

CONTRACT SUMMARY

TO: The Office of the City Clerk

FROM: Special Operations Support Division

Contract No.: 03-332-003

C-109495

Council File No.: 03-0354

Date of Council Approved: November 18, 2005

Contractor Name: Nestor Traffic Systems, Inc.

Term of Contract: **Activation of first intersection and will terminate three years thereafter.**

Total Amount: **\$8,125 per month per each intersection, not to exceed \$3,120,000 annually (32 intersections). Total possible compensation (five years) not to exceed \$15,600,000.¹**

Purpose of the Contract:

To provide Automated Photo Red Light Program equipment and services at thirty-two (32) intersections throughout the City of Los Angeles.

¹ The portion of fines generated by the Photo Red Light Program and received by the City of Los Angeles is currently \$151.31, and is used to compensate the Contractor for equipment and services provided.

PROFESSIONAL SERVICES AGREEMENT

Contractor: NESTOR TRAFFIC SYSTEMS, INC

Regarding: AUTOMATED PHOTO RED LIGHT CONTRACT

Agreement Number: 03-332-003

TABLE OF CONTENTS

1.0	PARTIES TO THE AGREEMENT AND REPRESENTATIVES	1
1.1	Parties to the Agreement.....	1
1.2	Representatives of the Parties	2
2.0	CONTRACTOR SERVICES TO BE PROVIDED.....	3
3.0	PERSONNEL.....	3
4.0	TERM OF AGREEMENT	3
5.0	COMPENSATION AND METHOD OF PAYMENT	4
5.1	Compensation.....	4
5.2	Performance Guarantee.....	4
5.3	Method of Payment	5
6.0	CHANGES, DELETIONS OR ADDITIONS TO STATEMENT OF WORK.....	6
7.0	INTERSECTION SELECTION.....	6
8.0	WARNING PERIOD.....	7
9.0	CITY SUPPORT	7
10.0	SCHEDULING OF EFFORT; CITY COOPERATION	7
11.0	PUBLIC INFORMATION RELEASE	7
12.0	MONTHLY REPORTING	7
13.0	MONTHLY REVIEW MEETINGS	7
14.0	SPECIFICATIONS.....	8
15.0	EQUIPMENT.....	8
16.0	ACCESS TO CITY FACILITIES	8
17.0	INTELLECTUAL PROPERTY OWNERSHIP AND OWNERSHIP OF DOCUMENTS.....	8
18.0	TERMINATION	9
18.1	Termination for Convenience	9
18.2	Termination for Breach of Agreement	9
19.0	SUSPENSION	10
19.1	City's Right to Suspend	10
19.2	Notification of Suspension.....	10
19.3	Effect of Suspension	11
20.0	CONCLUSION OF AGREEMENT	11
21.0	CONFIDENTIALITY, RESTRICTIONS ON DISCLOSURE, AND REFERENCE CHECKS.....	11
21.1	Confidentiality and Restrictions on Disclosure	11
21.2	Document Control Procedure.....	13
21.3	Reference Checks.....	13
21.4	Provisions Apply to Subcontracts.....	13
21.5	Survival of Provisions	13
22.0	INDEMNIFICATION	14
22.1	Indemnification Of City By Contractor	14
22.2	Intellectual Property Infringement Indemnification.....	14
23.0	PERMITS	14
24.0	STANDARD PROVISIONS.....	14

25.0	INCORPORATION OF APPENDICES	15
	Appendix A Standard Provisions for City Contracts (Rev. 10/03)	
	Appendix B Statement of Work	
	Appendix C Nestor Traffic Systems, Inc. Proposal for the "Automated Photo Red Light Program"	
	Appendix D Automated Photo Red Light Program Request for Proposal	
	Appendix E Contractor's letter with approved Insurance Endorsements	
26.0	ORDER OF DOCUMENT PRECEDENCE.....	15

**AGREEMENT NUMBER 03-332-003
BETWEEN THE CITY OF LOS ANGELES
AND
NESTOR TRAFFIC SYSTEMS, INC.
FOR THE AUTOMATED PHOTO RED LIGHT PROGRAM**

THIS AGREEMENT is made and entered into by and between the City of Los Angeles, California, a municipal corporation (hereinafter referred to as the "CITY"), acting by and through the Los Angeles Police Department (hereinafter referred to as the "LAPD"), and Nestor Traffic Systems, Inc. (hereinafter referred to as "CONTRACTOR").

WHEREAS, CONTRACTOR has submitted a proposal to install automated photo red light enforcement cameras at a maximum of thirty-two (32) intersections, process digital images of red light violations, mail citations approved by the LAPD, interface with the Los Angeles Superior Court computer system, develop and supply management information reports, and to provide technical support to CITY management and staff (hereinafter referred to as the "PROGRAM"); and

WHEREAS, CONTRACTOR has extensive experience in the automated photo red light enforcement field and is well qualified to perform said services; and

WHEREAS, the parties hereto wish to enter into an Agreement pursuant to which CONTRACTOR shall perform the work and furnish the deliverables as described herein for consideration and upon the terms and conditions as hereinafter provided.

NOW THEREFORE, in consideration of the above premises and of the terms, covenants and considerations set forth herein, the parties agree as follows:

1.0 PARTIES TO THE AGREEMENT AND REPRESENTATIVES

1.1 Parties to the Agreement

The parties to this Agreement are:

- a. CITY – The City of Los Angeles, a municipal corporation, having its principal office at 200 North Spring Street, Los Angeles, California, 90012.
- b. CONTRACTOR – Nestor Traffic Systems, Inc., 400 Massasoit Avenue, Suite 200, East Providence, Rhode Island, 02914.

1.2 Representatives of the Parties

The representatives of the parties who are authorized to administer this Agreement and to whom formal notices, demands and communications will be given are as follows:

- a. The CITY's representative is, unless otherwise stated in this Agreement:

William J. Bratton
Chief of Police
Los Angeles Police Department
150 North Los Angeles Street, Room 615
Los Angeles, California 90012

With copies to:

Steven P. Foster, Sergeant II
Program Coordinator
Special Operations Support Division
Los Angeles Police Department
419 South Spring Street
Los Angeles, California 90014
(213) 473-7796 Phone Number
(213) 473-7854 Facsimile Number

- b. CONTRACTOR's representative is, unless otherwise stated in this Agreement:

Nigel P. Hebborn, President and CEO
400 Massasoit Avenue, Suite 200
East Providence, Rhode Island 02914
(401) 434-5522 Phone Number
(401) 434-5809 Facsimile Number

With copies to:

Benjamin M. Alexander, Vice President and General Counsel
400 Massasoit Avenue, Suite 200
East Providence, Rhode Island 02914
(401) 434-5522 Phone Number
(401) 434-5809 Facsimile Number

Formal notices, demands and communications to be given hereunder by either party must be made in writing and may be effected by personal

delivery or by registered or certified mail, postage prepaid, return receipt requested and will be deemed communicated as of the date of mailing.

If the name of the person designated to receive the notices, demands or communications or the address of such person is changed, written notice will be given in accord with this Section, within five (5) working days of said change.

2.0 CONTRACTOR SERVICES TO BE PROVIDED

CONTRACTOR shall perform the work set forth in Appendix B, "Statement of Work," a copy of which is attached hereto and incorporated herein by this reference.

The CITY shall provide the assistance as may be required by CONTRACTOR to obtain information necessary for CONTRACTOR to provide the contracted Services.

If at any time during the term of this Agreement the CITY desires to utilize CONTRACTOR's Collision Avoidance System for any or all intersections, CONTRACTOR shall provide, install, and operate the System and provide corresponding services, including training of CITY personnel on the system's use, to the CITY at no additional cost upon receipt of written notice.

3.0 PERSONNEL

CONTRACTOR represents that it employs, or will employ, at its own expense, all personnel required to perform the services described in Section 2.0 of this Agreement and all personnel shall be fully qualified, including such qualifications as may be required by the State of California to perform such services.

CONTRACTOR shall designate Julie Dixon as the Program Manager. The CITY has the right to reasonably approve or disapprove a Program Manager. CONTRACTOR must provide reasonable advance notice of any CONTRACTOR initiated key staff changes. CONTRACTOR must promptly fill any staff vacancy with staff having suitable qualifications and experience for the work to be performed. In the event CONTRACTOR needs to remove any key staff from performing work under this Agreement, CONTRACTOR must provide the CITY with adequate notice and work on a mutually agreeable transition plan so as to provide a reasonably acceptable replacement and ensure continuity of the PROGRAM.

4.0 TERM OF AGREEMENT

The term of this Agreement will commence upon the activation of the first intersection in the program and when CONTRACTOR obtains the CITY's approval of insurance as required herein, and will terminate three years

thereafter. The CITY shall notify CONTRACTOR of the activation date consistent with Section 1.2 herein. The first nine (9) intersections in the program shall be identified by the CITY, and LADOT shall have prepared such intersections for installation of CONTRACTOR's Equipment within six (6) months of such activation date. The CITY, at its sole option and through written notice from the CITY's representative to the CONTRACTOR, may extend this Agreement in one (1) year increments or any portion thereof, for up to an additional two (2) years. The CITY retains the right to terminate this Agreement as set forth in Section 18.0.

