PAYMENTS PROCESSING AND COLLECTIONS

##### 3.1 Payments Processing:

##### 3.1.1 Payment Methods

When a Citation is issued to a violator, the Notice of Violation shall identify several payment channels from which the recipient may choose. The available identified payment methods shall be:

- **Mail in the payment** with the coupon (Contractor's Lockbox)
- **Pay online**, using Contractor's Web Site
- **Call the 800-number** and provide payment information using the automated IVR system (IVR)
- **Walk-in payments:** City payment locations, EZ Tag Store payment centers and/or any other site agreed upon between Contractor and the City. All addresses shall be provided for these walk-in payments in the Notices of Violation.

##### 3.1.2 Payments Tracking

Contractor's System shall track all payments by payment source (Web, Lockbox, IVR or *Walk-In*) and payment method (cash, check, money order, credit card and ACH). Contractor's System shall handle applied payments, unapplied payments, overpayments, refunds, adjustments, dismissals, and reversals.

##### 3.1.3 City Access to Financial Reporting Functions

Contractor shall provide the City with access to financial reporting functions of the System at its convenience. All financial management procedures shall be provided to the satisfaction of the City. The System shall provide a fully auditable transaction history for each transaction and shall enable easy access to research exceptions.

## EXHIBIT "P"

### CITATIONS ISSUANCE / COLLECTIONS PROCESSING

#### 3. PAYMENTS PROCESSING AND COLLECTIONS

##### 3.2 Collections:

The Contractor shall collect payments from Citation recipients. Payment options shall include payment by any of the methods described above. Each paid Citation shall have a receipt (walk-in payments and e-payments only) provided to the payer that references the Citation number and the amount paid. In addition Contractor will handle affidavits of transfer of liability and bill the newly identified violator.

##### 3.2.1 Web Payments

Web payments shall be integrated or linked through a City web site payment portal or through a project web portal as determined by the Director. For persons paying over the Internet, receipts shall be available from the payer's computer.

##### 3.2.2 Phone Payments

Contractor shall collect all payments via phone inquiries from Citation recipients. Contractor's Phone Payments System shall be operational for 24/7 to accept payments from Citation recipients via a 1-800 number. The City's 311 System shall also assist persons with inquiries about Violations. Contractor shall assist the Director in the preparation of scripts for the 311 System.

##### 3.2.3 Walk-In Payments

Walk-in payment centers (*EZ Tag Store & City*) shall be provided with on-line application access to process the payments. Payment processes shall be in place to manage cash, personal checks or credit cards. Cash payments shall be discouraged on all printed material; however, it may be taken. Receipts shall be available for any transactions processed on-site and shall be printed locally to a standard network or stand-alone printer.

##### 3.2.4 Collection Agency

Contractor may work with a collection agency to pursue any unpaid Citations. The Contractor shall outline methods to be used for collection of past due payments. These methods shall be approved by the Director.

##### 3.2.5 Bad Debt Collections Process

Contractor shall manage all collections processing for the City.

Contractor's program shall comply with the Fair Debt Collection Practices Act, 15 U.S.C 1692, et seq. Contractor's collection procedure shall begin with the receipt of delinquent accounts unpaid after 70 (seventy) calendar days.

## EXHIBIT "P"

### CITATIONS ISSUANCE / COLLECTIONS PROCESSING

#### 3. PAYMENTS PROCESSING AND COLLECTIONS

##### 3.2 Collections:

##### 3.2.6 Checks Sent to Contractor or Contractor's Subcontractors

In the event that Contractor or Contractor's Subcontractor(s) receives a check in the mail, Contractor shall immediately forward it to the lockbox or court as agreed. If Contractor receives a check made payable to Contractor or its collection agency, it shall be immediately endorsed to the City or the City court. No monies shall ever be deposited into Contractor's accounts.

##### 3.2.7 Information to the City

Contractor shall place a high priority on keeping the City continuously informed on the progress of collection efforts; including accounts paid, accounts in process, and accounts determined to be non-collectible (i.e. death).

#### 4. DEPOSITS TO THE CITY

##### 4.1 Daily Deposits:

The Contractor shall deposit all monies collected into a City account daily. Contractor shall maintain ledgers that shall show Contractor's assigned document number, Violations, fees paid, outstanding Violations and deposits. Fine collection procedures shall be developed in accordance with the City's financial accountability and customer service guidelines. The Contractor shall also capture payment method data (i.e. paid by mail, walk-in, city facility, internet, etc.)

