

1 **1. Employment of Consultant.** The City retains the Consultant to provide the
2 services described in "Exhibit A – Scope of Work," which is incorporated into this
3 Agreement by reference (the "Work"). Any inconsistency between this Agreement and
4 the Scope of Work shall be resolved in favor of this Agreement. The Consultant shall
5 perform the Work according to the terms and conditions of this Agreement.

6 The City may revise the Work and the compensation only by a written Change Order
7 signed by the authorized City representative that shall become a part of this Agreement.

8 The project manager(s) of the Work shall be Mr. Ray Pedrosa. The project
9 manager(s) shall not be replaced without the prior written consent of the City.

10 Work shall commence when the City issues a notice to proceed and it shall be
11 completed no later than 90 days after receipt of the last installation permit, unless the
12 City extends the completion date in writing.

13 **2. Compensation.**

14 A. The compensation to be paid to Consultant for traffic camera services,
15 including all services and expenses, shall not exceed the fees indicated on the Scope of
16 Work, which shall be full compensation for the Work. If Consultant enters into a
17 contract for traffic camera services using traffic safety cameras substantially similar to
18 the Camera System, and such contract has terms and conditions that the City desires to
19 be made a part of this agreement, the Consultant shall agree to amend this agreement
20 to include such terms and conditions.

21 B. The Consultant shall be paid in such amounts and in such manner as described
22 in the Scope of Work, Schedule 1, Fees.

23 C. Pricing shall be fixed and firm through the pilot project and for a total of five
24 years, assuming the City elects to continue the project,

25 D. For service charge adjustment beyond the initial 5 years, the basis for
26 adjustment shall:

- 27 ▪ Be the CPI index for King and Snohomish Counties;
- 28 ▪ Not produce a higher profit margin than that on the original contract;
- 29 ▪ Clearly identify the items impacted by the increase;
- 30 ▪ Be accompanied by documentation acceptable to the City sufficient to
31 warrant the price increase request;
- 32 ▪ And remain firm for a minimum of 365 days.

33 E. This contract includes no reimbursable expenses.

34 F. Initial Payment: During the four months after the photo enforcement services are
35 accepted by the City and go into operation, the City shall pay the Consultant as
36 provided in the Scope of Work, Schedule 1, Fees. The photo enforcement services
37 shall go into operation on the 1st day of the month following acceptance by the City of
38 the services. The first month may be a warning period without collection of fines.

1 G Stop-Loss Clause: Commencing on the 1st day of the fifth month, the City's
2 obligation to pay ATS under this Agreement is capped at the amount of money received
3 during the term of this Agreement by the City from that portion of fines actually retained
4 by the City, after making other distributions required by Washington State law (the
5 "Funds"). The sole source of money available to Pay ATS shall be the Funds.

6 1. Method for Determining Payment. Commencing with the second month
7 after the initial payment period established in paragraph 2 F and thereafter,
8 the City shall pay ATS the amount due for the prior month. If the Funds
9 exceed the amount due, the excess shall be accounted for by the City and
10 then deposited in the general fund. If the Funds are less than the amount
11 due for the prior month, the shortfall shall be accounted for by the City,
12 which shall apply future receipts or prior excess balance first to any accrued
13 balance and second to the current month's invoice. If, at the expiration of
14 the term of this Agreement, the Funds collected by City during the term of
15 the Agreement are insufficient to make full payment to ATS according to the
16 fee schedule in the Scope of Work, ATS shall waive its right to any further
17 payment from the City. If Funds exceed the amount due to ATS according
18 to the fee schedule in the Scope of Work, the City shall pay ATS any
19 amounts due and then shall be entitled to keep such excess Funds and ATS
20 shall have no claim upon them.

21 2. Stop-Loss Clause – Limitation. This provision shall not apply if (1)
22 the City elect not to enforce illegal right turn on red violations; (2) the City
23 elects not to pursue collections on unpaid violations; (3) the City directs ATS
24 to install a camera at a site with an initial starting violation rate of fewer than
25 16 violations per day; or (4) the City or Police waives more than 10 percent
26 of valid violations forwarded to the Police for acceptance according to
27 business rules.

28 H. Camera Movement: If the average monthly revenues collected from any
29 individual camera does not meet the level required to pay the monthly ATS fees for that
30 camera for a period of 6 consecutive months (excluding the first 12 operational months
31 of a camera), the City shall have the right to request removal and reinstallation of the
32 camera to a more cost effective location. ATS shall have the option to comply or to
33 reduce the fee temporarily or permanently to a level equal to the revenue collected from
34 that camera system. For the purposes of this clause, the average monthly revenues
35 required to support ATS fees shall be equivalent to 35 paid notices per month.