5.0 COMPENSATION AND METHOD OF PAYMENT

5.1 Compensation

For and in consideration of the services to be provided by CONTRACTOR under this Agreement, the CITY agrees to pay CONTRACTOR a total amount, not to exceed a flat fee of EIGHT THOUSAND, ONE HUNDRED AND TWENTY-FIVE DOLLARS (\$8,125) per month for each intersection in the program, not to exceed 32 intersections. This flat fee is for all equipment and services to monitor two (2) roadway approaches at each intersection.

CONTRACTOR's services are being performed as an independent CONTRACTOR and not as an agent or employee of the CITY. Therefore, CONTRACTOR is not entitled to any vacation, sick leave, workers' compensation, pension, or any other CITY benefits.

This Agreement is non-exclusive, and CITY reserves the right to use other contractors for identical services.

5.2 Performance Guarantee

- a. CONTRACTOR will assure that, on a monthly basis, 80% of photos capturing violations submitted to the LAPD for approval, but not including those photos that cannot be processed due to circumstances beyond CONTRACTOR's control (i.e., missing license plates, obstruction of driver's image, obstruction of vehicle, obstruction of license plate, weather conditions, windshield glare, tinted windshield, and emergency vehicles) must be clear and identifiable, and therefore of a quality that the LAPD can approve as sufficient for submission as evidence in citation proceedings. For each percentage point by which the photos are not of the aforementioned quality, the CITY shall be credited with one percent of the relevant fees. If less than 50% of the photos submitted to the LAPD for approval from any intersection are not of the aforementioned quality, CITY shall not be obligated to pay the

monthly fee for that intersection. CONTRACTOR shall have 90 days from the activation of each intersection, and inclusive of the 30-day warning period for that intersection, to adjust its equipment without triggering the credit discussed in this Section. CITY reserves the right to conduct a quarterly audit of all photos taken at each intersection in order to assess the performance and effectiveness of CONTRACTOR's equipment according to the standards mentioned above, and subject to the conditions and credits described in this Section.

- b. If and to the extent that (1) an installed approach subject to a monthly fee is not capable of detecting violations or (2) CONTRACTOR is unable to print and/or mail citations, in either case, for more than one day in any calendar month as a result of system malfunctions not caused by CITY, CONTRACTOR will allow a credit against the monthly fee for such installed approach for that month equal to: such installed approach's monthly fee (\$4,062.50) multiplied by the total number of days the approach was incapable of detecting violations and/or printing and mailing citations (as applicable) in the month as a result of the malfunction, divided by thirty (30) days. For the purposes this Section, "day" shall mean a period of twenty-four (24) consecutive hours. Nothing in this Section shall limit any other rights and remedies available to the City as discussed in this Agreement.

5.3 Method of Payment

- a. Billing and Invoicing Requirements

CONTRACTOR shall submit invoices to the following address:

Laura Filatoff
Commanding Officer
Fiscal Operations Division
Los Angeles Police Department
150 North Los Angeles Street, Room 710
Los Angeles, California 90012

CONTRACTOR shall submit invoices that conform to CITY standards and include, at a minimum, the following information:

1. Name and address of CONTRACTOR.
2. CONTRACTOR's State of California Sales and Use Tax Permit Number and City of Los Angeles Business Tax Registration Number
3. Name and address of CITY department being billed.

4. Date of invoice and period covered.
5. Contract number
6. Identification of each intersection in the PROGRAM (including its operational date) and amount due for each intersection
7. Certification by CONTRACTOR's duly authorized officer
8. Discount and terms (if applicable)
9. Remittance Address (if different from CONTRACTOR's address)

All invoices shall be submitted on CONTRACTOR's letterhead, contain contractor's official logo, or other unique and identifying information such as the name and address of CONTRACTOR. Evidence that tasks have been completed, in the form of a report, brochure, or photograph, shall be attached to all invoices. Invoices shall be submitted monthly, and shall be payable to the CONTRACTOR no later than 30 days after acknowledged receipt of a complete invoice. Invoices are considered complete when appropriate documentation or services provided are signed off as satisfactory by the CITY manager.

Invoices and supporting documentation shall be prepared at the sole expense and responsibility of CONTRACTOR. The CITY may request, in writing, changes to the content and format of the invoice and supporting documentation at any time. The CITY reserves the right to request additional supporting documentation to substantiate costs at any time.

Failure to adhere to these invoice policies may result in nonpayment or non-approval of demands, pursuant to Charter Section 262(a), which requires the Controller to inspect the quality, quantity, and condition of services, labor, materials, supplies, or equipment received by any CITY office or department, and approve demands before they are drawn on the Treasury.

b. Payment Legality

Payments to CONTRACTOR are subject to an appropriation of funds by the CITY to pay CONTRACTOR. If funds are not appropriated by the CITY, this Agreement may be terminated as set forth in Section 18.0.

c. Withheld Payments

Payments to CONTRACTOR may be withheld by the CITY if CONTRACTOR fails to comply with the provisions of this Agreement. Payments withheld to CONTRACTOR will be limited to the value of the non-compliant item as set forth in the requirements contained in the Statement of Work, and permit the balance of the invoice to be paid.

6.0 CHANGES, DELETIONS OR ADDITIONS TO STATEMENT OF WORK

Any changes to this Agreement shall be subject to concurrence between the CITY and CONTRACTOR and shall be made through written amendment to this Agreement, pursuant to PSC-6 of the Standard Provisions for City Contracts (Rev. 10/03), attached hereto as Appendix A and incorporated herein by reference.

7.0 INTERSECTION SELECTION

Each intersection selected for the program will be based on traffic safety needs as determined solely by the CITY. CONTRACTOR will assist the CITY upon request with the evaluation of each potential intersection. The CITY and CONTRACTOR will periodically review each intersection for appropriateness and effectiveness, making changes when the CITY determines that changes are necessary.

8.0 WARNING PERIOD

There will be a 30-day warning period advertised Citywide upon activation of each new intersection. During this period, warning letters will be issued in lieu of citations. After the initial 30-day warning period, no further warnings at that intersection will be required. During the initial 30-day warning period of each new intersection, CONTRACTOR will not receive any fee or payment for that intersection.

9.0 CITY SUPPORT

The CITY shall perform the work specifically identified in Appendix B. CONTRACTOR shall be responsible for all other tasks so that the CITY will receive the PROGRAM identified herein.

10.0 SCHEDULING OF EFFORT; CITY COOPERATION

It is understood between the parties that CONTRACTOR's completion of technical support within the schedule set forth herein is partly dependent upon the reasonable cooperation of the CITY and timely compliance with the obligations imposed on it by the terms set forth in Appendix B.

11.0 PUBLIC INFORMATION RELEASE

All press releases pertaining to the PROGRAM shall be made or approved in advance and in writing by the CITY. CONTRACTOR may make any disclosures pertaining to the PROGRAM as are required under law.

12.0 MONTHLY REPORTING

CONTRACTOR shall submit a progress report for each month that this Agreement is in effect. A letter-type format, with pertinent attachments (tables, charts, etc) will be used. Six copies of the monthly report shall be submitted to the CITY by the third week of the following month. Each monthly report shall discuss the problems encountered (or anticipated) during the course of the PROGRAM work, with an indication of the corrective action taken (or recommended) and the impact that those actions are likely to have.

13.0 MONTHLY REVIEW MEETINGS

The CITY may, at its option, arrange a monthly review meeting with CONTRACTOR at a CITY facility during the term of this Agreement. CONTRACTOR shall discuss program activities, the progress being made, and related matters of mutual concern. The CITY shall notify CONTRACTOR of the date, time, and location of said meeting at least five calendar days prior to the meeting.

14.0 SPECIFICATIONS

All specifications, manuals, and standards, either attached to this Agreement or incorporated herein by reference, are deemed to be part of this Agreement and are binding as to the performance of the work specified in this Agreement unless they are changed by written amendment hereto and any changes are subject to the CITY's written approval. All reasonable minor revisions made to the specifications, manuals, and standards during the term of this Agreement shall apply to the work herein without additional compensation to CONTRACTOR.

15.0 EQUIPMENT

All equipment owned and provided by CONTRACTOR or one of its Subcontractors, including but not limited to cameras, poles, housing cabinets, signs, and computer workstations, will be returned to CONTRACTOR in the event of termination or at the end of the contract period. CONTRACTOR shall be solely responsible for all costs associated with maintenance and servicing of its equipment. All equipment owned and installed by the CITY shall likewise remain in the CITY's possession and ownership shall remain with the CITY.