##### 4.2 Financial Accountability:

Contractor shall maintain its records in accordance with generally accepted accounting practices. Contractor shall work with the City to ensure compliance with the City's financial accountability and customer service guidelines.

**EXHIBIT "Q"**

**LETTER OF CREDIT**

City of Houston  
Chief of Police  
Police Department  
P. O. Box \_\_\_\_\_  
Houston, Texas 77002

Re: Credit No. \_\_\_\_\_

We hereby establish our Irrevocable Standby Letter of Credit in your favor for the account of \_\_\_\_\_ (the "Account Party"), for the aggregate amount not exceeding \_\_\_\_\_ United States Dollars (\$ \_\_\_\_\_), available to you at sight upon demand at our counters at Houston, Texas, on or before the expiration hereof against presentation to us of one or more of the following statements, dated and signed by a representative of the City of Houston:

1. "Account Party has not provided a substitute Letter of Credit or alternate security in accordance with the terms and provisions (including any applicable notice or grace period or both) of the Agreement dated \_\_\_\_\_, 200\_\_, between the City of Houston and Account Party, as the same may have been amended (the "Agreement") and this Letter of Credit has 20 days or less until expiration".  
or
2. "Account Party has failed to pay the City of Houston in accordance with the terms and provisions of the Lease Agreement, applicable City of Houston Ordinances, or Houston Airport System Rules and Regulations". The City of Houston shall specify the amount Account Party owes.

The amount which may be drawn by the City of Houston under this Letter of Credit will be automatically reduced by the amount of any drawings paid through the Issuing Bank referencing this Letter of Credit No. \_\_\_\_\_. Partial drawings are permitted hereunder.

This Letter of Credit expires \_\_\_\_\_ days from the date of issuance, but shall automatically extend without amendment for additional \_\_\_\_\_-day periods from such expiration date and from subsequent expiration dates, if the City of Houston, as beneficiary, and the Account Party have not received due notice of our intention not to renew 90 days before any such expiration date.

We hereby agree with you that documents drawn under and in compliance with the terms of this Letter of Credit must be duly honored upon presentation as specified.

This Letter of Credit shall be governed by the Uniform Customs and Practices for Documentary Credits, 1993 Revision, International Chamber of Commerce Publication No. 500 ("UCP"), except to the extent that the terms hereof are inconsistent with the provisions of the



UCP, including but not limited to Articles 13(b) and 17 of the UCP, in which case the terms of this Letter of Credit govern.

If an Act of God, riot, civil commotion, insurrection, war or any other cause beyond our control interrupts our business (collectively, an "Interruption Event") and causes the place for presentation of this Letter of Credit to be closed for business on the last day for presentation, the expiration date of this Letter of Credit will be automatically extended without amendment to a date 30 calendar days after the place for presentation reopens for business.

This Letter of Credit may not be amended, changed or modified without the express written consent of the City of Houston as the Beneficiary, the Issuing Bank, and the Account Party.

Sincerely,

WITNESS:

\_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Name:  
Title:

C 62248  
09-0461

STATE OF TEXAS            §  
  §  
COUNTY OF HARRIS       §

**FIRST AMENDMENT TO THE AGREEMENT  
FOR A PHOTO RED LIGHT CAMERA ENFORCEMENT SYSTEM AND SERVICES**

This First Amendment ("First Amendment") to the Agreement For A Photo Red Light Camera Enforcement System And Services (the "Agreement") between the CITY OF HOUSTON, TEXAS (the "CITY"), a home rule city of the State of Texas, and AMERICAN TRAFFIC SOLUTIONS, INC. ("Contractor"), dated June 28, 2006, is made by and between the same parties on the date hereinafter last specified.

**WITNESSETH:**

WHEREAS, the CITY and Contractor entered into the Agreement on June 28, 2006; and

WHEREAS, the parties desire to extend the initial term of the Agreement through May 27, 2014;  
and

WHEREAS, in consideration of Contractor's agreement to such extension, the City will allow Contractor to recover a processing fee to be paid by persons for the convenience of making debit or credit card payments, including but not limited to online payments, of penalties pursuant to the City's Red Light Camera Program.

NOW THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, the parties hereto do hereby mutually agree as follows:

1. **Definitions.** Unless a different meaning clearly appears from the context, words and phrases as used in this First Amendment shall have the same meanings as in the Agreement.
2. **Amendments.**
  - a. Section V "Term and Termination," Subsection A of the Agreement is hereby amended to read as follows:  
  

"This Agreement is effective on the amended Countersignature Date and remains in effect until May 27, 2014, and may be extended for one additional five-year period under the same terms and conditions thereafter upon written notice of renewal by the Director at least 30 days before the expiration of the then-current term to the extent permitted by law and subject to allocation of funds therefore by the City."