36 If ATS complies with the City's request to move a camera, the cost of such
37 movement shall be reimbursed to ATS from any excess balance and, if
38 there is no excess balance, then repayment shall be as provided in 2G1 for
39 a shortfall. The City's right to request movement or removal of a camera
40 shall be limited to one request for each camera installed. The City shall
41 waive its right to move a camera that was installed at a site that exhibited a
42 starting daily violation rate below 16 violations according to the pre
43 installation video validation study.

1 **3. Term of Contract.**

2 A. The term of this contract shall commence on the date this agreement is made
3 effective and shall expire five (5) years from that date.

4 B. The City, at its sole discretion, may extend the term of the contract for an
5 additional five (5) years for a total of ten (10) years. Such renewal requires the approval
6 of the Lynnwood City Council.

7 **4. Request for Payment.**

8 A. Not more than once every thirty days the Consultant shall file its request for
9 payment, accompanied by evidence satisfactory to the City justifying the request for
10 payment, including a report of Work accomplished and tasks completed, and an
11 itemization of Eligible Expenses with copies of receipts and invoices.

12 B. All requests for payment should be sent to

13 City of Lynnwood
14 Attn: Accounts Payable
15 PO Box 5008
16 Lynnwood, WA 98046-5008

17
18 **5. Termination of Contract.**

19
20 A. For Cause: The City may terminate this Agreement if the Consultant is in
21 material breach of any terms of this Agreement, and such breach has not been
22 corrected according to established standards and agreed upon designs indicated in a
23 valid Work Order within thirty (30) days from notice of breach.

24
25 B. For City's Convenience: The City may terminate this Agreement in whole or in
26 part, without cause and for any reason, including the City's convenience, upon written
27 notice to the Consultant at the conclusion of the first 12 months from activation of the
28 Camera Systems in Work Order #1.

29
30 C. Acts of Insolvency: The City may terminate this Agreement by written notice to
31 Consultant if the Consultant becomes insolvent, makes a general assignment for the
32 benefit of creditors, suffers or permits the appointment of a receiver for its business or
33 assets, becomes subject to any proceeding under any bankruptcy or insolvency law
34 whether domestic or foreign, or is wound up or liquidated, voluntarily or otherwise.

35
36 D. Notice: The City is not required to provide advance notice of termination.
37 Notwithstanding, the City may issue a termination notice with an effective date later than
38 the termination notice itself. In such case, the Consultant shall continue to provide
39 products and services as required by the City until the effective date provided in the
40 termination notice.

41 **6. Assignment of Agreement – Subcontractors.** Consultant shall not assign this
42 Agreement or sub-contract or assign any of the Work without the prior written consent of
43 the City.

1 **7. Indemnification.** To the extent provided by law and irrespective of any insurance
2 required of the Consultant, the Consultant shall defend and indemnify the City from any
3 and all Claims arising out of or in any way relating to this Agreement; provided,
4 however, the requirements of this paragraph shall not apply to that portion of such
5 Claim that reflects the percentage of negligence of the City compared to the total
6 negligence of all persons, firms or corporations that resulted in the Claim.

7 Consultant agrees that the provisions of this paragraph 7 apply to any claim of injury or
8 damage to the persons or property of consultant's employees. As to such claims and
9 with respect to the City only, consultant waives any right of immunity, which it may have
10 under industrial insurance (Title 51 RCW and any amendment thereof or substitution
11 therefore). THIS WAIVER IS SPECIFICALLY NEGOTIATED BY THE PARTIES AND
12 IS SOLELY FOR THE BENEFIT OF THE CITY AND CONSULTANT.

13 As used in this paragraph: (1) "City" includes the City's officers, employees, agents, and
14 representatives; (2) "Consultant" includes employees, agents, representatives sub-
15 consultants; and (3) "Claims" include, but is not limited to, any and all losses, claims,
16 causes of action, demands, expenses, attorney's fees and litigation expenses, suits,
17 judgments, or damage arising from injury to persons or property.

18 Consultant shall ensure that each sub-consultant shall agree to defend and indemnify
19 the City to the extent and on the same terms and conditions as the Consultant pursuant
20 to this paragraph.

21 **8. Insurance.**

22 A. Consultant shall comply with the following conditions and procure and keep in
23 force at all times during the term of this Agreement, at Consultant's expense, the
24 following policies of insurance with companies authorized to do business in the State of
25 Washington. The Consultant's insurance shall be rated by A. M. Best Company at least
26 "A" or better with a numerical rating of no less than seven (7) and otherwise acceptable
27 to the City.

28 1. Workers' Compensation Insurance as required by Washington law and
29 Employer's Liability Insurance with limits not less than \$1,000,000 per
30 occurrence. If the City authorizes sublet work, the Consultant shall require each
31 sub-consultant to provide Workers' Compensation Insurance for its employees,
32 unless the Consultant covers such employees.