16.0 ACCESS TO CITY FACILITIES

The CITY will provide CONTRACTOR access to CITY facilities and personnel during normal business hours, Monday through Friday, 8:00 a.m. to 5:00 p.m., excluding federal, state, and local holidays recognized by the CITY.

In instances where CONTRACTOR requires access to CITY facilities and personnel during non-business hours, CONTRACTOR will provide the CITY with forty-eight (48) hours notice prior to each requested access. Each such request will be subject to approval by the CITY.

17.0 INTELLECTUAL PROPERTY OWNERSHIP AND OWNERSHIP OF DOCUMENTS

All original works prepared exclusively for the CITY pursuant to this Agreement, and which are specified herein to be delivered to the City, are "Works for Hire" and belong to the CITY. CONTRACTOR may not use or otherwise make public in any manner, either for profit or not for profit, any of the information, documentation, or procedures developed for the CITY hereunder without the prior written consent of the CITY.

In the event that it should be determined that any of such materials do not qualify as a "Work for Hire," CONTRACTOR shall and hereby does assign to the CITY for no additional consideration, all copyrights relating thereto that it may possess in such materials.

Throughout the entire term of this Agreement, except as expressly permitted by this Agreement, the CITY shall not use the system provided by CONTRACTOR, or allow the system's use by a third party, without the prior written permission of CONTRACTOR.

18.0 TERMINATION

18.1 Termination for Convenience

The CITY may terminate this Agreement for CITY's convenience at any time by giving CONTRACTOR thirty (30) days written notice thereof. Upon receipt of said notice, CONTRACTOR shall immediately cease any new installations of equipment at new intersections and shall complete the PROGRAM activities specified in Section 20, unless otherwise directed by the CITY. CONTRACTOR shall take action not to incur any additional obligations, cost or expenses, except as may be reasonably necessary to terminate its activities. CITY shall pay CONTRACTOR for CONTRACTOR's services hereunder through and including the termination date. Thereafter, CONTRACTOR shall have no further claims against CITY under this Agreement. All finished or unfinished documents and materials produced under this Agreement shall become CITY property upon date of such termination.

18.2 Termination for Breach of Agreement

- a. If CONTRACTOR fails to perform any of the material provisions of this Agreement or so fails to make progress as to endanger timely performance of this Agreement, CITY may give CONTRACTOR written

notice of such default, which notice shall contain a date by which such default must be cured or by which a plan to cure such default must be provided. If CONTRACTOR does not cure such default or provide a plan to cure such default which is acceptable to the CITY within the time reasonably permitted by CITY, then CITY may terminate this Agreement due to CONTRACTOR's breach of this Agreement.

- b. If a federal or state proceeding for relief of debtors is undertaken by or against CONTRACTOR, or if CONTRACTOR makes an assignment for the benefit of creditors, then CITY may immediately terminate this Agreement.
- c. If CONTRACTOR engages in any dishonest conduct related to the performance or administration of this Agreement or violates CITY's lobbying policies, then CITY may immediately terminate this Agreement.
- d. All finished or unfinished documents and materials produced or procured under this Agreement shall become CITY property upon date of such termination.
- e. If, after notice of termination of this Agreement under the provisions of this Section 18.2, it is determined for any reason that CONTRACTOR was not in default under the provisions of this Section, or that the default was excusable under the terms of this Agreement, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Section 18.1.
- f. The rights and remedies of CITY and the CONTRACTOR provided in this Section 18.2 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.
- g. If CITY fails to perform any of the material provisions of this Agreement, CONTRACTOR may give CITY written notice of such default, which notice shall contain a date by which such default must be cured or by which a plan to cure such default must be provided. Such date shall not be less than thirty (30) days from the date of the written notice. If CITY does not cure such default or provide a plan to cure such default, which is acceptable to the CONTRACTOR within the time specified in the notice (and acceptance of which shall not be unreasonably withheld), then CONTRACTOR may terminate this Agreement due to CITY's material breach of this Agreement.

19.0 SUSPENSION

19.1 City's Right to Suspend

The performance of work under this Agreement may be suspended by the CITY, acting through its representative, in whole or in part, for material failure of CONTRACTOR to comply with the terms and conditions of this Agreement, or if CITY reasonably determines that such suspension is in the best interest of the CITY.

19.2 Notification of Suspension

Any such suspension will be effected by delivery to CONTRACTOR of a written Notice of Suspension. Said notice will be sent pursuant to Section 1.2 of this Agreement. The notice shall set forth the specific conditions of noncompliance and a reasonable period provided for corrective action, if applicable.

19.3 Effect of Suspension

Within five (5) working days of CONTRACTOR's receipt of a written Notice of Suspension, CONTRACTOR shall reply in writing setting forth the corrective action that will be undertaken, if applicable, subject to approval by the CITY in writing, which approval may not be unreasonably withheld. The CITY may not exercise its rights to terminate pursuant to 18.2 with respect to any breach for which the CITY has delivered a Notice of Suspension unless (a) CONTRACTOR has failed to respond timely as required by the foregoing sentence, or (b) CONTRACTOR has not remedied the conditions of noncompliance set forth in such Notice within the period provided for corrective action.

20.0 CONCLUSION OF AGREEMENT

At the conclusion of this Agreement, CONTRACTOR shall complete all PROGRAM work associated with the final violation images captured by the system on the last day of the Agreement. Such work shall include, but not be limited to, citation processing, citation approval procedures, violation viewings, preparation of court case packages, and court appearances, as identified in Appendix B.

21.0 CONFIDENTIALITY, RESTRICTIONS ON DISCLOSURE, AND REFERENCE CHECKS

21.1 Confidentiality and Restrictions on Disclosure

- a. All documents, records, and information provided by the CITY to CONTRACTOR, or accessed or reviewed by CONTRACTOR, during performance of this Agreement, including but not limited to Criminal Offender Records Information (CORI) shall remain the property of the CITY. All documents, records and information provided by the CITY to CONTRACTOR, or accessed or reviewed by CONTRACTOR during the performance of this Agreement, are confidential (hereinafter collectively referred to as "Confidential Information"). CONTRACTOR agrees not to provide Confidential Information, nor disclose their content or any information contained in them, either orally or in writing, to any other person or entity. CONTRACTOR agrees that all Confidential Information used or reviewed in connection with CONTRACTOR's work for the CITY shall be used only for the purpose of carrying out CITY business and cannot be used for any other purpose. CONTRACTOR shall be responsible for protecting the confidentiality and maintaining the security of CITY documents and records in its possession.
- b. CONTRACTOR will make the Confidential Information provided by the CITY to CONTRACTOR, or accessed or reviewed by CONTRACTOR during performance of this Agreement, available to its employees, agents and subcontractors, only on a need to know basis. Further, CONTRACTOR will provide written instructions to all of its employees, agents and subcontractors, with access to the Confidential Information about the penalties for its unauthorized use or disclosure.
- c. CONTRACTOR shall store and process Confidential Information in an electronic format in such a way that unauthorized persons cannot retrieve the information by computer, remote terminal or other means.
- d. CONTRACTOR shall not remove Confidential Information or any other documents or information used or reviewed in connection with CONTRACTOR's work for the CITY from CITY facilities without prior approval from the CITY. CONTRACTOR shall not use or make notes of, other than in direct performance of work required pursuant to this Agreement, any photographs or personal identifying information, including, but not limited to, name, address or telephone numbers contained in Confidential Information provided by the CITY that are reviewed during work on this Agreement. CONTRACTOR shall, at the conclusion of this Agreement, or at the request of the CITY, promptly return any and all Confidential Information and all other written

materials, notes, documents, or other information obtained by CONTRACTOR during the course of work under this Agreement to the CITY. CONTRACTOR shall not make or retain copies of any such information, materials, or documents.

- e. Any reports, findings, deliverables, analyses, studies, notes, information, or data generated as a result of this Agreement are to be considered confidential. CONTRACTOR shall not make such information available to any individual, agency, or organization except as provided for in this Agreement or as required by law.
- f. CONTRACTOR and its employees, agents, and subcontractors may have access to confidential criminal record and Department of Motor Vehicle record information, whose access is controlled by statute. Misuse of such information may adversely affect the subject individual's civil rights and may violate the law. CONTRACTOR shall implement reasonable and prudent measures to keep secure and private criminal history information accessed by its employees, agents, and subcontractors during the performance of this Agreement. CONTRACTOR shall advise its employees, agents, and subcontractors of the confidentiality requirements of Title 42, United States Code, Section 3789(g) [42 U.S.C. 3789(g)], California Penal Code Sections 11075 through 11144, California Penal Code Sections 13301 through 13305, and California Vehicle Code Section 1808.45.
- g. CONTRACTOR shall require that all its employees, agents, and subcontractors who will review, be provided, or have access to Confidential Information, during the performance of this Agreement, execute a confidentiality agreement that incorporates the provisions of this Section, prior to being able to access Confidential Information.