Subsection B of the Agreement is stricken in its entirety.
  - b. Exhibit A, Section 2.B.1, Line 2 of the Agreement: "shall be non-invasive (above ground only), and" is deleted and replaced with "for".
  - c. Exhibit A, Section 2.B.1 of the Agreement, the sentence on Line 7 therein is hereby amended to read as follows: "Contractor may install its Equipment on existing traffic poles or on newly installed poles, or as provided in Exhibit A, Section 3, as amended below."

- d. Exhibit A, Section 2.D. of the Agreement, the first sentence therein is hereby amended to read as follows:

“At the Director’s direction, Contractor shall use its ViMS units to monitor and measure Violation rates and perform traffic volume counts at Dummy sites or any City intersection at no additional cost to the City. The City’s requests for these services will be limited to no more than ten (10) intersection location sites at one time and will be limited to only those locations where the City has intent to expand to or incorporate into its Red Light Camera Program. Subsequent requests for these services will only be made after a Notice to Proceed with construction has been made to the Contractor for the previous locations surveyed and approved for inclusion into the Red Light Camera Program by the Director. The final decision on the number and selection of new sites to be incorporated into the program will be made by the Director.”

- e. Exhibit A, Section 3 of the Agreement is hereby amended to add the following sentences at the end thereof:

“On or after the effective date of this First Amendment, all new installations will utilize the most current and newest detection and recording equipment available. The Director must approve all equipment prior to any said installation.”

- f. Exhibit G, Section 10., Subsection 4. Other Services in the Agreement is hereby amended to add a subsection d. as follows:

“d. Contractor may charge a processing fee that shall not exceed 2.33% of each debit or credit card payment transaction, including but not limited to online payments, made by the debit or credit card holder in settlement of penalty(ies) owed to the City. There shall be no cost to the City. Contractor shall withhold the applicable processing fees from the collections of payments made by the debit or credit card holders.”

- g. Exhibit G, Section 11: The terms of Exhibit G, Section 11. in the Agreement continue to apply, but these terms shall be applied starting on June 29, 2011, instead of upon the City’s election to exercise the five-year renewal option. These terms shall continue to apply if the Director exercises the renewal option set out in Section 2.a. of this First Amendment.

- h. Exhibit H, Section 2.6.2.9. on Line 4 of the Agreement, the following sentence is hereby inserted before the last sentence thereof:

“Contractor shall ensure that the original plate number is re-entered by a person other than the original data entry person to extract DMV vehicle information (i.e. double blind re-entry) prior to presenting event information to HPD for review.”

- i. Exhibit M to the Agreement:

- i) The subtitle therein is hereby deleted in its entirety and replaced in its place as follows: “REPLACEMENT OF EQUIPMENT”

ii) The first sentence therein is hereby amended to read as follows:

“The Contractor may propose to replace installations that have reached the end of their useful life or upgrade to newer technology.”

3. Entire Agreement. The provisions of this First Amendment and the provisions of the Agreement should be read together and construed as one agreement provided that, in the event of any conflict or inconsistency between the provisions of this First Amendment and the provisions of the Agreement, the provisions of this First Amendment shall control. Nothing contained in this First Amendment shall be construed in any way to limit or to waive the City's sovereign immunity. All other terms and conditions of the Agreement, except as amended in this First Amendment, shall continue in full force and effect.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment in multiple copies, each of which shall be deemed to be an original, but all of which shall constitute but one and the same amendment on the Countersignature Date of this First Amendment.

WITNESS:

By: *Linda Welsch*  
Name: Linda Welsch  
Title: Exec. Legal Asst.

(Contractor)  
AMERICAN TRAFFIC SOLUTIONS, INC.

By: *A*  
ADAM E. TUTON,  
Executive Vice President  
TAX ID NO. 48-114931

ATTEST/SEAL:

*[Signature]*  
City Secretary

CITY OF HOUSTON, TEXAS

Signed by:

*Bill White*  
Mayor *Annanda Williams*

APPROVED:

*[Signature]*  
Chief of Police, Houston Police Department

COUNTERSIGNED BY:

*[Signature]*  
City Controller *Matthew P. Appel*

APPROVED AS TO FORM:

*[Signature]*  
Assistant City Attorney  
L.D. File No. 0620600201002

DATE COUNTERSIGNED:

5-29-09