33 2. Commercial General Liability Insurance on an occurrence basis in an
34 amount not less than \$1,000,000 per occurrence and at least \$2,000,000 in the
35 annual aggregate, including but not limited to: premises/operations (including off-
36 site operations), blanket contractual liability and broad form property damage.

37 3. Business Automobile Liability Insurance in an amount not less than
38 \$1,000,000 per occurrence, extending to any automobile. A statement certifying
39 that no vehicle will be used in accomplishing this Agreement may be substituted
40 for this insurance requirement.

1 4. Each policy shall contain a provision that the policy shall not be canceled
2 or materially changed without 30 days prior written notice to the City.

3 Upon written request to the City, the insurer will furnish, before or during performance of
4 any Work, a copy of any policy cited above, certified to be a true and complete copy of
5 the original.

6 B. Before the Consultant performs any Work, Consultant shall provide the City
7 with a Certificate of Insurance acceptable to the City Attorney evidencing the above-
8 required insurance and naming the City of Lynnwood, its officers, employees and
9 agents as Additional Insureds on the Commercial General Liability Insurance policy and
10 the Business Automobile Liability Insurance policy with respect to the operations
11 performed and services provided under this Agreement and that such insurance shall
12 apply as primary insurance on behalf of such Additional Insureds. Receipt by the City of
13 any certificate showing less coverage than required is not a waiver of the Consultant's
14 obligations to fulfill the requirements.

15 C. Consultant shall comply with the provisions of Title 51 of the Revised Code of
16 Washington before commencing the performance of the Work. Consultant shall provide
17 the City with evidence of Workers' Compensation Insurance (or evidence of qualified
18 self-insurance) before any Work is commenced.

19 D. In case of the breach of any provision of this section, the City may provide
20 and maintain at the expense of Consultant insurance in the name of the Consultant and
21 deduct the cost of providing and maintaining such insurance from any sums due to
22 Consultant under this Agreement, or the City may demand Consultant to promptly
23 reimburse the City for such cost.

24 **9. Independent Consultant.** The Consultant is an independent Consultant responsible
25 for complying with all obligations of an employer imposed under federal or state law.
26 Personnel employed by Consultant shall not acquire any rights or status regarding the
27 City.

28 **10. Employment.** The Consultant warrants that it did not employ or retain any
29 company or person, other than a bona fide employee working solely for the Consultant,
30 to solicit or secure this Agreement or pay or agree to pay any such company or person
31 any consideration, contingent upon or resulting from the award or making of this
32 Agreement. For breach or violation of this warranty, the City shall have the right either
33 to terminate this Agreement without liability or to deduct from the Agreement price or
34 consideration or to otherwise recover, the full amount of such consideration.

35 **11. Audits and Inspections.** The Consultant shall make available to the City during
36 normal business hours and as the City deems necessary for audit and copying all of the
37 Consultant's records and documents with respect to all matters covered by this
38 Agreement.

39 **12. City of Lynnwood Business License.** Consultant shall obtain a City of Lynnwood
40 business license before performing any Work.

1 13. **Compliance with Federal, State and Local Laws.** Consultant shall comply with
2 and obey all federal, state and local laws, regulations, and ordinances applicable to the
3 operation of its business and to its performance of the Work.

4 14. **Waiver.** Any waiver by the Consultant or the City of the breach of any provision of
5 this Agreement by the other party will not operate, or be construed, as a waiver of any
6 subsequent breach by either party or prevent either party from thereafter enforcing any
7 such provisions.

8 15. **Complete Agreement.** This Agreement contains the complete and integrated
9 understanding and agreement between the parties and supersedes any understanding,
10 agreement or negotiation whether oral or written not set forth herein.

11 16. **Modification of Agreement.** This Agreement may be modified by a Change Order
12 as provided in ¶1, or by a writing that is signed by authorized representatives of the City
13 and the Consultant.

14 17. **Severability.** If any part of this Agreement is found to be in conflict with applicable
15 laws, such part shall be inoperative, null and void, insofar as it is in conflict with said
16 laws, the remainder of the Agreement shall remain in full force and effect.

17 **18. Notices.**

18 A. Notices to the City of Lynnwood shall be sent to the following address:

19 City of Lynnwood
20 Attn: Chuck Steichen, Patrol Commander PO Box 5008
21 Lynnwood, WA 98046-5008

22 B. Notices to the Consultant shall be sent to the following address:

23 American Traffic Solutions, Inc.
24 Chief Operating Officer
25 14861 N. Scottsdale Road, Ste 109, Scottsdale, AZ 85254

1 19. **Venue.** The law of the State of Washington shall govern this Agreement and venue
2 for any lawsuit arising out of this Agreement shall be in Snohomish County.