21.2 Document Control Procedure

CONTRACTOR will develop and administer a mutually acceptable Document Control Procedure over documents flowing to and from the CITY, in such a manner as to ensure that the confidentiality requirements of this Section are met. Each document will be controlled through the use of a Document Control Number.

21.3 Reference Checks

To the extent permitted by applicable law, the CITY may conduct reference checks on CONTRACTOR, its employees, agents, and subcontractors who will have, or may have, access to CITY information and data during performance of this Agreement. CONTRACTOR recognizes the highly sensitive nature of such information and data and

agrees to cooperate with the CITY and provide, to the extent permitted by applicable law, whatever information the CITY requires in order to conduct reference checks. The CITY may request changes to CONTRACTOR personnel pursuant to Section 3.0 of this Agreement in response to reference check information, which CONTRACTOR will accommodate.

21.4 Provisions Apply to Subcontracts

Any subcontract entered into pursuant to the terms of this Agreement will be subject to, and incorporate, the provisions of this Section.

21.5 Survival of Provisions

The provisions of this Section will survive termination of this Agreement.

22.0 INDEMNIFICATION

22.1 INDEMNIFICATION OF CITY BY CONTRACTOR

CONTRACTOR undertakes and agrees to defend, indemnify and hold harmless CITY and any of its Boards, Officers, Agents, Employees, Assigns, and Successors in Interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees and cost of litigation, damage or liability of any nature whatsoever, for death or injury to any person, including CONTRACTOR'S employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of the negligent acts, errors, omissions or willful misconduct incident to the performance of this Agreement by CONTRACTOR or its subcontractors of any tier. The provisions of this paragraph survive expiration or termination of this Agreement. This provision shall replace PSC-17 of the "Standard Provisions for City Contracts" (Rev. 10/03), attached hereto as Appendix A and incorporated here in its entirety.

22.2 INTELLECTUAL PROPERTY INFRINGEMENT INDEMNIFICATION

CONTRACTOR shall and hereby does indemnify and hold CITY harmless from and against any and all claims, liabilities, damages and expenses, including legal costs and reasonable attorneys' fees, arising out of any allegation that any portion of the Work Product or Services (a) infringes a United States patent, copyright or trademark, or (b) misappropriates any third party trade secret (collectively, an "Infringement Claim"); provided, however, that (i) CITY gives CONTRACTOR notification in writing of any such Infringement Claim; and (ii) upon agreement from CITY, CONTRACTOR shall have the authority to defend or settle such Infringement Claim.

23.0 PERMITS

The CITY shall reasonably cooperate with CONTRACTOR and its officers, agents and employees in obtaining and maintaining all licenses, permits, certifications and other documents necessary for CONTRACTOR'S performance hereunder.

24.0 STANDARD PROVISIONS

CONTRACTOR must comply with the requirements of the "Standard Provisions for City Contracts" (Rev. 10/03).

25.0 INCORPORATION OF APPENDICES

The following Appendices are hereby incorporated into and made a part of this Agreement wherever referred to as though set forth at length, except where certain portions of specific exhibits have been deleted or superseded by other sections of this Agreement.

- Appendix A Standard Provisions for City Contracts (Rev. 10/03)
- Appendix B Statement of Work
- Appendix C Automated Photo Red Light Program Request for Proposal
- Appendix D Nestor Traffic Systems, Inc. Proposal for the "Automated Photo Red Light Program"
- Appendix E Contractor's letter with approved Insurance Endorsements

26.0 ORDER OF DOCUMENT PRECEDENCE

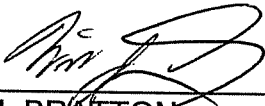
In the event of an inconsistency between any of the provisions of this Agreement and/or the Exhibits attached hereto, the inconsistency will be resolved by giving precedence in the following order to sections of this Agreement.

1. The provisions of this Agreement
2. Appendix A Standard Provisions for City Contracts (Rev. 10/03)
3. Appendix B Statement of Work
4. Appendix C Automated Photo Red Request for Proposal
5. Appendix D Nestor Traffic Systems, Inc. Proposal for the "Automated Photo Red Light Program"

[Signature page follows.]

IN WITNESS THEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized representatives.

THE CITY OF LOS ANGELES

By 
WILLIAM J. BRATTON
Chief of Police

Date 1/31/04

NESTOR TRAFFIC SYSTEMS, INC.

By 
NIGEL P. HEBBORN
President and CEO

Date January 11, 2006

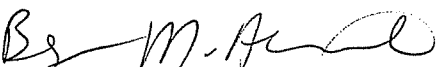
APPROVED AS TO FORM:

ROCKARD J. DELGADILLO, City Attorney

By 
ADRIENNE KHORASANEE
Deputy City Attorney

Date 2/6/06

NESTOR TRAFFIC SYSTEMS, INC.

By 
BENJAMIN M. ALEXANDER
Vice President and General Counsel

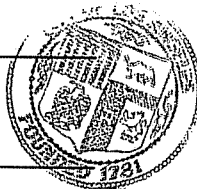
Date January 11, 2006

ATTEST:

FRANK T. MARTINEZ, City Clerk

By 
Deputy City Clerk

Date 2-6-06



City Business License Number _____

Internal Revenue Service Taxpayer Identification Number _____

Agreement Number C-109495

APPENDIX B STATEMENT OF WORK

CONSTRUCTION

- I. The Los Angeles Department of Transportation (LADOT) shall design and construct the necessary street infrastructure at each intersection. CONTRACTOR shall provide LADOT with technical assistance during the installation of the vehicle detection system, conduit, pull boxes, and electrical power. All wiring connections to the traffic signal controllers and camera platforms will be installed by the LADOT. CONTRACTOR will make the final connections to each camera.
- II. The LADOT shall provide CONTRACTOR with "as built" drawings in an AutoCad type electronic format of each selected intersection.
- III. The automated equipment CONTRACTOR installs at each intersection must be fully suitable for an automated photo red light program and functional for unattended use, 24 hours per day, seven days a week, under prevailing weather conditions, with the exception of normal servicing.
- IV. CONTRACTOR must notify the CITY immediately of any problems in the infrastructure installed by the CITY. The CITY will be responsible for maintaining the infrastructure installed and owned by LADOT.

POWER SUPPLY

The CITY shall provide the power supply, at no cost to the CONTRACTOR, for the automated photo red light equipment at each intersection in the program. The automated enforcement system must operate under a main power supply voltage of 110 volts. The power supply must be transformer-isolated and protected by a fuse of appropriate amperage. CONTRACTOR shall ensure that the system clock and other data elements are maintained in the event of a main power supply failure.

PHOTO ENFORCEMENT SIGNS

At each intersection, CONTRACTOR shall provide one (1) photo enforcement warning signs for each intersection approach as required by the California Vehicle Code (CVC). The photo enforcement signs must meet the specifications as required by the Manual on Uniform Traffic Control Devices. The CITY shall be responsible for the installation of the warning signs.

FLASH UNIT

The flash unit provided by CONTRACTOR shall be capable of providing adequate illumination to photograph violations under all lighting and weather conditions. The flash unit shall be aimed and its intensity limited, so it does not adversely affect the vision of a driver being photographed by the system.

EQUIPMENT

CONTRACTOR shall provide the CITY with the following equipment:

- I. Camera housings, poles, and photo enforcement warning signs must be provided to the CITY for installation at a maximum of 32 intersections identified by the LAPD and LADOT. If a pole or warning sign becomes damaged or stolen, CONTRACTOR must provide replacement poles or warning signs to the CITY.
- II. High-resolution front and rear digital video cameras for each intersection approach selected by the LAPD and LADOT.
- III. A video detection system that identifies any vehicle entering the intersection at variable times in increments of 0.1 seconds beginning at 0.0 second after the signal has changed to a red phase.
- IV. Five (5) Intel-based PCs running Microsoft Windows 2000 or Windows NT and CONTRACTOR's CrossingGuard Windows-based CitationComposer software and five (5) color printers for the five (5) LAPD work stations responsible for the review and processing of automated red light citations. Each workstation shall be configured with a minimum 2.2 Gigahertz Pentium 4 processor, 20 Gigabyte hard drive, and 256 Megabytes RAM.
- V. An internet service provider subscription in order to download and transmit citation information via broadband, cable, DSL or other high speed line. Each workstation must be electronically equipped for the LAPD to receive a notice of violation sent by CONTRACTOR, and after its evaluation by the LAPD, to electronically transmit back to the contractor the determination whether to process the citation.
- VI. The CITY shall not own the equipment discussed in this section or otherwise provided by CONTRACTOR for performance of its services under this Agreement, or take any responsibility for its upkeep or damage, unless damage is caused by an Officer, Agent, or Employee of the CITY.