3 **IN WITNESS WHEREOF,** the City and Consultant have executed this Agreement as of
4 the date first above written.
5

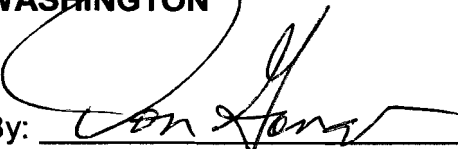
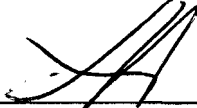


CITY OF LYNNWOOD WASHINGTON By:  Don Gough, Mayor 11-27-06 Date	AMERICAN TRAFFIC SOLUTIONS, INC. By:  Adam E. Tuton, Its Executive Vice President / COO 11/13/06 Date
ATTEST: By:  Pat Dugan, Finance Director Date	
APPROVED AS TO FORM: By:  Michael P. Ruark, City Attorney 11/22/2006 Date	

Exhibit A
SCOPE OF WORK
Work Order One

1
2
3
4 1. DEFINITIONS:

5 As used in this Agreement, the following words and terms shall, unless the context otherwise requires,
6 have the respective meanings provided below:

7 "Citation" means a citation issued by a competent state or municipal law enforcement agent or agency or
8 by a court of competent jurisdiction relating to a violation documented or evidenced by the Camera
9 System, also known as the "Axis™ System."

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

12 "Camera System" means a photo-traffic monitoring device consisting of camera(s) (both the Axis RLC-
13 300 and the Axis Live Video System (if required) and a traffic-monitoring device capable of accurately
14 detecting a traffic infraction on up to four lanes at one approach and which records such data on an
15 image of such vehicle. "Camera System" shall, where the sense requires, also include any enclosure or
16 cabinet in which the Axis™ System is stationed. As used below, the term "Red Light Stationary Camera
17 System" is used interchangeably with the Camera System term defined here.

18 "Approach" means as one direction of travel of one or more lanes on a road or a traffic intersection.

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

22 "Operational Time" means the actual time that a Camera System is monitoring traffic.

23 2. AMERICAN TRAFFIC SOLUTIONS (ATS) SCOPE OF WORK

24 2.1.ATS IMPLEMENTATION

25 2.1.1 ATS agrees to provide a turnkey solution for Red Light Stationary Camera Systems to the
26 City of Lynnwood (hereinafter "the City") wherein all reasonably necessary elements
27 required to implement and operate the solution are the responsibility of ATS, except for
28 those items identified in Section 3 titled "City Scope of Work". ATS and the City understand
29 and agree that new or previously unforeseen requirements may, from time to time, be
30 identified and that the parties shall negotiate in good faith to assign to the proper party the
31 responsibility and cost for such items. In general, if work is to be performed by the City,
32 unless otherwise specified, the City shall not charge ATS for the cost of the work. All other
33 work in the scope of work, external to the City, is the responsibility of ATS.

34 2.1.2 ATS agrees to make every effort to adhere to the Project Schedule, which will be agreed to
35 beforehand and set forth as Schedule 4.

36 2.1.3 ATS agrees to provide the City with Axis™ RLC-300 Red Light Stationary Camera
37 Systems as follows:

38 2.1.3.1. ATS will assist the City with video evaluation of candidate sites using the Axis VIMS
39 system.

40 2.1.3.2. ATS will install Camera Systems at a number of approaches, to be agreed upon
41 between ATS and the City after completion of site analysis. In addition to the initial
42 locations, the parties may agree from time to time, by additional Work Order(s), to add
43 to the quantities and locations where Camera Systems are installed and maintained.

44 2.1.3.3. ATS will operate each Camera System on a 24-hour basis, barring downtime for
45 maintenance and normal servicing activities.

- 1 2.1.4 ATS agrees to commence the installation of the Systems within 14 days after all approvals
2 and required permits have been obtained (the date all permits are obtained shall hereinafter
3 be referred to as the "Approval Date"). The Approval Date shall be marked by the issuance
4 of a signed letter from ATS to the City, stating that permits from a particular site or set of
5 sites have been obtained.
- 6 2.1.5 ATS agrees to have all agreed-upon installation work completed and have the Systems fully
7 operational according to the Project Schedule which will be mutually agreed upon
8 beforehand and set forth as Schedule 4.
- 9 2.1.6 ATS agrees to provide necessary training for persons designated by the City and to assist
10 the City with development of public information and outreach campaign as specified in its
11 response to the City of Seattle's Request for Proposals.
- 12 2.1.7 ATS agrees to provide a secure web site (www.violationinfo.com) accessible to citation
13 recipients (defendants) by means of a Notice # and a PIN, which will allow violation image
14 review and entry of affidavits attesting to the non-liability of the registered owner for the
15 violation.
- 16 2.1.8 The City and ATS will complete the Project Business Process Work Flow design within 30
17 calendar days of Agreement execution.
- 18 2.1.9 ATS shall provide technician site visits to each Stationary Camera System once per month
19 to perform preventive maintenance checks consisting of camera enclosure lens cleaning;
20 camera, strobe and controller enclosure cleaning; inspection of exposed wires; and general
21 system inspection and maintenance.
- 22 2.1.10 ATS shall repair a non-functional Stationary Camera System within 72 hours of
23 determination of a malfunction.
- 24 2.1.11 ATS shall repair the Axis VPS system within 1 business day from the time of the outage.
25 Outages of City Internet connections or infrastructure are excluded from this service level.

26 2.2.ATS OPERATIONS

- 27 2.2.1 ATS shall provide the City with an optional one-time warning period up to 30 days in length
28 at the outset of the program.
- 29 2.2.2 As the party responsible for initial contact with the red light violator, ATS shall provide the
30 City with an automated web-based citation processing system (Axis™ VPS) including
31 image processing, color printing, and mailing of at least one Citation or Notice of Violation
32 per chargeable event. Each citation shall be delivered by First Class mail to the registered
33 owner within the statutory period. Subsequent mailings to drivers identified in affidavits of
34 non-liability or by rental car companies are also included. For mail not delivered due to
35 address problems, ATS will mail the citation again if the City provides it with better
36 information.
- 37 2.2.3 ATS shall apply an electronic signature to the citation when authorized to do so by an
38 approving law enforcement officer.
- 39 2.2.4 ATS shall obtain in-state vehicle registration information necessary to issue citations
40 assuming that it is named as the City's agent and the State provides the registration data at
41 no cost to the City.
- 42 2.2.5 Where obtainable, ATS shall provide out-of-state vehicle registration necessary to issue
43 citations at no cost to the City.
- 44 2.2.6 ATS will designate rental car companies as registered owners. Notices of Violation (not
45 citations) shall initially be issued to rental car companies. Citations may be issued to rental
46 car companies or designated drivers if the rental car company identifies the driver.

1 2.2.7 On a daily basis (or as otherwise agreed), ATS shall transmit to the Lynnwood Municipal
2 Court (LMC) a text file containing all citation and Notice of Violation information issued, for
3 uploading into the LMC computer system.

4 2.2.8 On a daily basis (or as otherwise agreed), ATS shall receive from LMC an automatic update
5 from the LMC computer system containing the status of citations based on the latest
6 disposition information, indicating payments received or cases otherwise closed, dismissed,
7 resolved, or sent to collections. Also, ATS shall receive car rental disposition data and
8 process it as agreed.

9 2.2.9 The Axis™ VPS system, which provides the City with ability to run and print a reports,
10 shall include the following:

11 2.2.9.1. Issuance Rate Report

12 2.2.9.2. Location Performance Summary Report

13 2.2.9.3. Location Performance Detail Report

14 2.2.9.4. Violation Reject Report

15 2.2.9.5. Document Aging Report

16 2.2.10. ATS shall provide the City with, or shall train, a local expert witness able to testify in
17 Court on matters relating to the accuracy, technical operations, and effectiveness of the
18 Axis™ System.

19 2.2.11. In those instances where damage to a Camera System or sensors is caused by
20 negligence on the part of the City or its authorized agent(s), ATS will provide an estimate of
21 the cost of repair. Upon authorization to proceed with the repairs or replacement, ATS shall
22 replace or repair any damaged equipment and invoice for the pre-approved repair cost.
23 ATS shall bear the cost to replace or repair equipment damaged in all other circumstances.

24 2.2.12. ATS shall provide a website and help line to assist the City resolve any problems
25 encountered regarding its Red Light Camera System and/or citation processing. The help
26 line shall function during normal business hours.

27 2.2.13. As part of its turnkey system, ATS shall provide violators with the ability to view violations
28 online. This online viewing system shall include a link to the City's payment website(s), if
29 available, and an opportunity to complete an affidavit online. Online affidavits shall be
30 directed to and processed by ATS/Axis and communicated to the Court via the Axis VPS
31 transfer described at 2.2.8, above.

32 **OPTIONAL COURT SERVICES**

33 The following services are available by Agreement change order. Fees for these optional services are
34 identified on Schedule 1.

35 2.2.14. Issuance of second notice upon expiration of unpaid first notice. ATS shall issue a
36 second notice including a payment coupon and return payment envelope within 5 days of
37 determination that a no payment on a first notice was received. The second notice shall be
38 due within 14 days of issuance and shall contain language advising the violator that
39 collections action will ensue immediately unless payment is received.