CAMERA EQUIPMENT

- I. Camera equipment installed at each intersection shall be housed in a weatherproof, vandalism resistant National Electrical Manufacturer's Association enclosure. The CITY shall not be responsible for the upkeep of CONTRACTOR's camera equipment or liable for any damage to said, equipment except as caused by the CITY or its employees or agents. CONTRACTOR shall repair and maintain camera equipment at no additional cost to the CITY.
- II. The digital video camera unit shall be capable of taking high-resolution images that clearly depict the vehicle, rear license plate, driver of the vehicle, and the color of the traffic signal light.
- III. Digital video images shall be taken from the front and rear of each violator's vehicle. If multiple violations are recorded on the same portion of video, all violations will be processed using the same video segment.
- IV. Violation files shall display the violation number, violation date, time of day (24 hour time), amber signal phase, red signal phase, violators lane of travel, camera location code, and the elapsed time of the traffic signal light after it has changed to the red phase.
- V. The camera equipment shall be able to monitor the traffic controller and accurately record the amber and red traffic signal phases.
- VI. The camera unit shall provide the capability to calculate the speed of a violator's vehicle approaching the intersection.
- VII. The camera unit shall be designed so that malfunctions can easily be identified and promptly corrected.
- VIII. The camera unit shall be capable of testing and adjusting from a remote location, provide error messages identifying malfunctions and record the time the system was shutdown in the event of a power or telecommunications failure.

PROGRAM IMPLEMENTATION

Upon receiving a notice from the CITY to proceed with the PROGRAM, CONTRACTOR shall develop the following:

- I. A Warning Letter – To be issued to violators during the initial 30-days of operation at each intersection in the program. No fine will be assessed to violator's during this warning period.

- II. Citation Design - Develop a citation form acceptable with the CITY that meets the requirements of the California Judicial Council, including requirements for information about court, payment and photographic viewing procedures.
- III. Citation Numbering Sequence - In accordance with the Superior Court of the County of Los Angeles, a unique citation numbering sequence shall be assigned to automated photo red light citations in order to distinguish them from other red light citations within the Court database.

PUBLIC AWARENESS CAMPAIGN

- I. CONTRACTOR shall provide the following during the initial public awareness campaign:
 - A. A 30-day period of warning letters for each intersection.
 - B. Assistance with media events.
 - C. Media training of CITY staff.
- II. The CITY reserves the right to incorporate into its website internet links to CONTRACTOR's traffic safety website, if any.

PROGRAM OPERATION

- I. The CONTRACTOR shall be responsible for the following:
 - A. Download all digital video images and perform a systems check each day for each intersection approach.
 - B. Maintain all equipment in proper working order.
 - C. Record all problems with the CONTRACTOR's equipment and remedy the problem within 48 hours at the CONTRACTOR's expense.
 - D. Conduct repairs of the CONTRACTOR's equipment.
 - E. Complete a maintenance check/service log.
 - F. Conduct periodic field inspections of equipment for the purpose of cleaning and routine maintenance.

- G. Enhancements or upgrades of software and equipment that materially improve the detection of violations by the system or the system's ability to issue citations as they become available.
- II. The CONTRACTOR shall provide a toll-free number with the following options:
 - A. Bilingual customer service representative.
 - B. Answer to basic questions involving citations issued by the program, including payment and court process.
 - C. Citywide photo viewing scheduling.
 - D. Citywide photo viewing appointments.
- III. The CITY shall be responsible for the configuration and/or operation of all intersection traffic light systems.

CITATION PROCESSING

- I. CONTRACTOR shall electronically interface with the Department of Motor Vehicles (DMV), to determine the registered owners' information and address for violators with California license plates. CONTRACTOR shall also electronically interface with the DMV, to determine the registered owners' information and address for violators with non-California license plates. If for any reason CONTRACTOR cannot interface with the DMV, it shall immediately notify the CITY in writing.
- II. CONTRACTOR shall maintain a chain of custody for all documents relating to the operation of the PROGRAM. This will include the secure record keeping and evidence storage procedures.
- III. A quality check of each violation shall be conducted by CONTRACTOR in order to assure accuracy.
- IV. CONTRACTOR shall print all traffic citations.
- V. CONTRACTOR shall assume all mailing and postage costs as deemed reasonable and necessary to issue a citation and have it delivered by the United States Postal Service. CONTRACTOR shall generate a Certificate of Mailing.
- VI. CONTRACTOR will process the digital video images of each violation. The license plate of the vehicle must be used to identify the registered owner through information maintained by the Department of Motor Vehicles (DMV) and accessed by CONTRACTOR.

CITATION APPROVAL PROCESS

- I. The LAPD will establish the issuance criteria for all violations.
- II. Each LAPD officer assigned to the PROGRAM shall provide a signature sample to CONTRACTOR for digitized use on automated red light citations.
- III. Citations shall be available for on-line approval at the five designated LAPD locations via the computer workstation.
- IV. For each violation, CONTRACTOR shall electronically send the LAPD a completed notice of violation containing all images within seven (7) calendar days following the violation. If CONTRACTOR is not able to access a registered owners' information, including address, online, the CONTRACTOR will electronically send the LAPD a notice of violation containing all images within five (5) calendar days following the violation, but such notice shall not include registered owners' information and address. The LAPD will review all violation incidents and electronically notify CONTRACTOR of each citation to be processed and mailed.
- V. Once a citation has been approved by the LAPD, a digitized signature of that officer shall be electronically generated and placed on each approved citation.
- VI. The CONTRACTOR shall electronically process all approved and mailed citations with the Los Angeles County Superior Court System. The CONTRACTOR shall be responsible for the issuance and mailing of all approved citations as required by California Vehicle Code Sections 40518(a) and (b).
- VII. Once citation approval is received from the LAPD, an electronic file shall download all citation information to the Los Angeles County Court computer database via the Expanded Traffic Records System (ETRS).

VIOLATION VIEWINGS

CONTRACTOR shall arrange with traffic violators all viewing appointments with the LAPD. If necessary, the LAPD will request that CONTRACTOR provide the digital video images of the violation prior to the scheduled viewing date.

TRAINING

- I. Throughout the term of this entire Agreement, CONTRACTOR shall provide training to all primary and backup personnel assigned to the automated photo red light program as request by the LAPD. The training shall provide an overview of all aspects of the automated program, including the technical information

necessary to testify in court. CONTRACTOR shall assume the cost involved for all training.

- II. CONTRACTOR shall be responsible for conducting a sufficient number of workshops to train judicial officers or other court personnel. The training should include, but not be limited to, a detailed overview of the automated photo red light program. All costs associated with the training of court personnel shall be the CONTRACTOR's responsibility.

COURT

- I. Throughout the term of this entire Agreement, CONTRACTOR shall provide, upon the request of the CITY or the LAPD, an expert witness to testify in court as to the operation of the camera system, collection and processing of the photographed evidence submitted to the court. CONTRACTOR shall assume all costs involved for courtroom appearances and testimony.
- II. Throughout the term of this entire Agreement, CONTRACTOR shall prepare a court case package that shall contain front and rear color digital video images of the violation, a certified copy of the maintenance or calibration records covering the period prior to and immediately after the photographed violation, a certificate of mailing stamped by the United States Postal Service indicating the citation was mailed within eleven (11) days of the violation, and an affidavit by CONTRACTOR that outlines the duties performed throughout the entire processing of the violation. Court case information shall be available to the LAPD within five (5) working days prior to the scheduled court date. The CITY shall provide CONTRACTOR three (3) working days notice of any scheduled court date for which case information must be available.

MONTHLY REPORT

- I. CONTRACTOR shall be required to provide a monthly report for each location approach. The report shall contain the number of vehicles monitored, the number of violations detected, and the number of video violations captured. The report shall also contain information regarding violations detected but not submitted to the LAPD for review. Violations not processed or submitted for review must be classified as: unit malfunction; unable to identify the driver; unable to read the license plate; no license plate; vehicle obstructed; altered/marred/dirty license plate; DMV record not on file; and other categories as may be determined by the LAPD or CONTRACTOR.
- II. The monthly report shall also contain the number of malfunctions caused by the camera, electronics, vehicle sensors, and include the amount of days lost due to each malfunction. The report shall include the average number of days required to process citations beginning with the date of violation to the date CONTRACTOR mails the citation to the violator.

MONTHLY MEETINGS

At the beginning of the contract, CONTRACTOR shall meet with the LAPD and the LADOT at least once a week to evaluate progress and determine that deadlines are met. After the initial start-up period, CONTRACTOR shall meet in person with the LAPD and the LADOT on a monthly basis, at CITY's option, to discuss operational issues.

Appendix A
Standard Provisions for City Contract
(Rev. 10/03)

STANDARD PROVISIONS FOR CITY CONTRACTS

PSC-1. Construction of Provisions and Titles Herein.