40 2.2.15. Affidavit / Transfer of Liability Processing – ATS shall process all inbound transfer of
41 liability forms, rental car driver identification forms, and new or change of address items and
42 reissue a new notice to the identified party.

1 2.2.16. Lockbox payment processing services. ATS shall operate a lockbox payment processing
2 service for the program and shall process all checks, money orders and cashiers checks on
3 behalf of the City. All payments will be deposited into a blocked account in the name of the
4 City and shall be swept on a periodic basis to another city-designated account. "Consultant
5 will establish a demand deposit account bearing the title, "American Traffic Solutions, Inc.
6 as agent for the City" at U.S. Bank. All funds collected on behalf of the City will be
7 deposited in this account and transferred by wire the first business day of each week to the
8 City's primary deposit bank. The City will identify the account to receive funds wired from
9 U.S. Bank. A W-9 and blocked account agreement, to be completed by the City, is
10 provided to ensure the city's financial interest in said U.S. Bank account is preserved."

11 2.2.17. Electronic online payments – ATS shall operate an electronic payment portal for the
12 purposes of accepting debit card, electronic check (ACH) and Visa and MasterCard credit
13 card payments over the Internet. The fees for these transactions are paid by the user
14 through the application a convenience fee.

15 2.2.18. Collections services – upon expiration of the second notice, ATS will commence
16 collections action on any unpaid notices. Fees for these services are listed on Schedule 1.

17 3. CITY SCOPE OF WORK

18 3.1. GENERAL IMPLEMENTATION REQUIREMENTS

19 3.1.1. Within 7 business days of Agreement execution, the City shall provide ATS with the name
20 and contact information for a project manager with authority to coordinate City
21 responsibilities under the Agreement.

22 3.1.2. Within 7 business days of Agreement execution, the City shall provide ATS with the name
23 and contact information for a Lynnwood Municipal Court manager responsible for oversight
24 of all Court-related program requirements

25 3.1.3. The City shall make every effort to adhere to the Project Schedule outlined in Schedule 4
26 that will be mutually agreed upon beforehand and set forth as Schedule 4.

27 3.1.4. The City will process each Citation according to its own established rules and guidelines.

28 3.1.5. The City shall provide a letter to the Washington Department of Motor Vehicles and NLETS
29 on behalf of ATS indicating that ATS is acting as an Agent of the City for the purposes of
30 accessing vehicle ownership data pursuant to the list of permissible uses delineated in the
31 Drivers Privacy Protection Act 18 U.S.C. § 2721, Section (b) (1) and as may otherwise be
32 provided or required by any provision of applicable state law. ATS shall provide the City
33 with draft content for its letter.

34 3.1.6. The City and ATS shall complete the Project Business Process Work Flow design within 30
35 calendar days of Agreement execution.

36 3.2. STREETS AND TRAFFIC DEPARTMENT OPERATIONS

37 3.2.1. City will design, fabricate, install and maintain red light camera warning signs.

38 3.2.2. The City shall provide access to traffic signal phase connections according to approved
39 design.

40 3.2.3. The City may allow ATS to use existing street furniture, poles, and available conduit for the
41 purposes of installing and operating its Camera Systems, according to approved design.

42 3.2.4. The City shall not require ATS to provide installation drawings stamped by a licensed civil
43 engineer. However, ATS work product and drawings shall conform to professional norms
44 and reflect the details of installation work to be completed.

45 3.2.5. The City shall approve or reject ATS submitted plans within 7-10 business days of receipt.

46 3.2.6. The City shall process street use and pole attachment permit requests in accordance with
47 its established criteria.

1 3.3. POLICE DEPARTMENT OPERATIONS

2 3.3.1. The Lynnwood Police Department (LPD) shall process each potential violation in
3 accordance with Washington State Laws and City Ordinances within 3 business days of its
4 appearance in the Police Review Queue, using Aaxis™ to determine which violations will be
5 issued as Citations or Notices of Violation. The City and Consultant shall mutually agree on
6 rejection criteria.

7 3.3.2. LPD workstation computer monitors for citation review and approval should provide a
8 resolution of 1280 x 1024.

9 3.3.3. For optimal data throughput, LPD workstations should be connected to a high-speed
10 Internet connection with bandwidth of T-1 or greater.

11 3.3.4. LPD shall provide signatures of all authorized police users who will review events and
12 approve citations on forms provided by ATS.

13 3.4. MUNICIPAL COURT OPERATIONS

14 3.4.1 LMC shall receive electronic text files of citation information and load the citation
15 information into its Citation database.