All titles or subtitles appearing herein have been inserted for convenience and shall not be deemed to affect the meaning or construction of any of the terms or provisions hereof. The language of this Contract shall be construed according to its fair meaning and not strictly for or against the CITY or the CONTRACTOR. The word "CONTRACTOR" or "CONSULTANT" herein and in any amendments hereto includes the party or parties identified in the Contract wherein this Appendix is incorporated by reference; the singular shall include the plural; if there shall be more than one CONTRACTOR/CONSULTANT herein, unless expressly stated otherwise, their obligations and liabilities hereunder shall be joint and several; use of the feminine, masculine, or neuter genders shall be deemed to include the genders not used.

PSC-2. Number of Originals.

The number of original texts of this Contract shall be equal to the number of the parties hereto, one text being retained by each party.

PSC-3. Applicable Law, Interpretation and Enforcement.

Each party's performance hereunder shall comply with all applicable laws of the United States of America, the State of California, and the CITY including but not limited to laws regarding health and safety, labor and employment, wage and hours and licensing laws which affect employees. This Contract shall be enforced and interpreted under the laws of the State of California. CONTRACTOR/CONSULTANT shall comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Contract.

If any part, term or provision of this Contract shall be held void, illegal, unenforceable, or in conflict with any law of a federal, state or local government having jurisdiction over this Contract, the validity of the remaining parts, terms or provisions of the Contract shall not be affected thereby.

PSC-4. Time of Effectiveness.

Unless otherwise provided, this Contract shall take effect when all of the following events have occurred:

- A. This Contract has been signed on behalf of the **CONTRACTOR/CONSULTANT** by the person or persons authorized to bind the **CONTRACTOR/CONSULTANT** hereto;
- B. This Contract has been approved by the **CITY'S** Council or by the board, officer or employee authorized to give such approval;
- C. The Office of the City Attorney has indicated in writing its approval of this Contract as to form;
- D. This Contract has been signed on behalf of the **CITY** by the person designated to so sign by the **CITY'S** Council or by the board, officer or employee authorized to enter into this Contract.

PSC-5. Integrated Contract.

This Contract sets forth all of the rights and duties of the parties with respect to the subject matter hereof, and replaces any and all previous Contracts or understandings, whether written or oral, relating thereto. This Contract may be amended only as provided for in paragraph PSC-6 hereof.

PSC-6. Amendment.

All amendments hereto shall be in writing and signed by the persons authorized to bind the parties thereto.

PSC-7. Excusable Delays.

In the event that performance on the part of any party hereto shall be delayed or suspended as a result of circumstances beyond the reasonable control and without the fault and negligence of said party, none of the parties shall incur any liability to the other parties as a result of such delay or suspension. Circumstances deemed to be beyond the control of the parties hereunder shall include, but not be limited to, acts of God or of the public enemy; insurrection; acts of the Federal Government or any unit of State or Local Government in either sovereign or contractual capacity; fires, floods; epidemics; quarantine restrictions; strikes, freight embargoes or delays in transportation, to the extent that they are not caused by the party's willful or negligent acts or omissions, and to the extent that they are beyond the party's reasonable control.

PSC-8. Breach.

Except for excusable delays as described in PSC-7, if any party fails to perform, in whole or in part, any promise, covenant, or agreement set forth herein, or should any representation made by it be untrue, any aggrieved party may avail itself of all rights and

remedies, at law or equity, in the courts of law. Said rights and remedies are cumulative of those provided for herein except that in no event shall any party recover more than once, suffer a penalty or forfeiture, or be unjustly compensated.

PSC-9. Waiver.

A waiver of a default of any part, term or provision of this Contract shall not be construed as a waiver of any succeeding default or as a waiver of the part, term or provision itself. A party's performance after the other party's default shall not be construed as a waiver of that default.

PSC-10. Independent CONTRACTOR/CONSULTANT.

The CONTRACTOR/CONSULTANT is acting hereunder as an independent contractor and not as an agent or employee of the CITY. The CONTRACTOR/CONSULTANT shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of the CITY.

PSC-11. Prohibition Against Assignment or Delegation.

The CONTRACTOR/CONSULTANT may not, unless it has first obtained the written permission of the CITY;

- A. Assign or otherwise alienate any of its rights hereunder, including the right to payment; or
- B. Delegate, subcontract, or otherwise transfer any of its duties hereunder.

PSC-12. Permits.

The CONTRACTOR/CONSULTANT and its officers, agents and employees shall obtain and maintain all licenses, permits, certifications and other documents necessary for the CONTRACTOR'S/CONSULTANT'S performance hereunder and shall pay any fees required therefor. CONTRACTOR/CONSULTANT certifies to immediately notify the CITY of any suspension, termination, lapses, non-renewals, or restrictions of licenses, permits, certificates, or other documents.

PSC-13. Nondiscrimination and Affirmative Action.

The CONTRACTOR/CONSULTANT shall comply with the applicable nondiscrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the CITY. In performing this Contract, the CONTRACTOR/CONSULTANT shall not discriminate in its employment practices against any employee or applicant for employment because of such person's race, religion, national origin,

ancestry, sex, sexual orientation, age, disability, domestic partner status, marital status or medical condition. The **CONTRACTOR/CONSULTANT** shall comply with the provisions of the Los Angeles Administrative Code Sections 10.8 through 10.13, to the extent applicable hereto. The **CONTRACTOR/CONSULTANT** shall also comply with all rules, regulations, and policies of the **CITY'S** Board of Public Works, Office of Contract Compliance relating to nondiscrimination and affirmative action, including the filing of all forms required by said Office. Any subcontract entered into by the **CONTRACTOR/CONSULTANT** relating to this Contract, to the extent allowed hereunder, shall be subject to the provisions of this paragraph. Failure of the **CONTRACTOR/CONSULTANT** to comply with this requirement or to obtain the compliance of its subcontractors with such obligations shall subject the **CONTRACTOR/CONSULTANT** to the imposition of any and all sanctions allowed by law, including but not limited to termination of the **CONTRACTOR/CONSULTANT'S** contract with the **CITY**.

PSC-14. Claims for Labor and Materials.

The **CONTRACTOR/CONSULTANT** shall promptly pay when due all amounts payable for labor and materials furnished in the performance of this Contract so as to prevent any lien or other claim under any provision of law from arising against any **CITY** property (including reports, documents, and other tangible matter produced by the **CONTRACTOR/CONSULTANT** hereunder), against the **CONTRACTOR'S/CONSULTANT'S** rights to payments hereunder, or against the **CITY**, and shall pay all amounts due under the Unemployment Insurance Act with respect to such labor.

PSC-15. Current Los Angeles City Business Tax Registration Certificate Required.

The **CONTRACTOR/CONSULTANT** represents that it has obtained and presently holds the Business Tax Registration Certificate(s) required by the **CITY'S** Business Tax Ordinance (Article 1, Chapter 2, sections 21.00 and following, of the Los Angeles Municipal Code). For the term covered by this Contract, the **CONTRACTOR/CONSULTANT** shall maintain, or obtain as necessary, all such Certificates required of it under said ordinance and shall not allow any such Certificate to be revoked or suspended.

PSC-16. Bonds.

Duplicate copies of all bonds which may be required hereunder shall conform to **CITY** requirements established by Charter, ordinance or policy and shall be filed with the Office of the City Attorney for its review in accordance with Los Angeles Administrative Code Sections 11.47 through 11.56.

PSC-17. Indemnification.

Except for the active negligence or willful misconduct of CITY, or any of its Boards, Officers, Agents, Employees, Assigns and Successors in Interest, CONTRACTOR/CONSULTANT undertakes and agrees to defend, indemnify and hold harmless CITY and any of its Boards, Officers, Agents, Employees, Assigns, and Successors in Interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees and cost of litigation, damage or liability of any nature whatsoever, for death or injury to any person, including CONTRACTOR'S/CONSULTANT'S employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of the negligent acts, errors, omissions or willful misconduct incident to the performance of this Contract by the CONTRACTOR/CONSULTANT or its SUBCONTRACTORS of any tier. The provisions of this paragraph survive expiration or termination of this Contract.

PSC-18. Insurance.

A. General Conditions

During the term of this Contract and without limiting CONTRACTOR'S/CONSULTANT'S indemnification of the CITY, CONTRACTOR/CONSULTANT shall provide and maintain at its own expense a program of insurance having the coverages and limits customarily carried and actually arranged by CONTRACTOR/CONSULTANT but not less than the amounts and types listed on the Insurance Requirements Sheet (Form Gen 146/IR in Exhibit 1 hereto, covering its operations hereunder. Such insurance shall conform to CITY requirements established by Charter, ordinance or policy, shall comply with the instructions set forth on Form General 133 and with the conditions set forth on the applicable City Special Endorsement form(s), copies of which are included in Exhibit 1, and shall otherwise be in a form acceptable to the City Attorney. Specifically, such insurance shall: 1) protect CITY as an Insured or an Additional Interest Party, or a Loss Payee As Its Interests May Appear, respectively, when such status is appropriate and available depending on the nature of the applicable coverages; 2) provide CITY at least thirty (30) days advance written notice of cancellation, material reduction in coverage or reduction in limits when such change is made at the option of the insurer; and 3) be primary with respect to CITY'S insurance program. Except when CITY is a named insured, CONTRACTOR'S/CONSULTANT'S insurance is not expected to respond to claims which may arise from the acts or omissions of the CITY.

B. Modification of Coverage

CITY reserves the right at any time during the term of this Contract to change the amounts and types of insurance required hereunder by giving CONTRACTOR/CONSULTANT ninety (90) days advance written notice of such change. If such change should result in substantial additional cost to the CONTRACTOR/CONSULTANT, CITY agrees to negotiate additional compensation proportional to the increased benefit to CITY.

C. Failure to Procure Insurance

All required insurance must be submitted and approved by the City Attorney prior to the inception of any operations or tenancy by CONTRACTOR/CONSULTANT. The required coverages and limits are subject to availability on the open market at reasonable cost as determined by CITY. Non-availability or non-affordability must be documented by a letter from CONTRACTOR'S/CONSULTANT'S insurance broker or agent indicating a good faith effort to place the required insurance and showing as a minimum the names of the insurance carriers and the declinations or quotations received from each.

Within the foregoing constraints, CONTRACTOR'S/CONSULTANT'S failure to procure or maintain required insurance or a self-insurance program during the entire term of this Contract shall constitute a material breach of this Contract under which CITY may immediately suspend or terminate this Contract or, at its discretion, procure or renew such insurance to protect CITY'S interests and pay any and all premiums in connection therewith and recover all monies so paid from CONTRACTOR/CONSULTANT.

D. Worker's Compensation

By signing this Contract, CONTRACTOR/CONSULTANT hereby certifies that it is aware of the provisions of Section 3700 et seq., of the Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and that it will comply with such provisions at all such times as they may apply during the performance of the work pursuant to this Contract.

A Waiver of Subrogation in favor of CITY will be required when work is performed on CITY premises under hazardous conditions.

PSC-19. Child Support Assignment Orders.

This Contract is subject to the Child Support Assignment Orders Ordinance, Section 10.10 of the Los Angeles Administrative Code. Pursuant to this Ordinance, **CONTRACT-OR/CONSULTANT** certifies that it will (1) fully comply with all State and Federal employment reporting requirements applicable to Child Support Assignment Orders; (2) that the principal owner(s) of **CONTRACTOR/CONSULTANT** are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code section 5230, et seq.; and (4) maintain such compliance throughout the term of this Contract. Pursuant to Section 10.10.b of the Los Angeles Administrative Code, failure of **CONTRACT-OR/CONSULTANT** to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal owner(s) of **CONTRACTOR/CONSULTANT** to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally shall constitute a default by the **CONTRACTOR/CONSULTANT** under the terms of this Contract, subjecting this Contract to termination where such failure shall continue for more than ninety (90) days after notice of such failure to **CONTRACTOR/CONSULTANT** by **CITY**. Any subcontract entered into by the **CONTRACTOR/CONSULTANT** relating to this Contract, to the extent allowed hereunder, shall be subject to the provisions of this paragraph and shall incorporate the provisions of the Child Support Assignment Orders Ordinance. Failure of the **CONTRACTOR/CONSULTANT** to obtain compliance of its subcontractors shall constitute a default by the **CONTRACTOR/CONSULTANT** under the terms of this Contract, subjecting this Contract to termination where such failure shall continue for more than ninety (90) days after notice of such failure to **CONTRACTOR/CONSULTANT** by the **CITY**.

CONTRACTOR/CONSULTANT shall comply with the Child Support Compliance Act of 1998 of the State of California Employment Development Department. **CONTRACTOR/CONSULTANT** assures that to the best of its knowledge it is fully complying with the earnings assignment orders of all employees, and is providing the names of all new employees to the New Hire Registry maintained by the Employment Development Department as set forth in subdivision (1) of the Public Contract Code 7110.

PSC-20. Living Wage Ordinance and Service Contractor Worker Retention Ordinance.

- A. Unless otherwise exempt in accordance with the provisions of these Ordinance, this Contract is subject to the applicable provisions of the Living Wage Ordinance (LWO) Section 10.37 et seq. of the Los Angeles Administrative Code, as amended from time to time, and the Service Contractor Worker Retention Ordinance (SCWRO), Section

10.36 et seq., of the Los Angeles Administrative Code, as amended from time to time. The Ordinances require the following:

1. **CONTRACTOR/CONSULTANT** assures payment of a minimum initial wage rate to employees as defined in the LWO and as may be adjusted each July 1 and provision of benefits as defined in the LWO.
2. **CONTRACTOR/CONSULTANT** further pledges that it will comply with federal law proscribing retaliation for union organizing and will not retaliate for activities related to the LWO. **CONTRACTOR/CONSULTANT** shall require each of its subcontractors within the meaning of the LWO to pledge to comply with the terms of federal law proscribing retaliation for union organizing. **CONTRACTOR/CONSULTANT** shall deliver the executed pledges from each such subcontractor to the **CITY** within ninety (90) days of the execution of the subcontract. **CONTRACTOR'S/CONSULTANT'S** delivery of executed pledges from each such subcontractor shall fully discharge the obligation of the **CONTRACTOR/CONSULTANT** with respect to such pledges and fully discharge the obligation of the **CONTRACTOR/CONSULTANT** to comply with the provision in the LWO contained in Section 10.37.6(c) concerning compliance with such federal law.
3. The **CONTRACTOR/CONSULTANT**, whether an employer, as defined in the LWO, or any other person employing individuals, shall not discharge, reduce in compensation, or otherwise discriminate against any employee for complaining to the **CITY** with regard to the employer's compliance or anticipated compliance with the LWO, for opposing any practice proscribed by the LWO, for participating in proceedings related to the LWO, for seeking to enforce his or her rights under the LWO by any lawful means, or otherwise asserting rights under the LWO. **CONTRACTOR/CONSULTANT** shall post the Notice of Prohibition Against Retaliation provided by the **CITY**.
4. Any subcontract entered into by the **CONTRACTOR/CONSULTANT** relating to this Contract, to the extent allowed hereunder, shall be subject to the provisions of PSC-20 and shall incorporate the provisions of the LWO and the SCWRO.

5. **CONTRACTOR/CONSULTANT** shall comply with all rules, regulations and policies promulgated by the designated administrative agency which may be amended from time to time.
- B. Under the provisions of Section 10.36.3(c) and Section 10.37.5(c) of the Los Angeles Administrative Code, the **CITY** shall have the authority, under appropriate circumstances, to terminate this Contract and otherwise pursue legal remedies that may be available if the **CITY** determines that the subject **CONTRACTOR/CONSULTANT** has violated provisions of either the LWO or the SCWRO or both.
- C. Where under the LWO Section 10.37. 6(d), the designated administrative agency has determined (a) that the **CONTRACTOR/CONSULTANT** is in violation of the LWO in having failed to pay some or all of the living wage, and (b) that such violation has gone uncured, the awarding authority in such circumstances may impound monies otherwise due the **CONTRACTOR/CONSULTANT** in accordance with the following procedures. Impoundment shall mean that from monies due the **CONTRACTOR/CONSULTANT**, the awarding authority may deduct the amount determined to be due and owing by the **CONTRACTOR/CONSULTANT** to its employees. Such monies shall be placed in the holding account referred to in LWO Section 10.37.6 (d) (3) and disposed of under procedures described therein through final and binding arbitration. Whether the **CONTRACTOR/CONSULTANT** is to continue work following an impoundment shall remain in the unfettered discretion of the awarding authority. The **CONTRACTOR/CONSULTANT** may not elect to discontinue work either because there has been an impoundment or because of the ultimate disposition of the impoundment by the arbitrator.

Earned Income Tax Credit

This Contract is subject to the provisions of Section 10.37.4 of the Los Angeles Administrative Code, requiring employers to inform employees making less than Twelve Dollars (\$12.00) per hour of their possible right to the federal Earned Income Tax Credit (EITC). Employers must further make available to employees the forms required to secure advance EITC payments from employers.

PSC- 21. Americans with Disabilities Act.

The **CONTRACTOR/CONSULTANT** hereby certifies that it will comply with the Americans with Disabilities Act 42, U.S.C. Section 12101 et seq., and its implementing

a finding that the **CONTRACTOR/CONSULTANT** is not in compliance with all applicable federal, state and local laws in performance of this contract; 2) notify the awarding authority within thirty calendar days of all findings by a government agency or court of competent jurisdiction that the **CONTRACTOR/CONSULTANT** has violated the provisions of Section 10.40.3(a) of the Ordinance; 3) ensure that its subcontractor(s), as defined in the Ordinance, submit a Pledge of Compliance to awarding authorities; and 4) ensure that its subcontractor(s), as defined in the Ordinance, comply with the requirements of the Pledge of Compliance and the requirement to notify Awarding Authorities within thirty calendar days after any government agency or court of competent jurisdiction has initiated an investigation or has found that the subcontractor has violated Section 10.40.3(a) of the Ordinance in performance of the subcontract.