16 3.4.2 LMC shall provide citation fine collection services for all final dispositions. Additionally,
17 LMC agrees to pursue collections, registration suspensions, or other legal and customary
18 means necessary to compel payment of outstanding citations.

19 3.4.3 LMC shall provide a judge or hearing officer and Court facilities to schedule and hear
20 disputed citations.

21 3.4.4 On a daily basis (or as otherwise agreed), LMC shall transmit an electronic file to ATS Aaxis
22 ™ with daily updates of all citation disposition or transaction information indicating
23 payments received or cases otherwise closed, dismissed or resolved.

24 3.4.5 On a daily basis (or as otherwise agreed), LMC shall receive and process an electronic file
25 of undeliverable citations from Aaxis™; it may then transmit ATS Aaxis™ better addresses,
26 if available. If better addresses are not available, LMC may ask ATS to provide Skip
27 Tracing Services for the optional unit fees indicated in Schedule 1.

28 3.4.6 LMC shall provide the specific text required to be placed on the Citation notice to be issued
29 by ATS within 30 calendar days of Agreement execution. The Washington Administrative
30 Office of the Courts (AOC) must approve this notice. The Court shall make reasonable
31 efforts to expedite the approval process but cannot guarantee that AOC will communicate
32 approval within 30 days of Agreement execution.

33 3.4.7 Consultant shall provide at least one PC to be used by defendants to view their violations
34 online at the Court.

35 3.4.8 LMC shall receive and review written affidavits and written responses from rental car
36 companies; shall enter new driver information into Aaxis™ or otherwise designate that the
37 rental car company or other party previously identified as the responsible party is not the
38 responsible party. Such information shall be communicated to Aaxis VPS by the daily
39 transmission described at 2.2.8, above.

40 3.4.9 LMC shall handle inbound and outbound phone calls and correspondence from defendants
41 who have questions about payments, disputes, and other issues relating to citation
42 adjudication. The Court may refer citizens with questions regarding ATS or Aaxis
43 technology and processes to websites and/or toll-free telephone numbers provided by ATS
44 for that purpose.

45 3.5. INFORMATION TECHNOLOGY DEPARTMENT OPERATIONS

46 3.5.1 In the event that remote access to the ATS Aaxis VPS System is blocked by City network
47 security infrastructure, the Lynnwood Information Services Division shall coordinate with
48 ATS to facilitate appropriate communications while maintaining required security measures.

1 4. ACCEPTANCE

2 4.1. Upon completion of all installation, ATS shall perform an end-to-end test for each of the
3 contracted approaches.

4 4.2. Upon completion of installation and testing of all contracted approaches, ATS shall notify the City
5 that the system is ready for acceptance.

6 4.3. City shall conduct an acceptance test in accordance with the RFP specifications.

7 4.4. Upon successful completion of the acceptance test, the City shall issue certificate of acceptance.

8 5. PAYMENT SCHEDULE

9 5.1. Upon certification of acceptance, the City shall commence monthly payments.

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Schedule 1 - Fees

Fees for Basic Services	
Monthly fee per camera approach (1 or 2 lanes)	\$3,500
Monthly fee per camera approach (3 or 4 lanes)	\$3,750
Fees for Optional Services	
1. Issuance of 2 nd Notice with return envelope (fee per unit)	\$1.50
2. Lockbox payment processing service included processing of checks, money orders, cashiers checks and cash as well as initial program setup and ongoing monthly account fees. (fee per processed item)	\$1.50
3. Affidavit/Transfer of Liability and New Address processing service - (fee per processed item)	\$2.00
4. Inbound and outbound call support related to hearing scheduling, payments, disputes, etc. (fee per call processed)	\$3.00
Fee per 1st citation issued, and each subsequent citation, above the sum of the total amount of cameras multiplied by 800 per month	\$5.00
Collections services – includes collections activity on all instate and out of state delinquent payments remaining after the second notice. Service includes noticing, phone contact, and credit reporting. ATS will add the collections fee to the outstanding notice balance such that City net equals \$101.	25% of collections
Skip Tracing (per good address located)	\$3.50
Dummy Camera System	
1 to 2-lane dummy site capable of being live– fee per month	\$1,250
3 to 4-lane dummy site capable of being live - fee per month	\$1,750
Non functional dummy camera (pole, camera enclosure, strobe enclosure) fee per month	\$500
SecurID Two-Factor Security Option Implementation Fee	\$2,000
User fee per user per month includes software licensing, support and SecurID fob	\$20
Replacement SecurID Fob	\$200
Fixed Site Speed Camera for School Zone Enforcement Fee includes a 4-lane site and up to 800 issued citations per month per camera	\$4,750

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**CITY OF LYNNWOOD
SECOND ADDENDUM TO
PROFESSIONAL SERVICES AGREEMENT
Contract Title: Traffic Safety Camera System**

THIS SECOND ADDENDUM TO PROFESSIONAL SERVICES AGREEMENT
(the "Second Addendum") made and effective the 7th day of May, 2009, by and between the **CITY OF LYNNWOOD, WASHINGTON**, a Washington Municipal Corporation (the "City"), and **AMERICAN TRAFFIC SOLUTIONS, INC.** (the "Consultant" or "ATS").

WITNESSETH:

WHEREAS, on November 13, 2006 the City and Consultant entered into a Professional Services Agreement: Traffic Safety Camera System, as amended by Addendum to Professional Services Agreement dated January 23, 2009, whereby the City contracted with Consultant to implement and operate a turnkey traffic safety camera system pursuant to Washington State Law RCW 46.63.170 (the "Agreement"); and

WHEREAS, the City and Consultant desire to modify the Agreement;

NOW THEREFORE, the parties agree:

1. The attached Exhibit B, Scope of Work, Work Order Four (4) for Contract #1528 shall be added to the end of, and incorporated into, the Agreement.
2. All other terms and conditions of the Agreement remain in effect. If any provisions of this Second Addendum and any provisions of the Agreement are in conflict, then the provisions of this Second Addendum shall govern.

IN WITNESS WHEREOF, the City and Consultant have executed this Second

Addendum to the Agreement as of the date first above written.

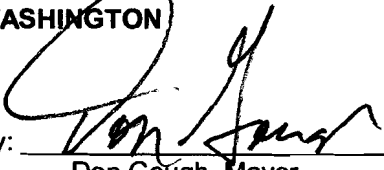

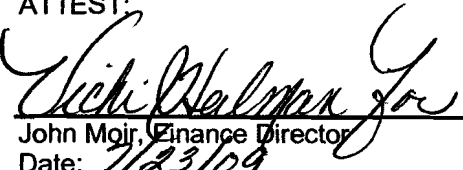
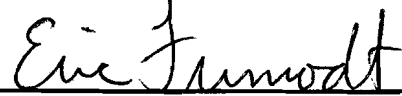
<p>CITY OF LYNNWOOD WASHINGTON</p> <p>By: <u></u> Don Gough, Mayor</p> <p><u>7-17-09</u> Date</p>	<p>Contractor AMERICAN TRAFFIC SOLUTIONS, INC.</p> <p>By <u></u></p> <p>Typed/Printed Name: Adam Tuton, EVP/COO</p> <p>Date: July 13, 2009</p>
<p>ATTEST:</p> <p><u></u> John Moir, Finance Director Date: <u>7/23/09</u></p>	
<p>APPROVED AS TO FORM:</p> <p><u></u> Eric Frimodt, City Attorney Date: <u>7/29/09</u></p>	

Exhibit B

SCOPE OF WORK

Work Order Four (4) for Contract #1528

May 7, 2009

This Work Order Four amends the contract between the City of Lynnwood and American Traffic Solutions dated November 13, 2006.

1. Definitions:

Terms used in this Work Order Two shall have the same meaning as set forth in the above mentioned contract.

2. Scope of Work:

2.1 The following monitored sites shall be added to the Scope of Work:

- AMP SB at 196th St. SW
- 200TH St. SW WB at SR99

2.2 The following monitored sites shall have an additional approach to the intersection to be added to the Scope of Work:

- 196TH St. SW EB at SR99
- 196TH St. SW EB at 44th Ave W.

2.3 The following monitored sites for School Zone Speed Cameras shall be added to the Scope of Work:

- 5900 Block of 168th St. SW (Meadowdale High School, Middle School and Elementary School)
- 18700 Block of 44th Ave W. (Lynnwood Elementary School)

3. Compensation:

Compensation shall be at the rate established in Schedule 1 – Fees which is attached hereto for reference.

3.1 Each of the sites in paragraph 2.1, Scope of Work, shall incur a monthly fee per camera approach (3 or 4 lanes) of \$3,750 per month.

3.2 Each of the sites in paragraph 2.1, Scope of Work, shall incur a monthly fee per camera of \$4,750 per month for school zone enforcement site.

4. Acceptance:

4.1 Upon completion of an installation, ATS shall perform an end-to-end test for each of the contracted approaches.

4.2 Upon completion of installation and testing of all contracted approaches, ATS shall notify the City that the system is ready for acceptance.

4.3 City shall conduct an acceptance test in accordance with the RFP specifications.

4.4 Upon successful completion of the acceptance test, the City shall issue certificate of acceptance.

5. Terms and Conditions:

All other terms and conditions of this agreement remain in effect. If any provisions of this Exhibit and any provisions of the Contract are in conflict, then the provisions of this Exhibit shall govern.