PSC-25. Warranty and Responsibility of CONSULTANT/CONTRACTOR

CONSULTANT/CONTRACTOR warrants that the work performed hereunder shall be completed in a manner consistent with professional standards practiced among those firms within **CONTRACTOR'S/CONSULTANT'S** profession, doing the same or similar work under the same or similar circumstances.

PSC-26. Minority, Women, And Other Business Enterprise Outreach Program

CONTRACTOR/CONSULTANT agrees and obligates itself to utilize the services of Minority, Women and Other Business Enterprise firms on a level so designated in its proposal, if any. **CONTRACTOR/CONSULTANT** certifies that it has complied with Mayor-al Directive 2001-26 regarding the Outreach Program for Personal Services Contracts Greater than \$100,000, if applicable. **CONTRACTOR/CONSULTANT** shall not change any of these designated subcontractors/subconsultants, nor shall **CONTRACTOR/CONSULTANT** reduce their level of effort, without prior written approval of the **CITY**, provided that such approval shall not be unreasonably withheld.

PSC-27. Ownership

Unless otherwise provided for herein, all documents, material, data, and reports originated and prepared by **CONTRACTOR/CONSULTANT** under this contract shall be and remain the property of the **CITY** for its use in any manner it deems appropriate. The provisions of this paragraph shall survive expiration or termination of this Contract.

PSC-28. Equal Benefits Ordinance.

Unless otherwise exempt in accordance with the provisions of this Ordinance, this Contract is subject to the applicable provisions of the Equal Benefits Ordinance (EBO), Section 10.8.2.1 of the Los Angeles Administrative Code, as amended from time to time.

- (1) During the performance of the Contract, the **CONTRACTOR/CONSULTANT** certifies and represents that the **CONTRACTOR/CONSULTANT** will comply with the EBO. The **CONTRACTOR/CONSULTANT** agrees to post the following statement in conspicuous places at its place of business available to employees and applicants for employment:

"During the performance of a Contract with the **CITY** of Los Angeles, the **CONTRACTOR/CONSULTANT** will provide equal benefits to its employees with spouses and its employees with domestic partners. Additional information about the City of Los Angeles' Equal Benefits Ordinance may be obtained from the Office of the City Administrative Officer, Contractor Enforcement Section at (213) 978-7650."

- (2) The failure of the **CONTRACTOR/CONSULTANT** to comply with the EBO will be deemed to be a material breach of the Contract by the Awarding Authority.
- (3) If the **CONTRACTOR/CONSULTANT** fails to comply with the EBO the Awarding Authority may cancel, terminate or suspend the Contract, in whole or in part, and all monies due or to become due under the contract may be retained by the **CITY**. The **CITY** may also pursue any and all other remedies at law or in equity for any breach.
- (4) Failure to comply with the EBO may be used as evidence against the **CONTRACTOR/CONSULTANT** in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40 et seq., Contractor Responsibility Ordinance.
- (5) If the City Administrative Officer determines that a **CONTRACTOR/CONSULTANT** has set up or used its Contracting entity for the purpose of evading the intent of the EBO, the Awarding Authority may terminate the Contract on behalf of the **CITY**. Violation of this provision may be used as evidence against the **CONTRACTOR/CONSULTANT** in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40 et seq., Contractor Responsibility Ordinance.

PSC 29 - Slavery Disclosure Ordinance

Unless otherwise exempt in accordance with the provisions of this Ordinance, this Contract is subject to the Slavery Disclosure Ordinance, Section 10.41 of the Los Angeles Administrative Code, as may be amended from time to time. **CONTRACTOR/CONSULTANT** certifies that it has complied with the applicable provisions of this Ordinance. Failure to fully and accurately complete the affidavit may result in termination of this Contract.

EXHIBIT 1

INSURANCE REQUIREMENTS

(Share this information with your insurance agent or broker.)

PERSON TO CONTACT Direct all correspondence, questions, requests for additional forms, etc., to the contact person listed here or to the department that administers your contract, lease or permit:

NAME	Sergeant Steven Foster
CITY AGENCY	Los Angeles Police Dept.
ADDRESS	419 S. Spring St. 7th Floor
	Los Angeles, Calif. 90012
TEL	FAX
(213) 473-7796	(213) 473-7854

GENERAL INFORMATION

1. **Project ID** All submissions must identify the nature of your business with the CITY. Clearly show any assigned number of a bid, contract, lease, permit, etc. or give the project name and the job site or street address to ensure that your submission will be properly credited. Provide the **types of coverage and dollar amounts** specified on the Insurance Requirements Sheet (Form Gen. 146) included in your CITY documents.
2. **When to submit** Normally, no work or occupancy may begin until a CITY Attorney insurance approval number has been obtained, so documents should be submitted as early as practicable. For **As-needed Contracts**, insurance need not be submitted until a specific job has been awarded. **Design Professionals** coverage for new construction work may be submitted simultaneously with final plans and drawings but before construction commences.
3. **Availability of Insurance** Coverages and limits are subject to availability on the open market at reasonable cost as determined by the CITY. For requirements to be relaxed or waived, your broker or agent must document non-availability or non-affordability in a letter to the CITY. It must show a good faith effort to place the required insurance, must list the names of the insurance carriers contacted and show the declinations or cost indications received from each.
4. **Alternative Programs/Self-Insurance** Risk financing mechanisms such as Risk Retention Groups, Risk Purchasing Groups, off-shore carriers, captive insurance programs and self-insurance programs are subject to separate approval after the CITY has reviewed their financial statements.

ADMINISTRATIVE REQUIREMENTS

5. **California Licensee** All insurance must be provided by an insurer admitted to do business in California or written through a California-licensed surplus lines broker. Non-admitted coverage must contain a **Service of Suit** clause in which the underwriters agree to submit as necessary to the jurisdiction of a California court in the event of a coverage dispute. Service of process for this purpose must be allowed upon an agent in California designated by the insurer or upon the California Insurance Commissioner.
6. **Aggregate Limits/Impairment** If any of the required insurance coverages contain annual aggregate limits, you must give the CITY written notice of any pending claim or lawsuit which may diminish the aggregate within thirty (30) days of knowledge of same. You must take steps to restore the impaired aggregates or provide replacement insurance protection within thirty (30) days knowledge of same. The CITY has the option to specify the minimum acceptable aggregate limit for each line of coverage required. No substantial reductions in scope of coverage which may affect CITY'S protection are allowed without CITY'S prior written consent.

EXHIBIT 1 - Cont.
INSURANCE REQUIREMENTS

13. Renewal When an existing policy is timely renewed, submit a renewal endorsement or a manually-signed Certificate of Insurance. However, if your policy number changes or you use a different underwriting company (insurer) you must submit new evidence which meets the policy conditions listed in Sections 8 through 11 of this information sheet.

COVERAGE INFORMATION

14. Dollar Limits of required insurance are sometimes set by statute or ordinance. When there is no specific amount required by law, limits are based on the amount of risk to the CITY from the contractor, vendor or permittee's activities.

15. General Liability insurance covering your operations (and products, where applicable) is required whenever the CITY is at risk of third party claims which may arise out of your work or your presence on CITY premises. **Contractual liability** coverage is a required inclusion in this insurance. (See separate information sheet on the CITY'S SPARTA program as an optional source of low-cost insurance which meets all requirements.)

16. Automobile Liability insurance is required only where vehicles are used in performing the work of your Contract or where they are driven off-road on CITY premises; it is not required for simple commuting unless CITY is paying mileage. However, compliance with California law requiring auto liability insurance is a contractual requirement.

17. Errors and Omissions coverage will be specified on a project-by-project basis if you are working as a licensed professional. The length of the claims discovery period required will vary with the circumstances of the individual job.

18. Workers' Compensation and Employer's Liability insurance are not required for single-person contractors. However, under state law these coverages (or a copy of the state's Consent To Self Insure) must be provided if you have any employees at any time during the period of this contract. **Waiver of Subrogation** on the coverage is required only for jobs where your employees are working on CITY premises under hazardous conditions, e.g., uneven terrain, scaffolding, caustic chemicals, toxic materials, power tools, etc.

19. Property Insurance is required for persons having exclusive use of premises or equipment owned or controlled by the CITY. **Fire Legal Liability** is required for persons occupying a portion of CITY premises.

20. Surety coverage may be required to guarantee performance of work. A **Fidelity bond** may be required to handle CITY funds, high value property and under certain other conditions. **Specialty coverages** may be needed for certain operations.

EXHIBIT 1 – Cont. **INSURANCE REQUIREMENTS**

Name: _____ Date: _____

Agreement/Reference: Automated Photo Red Light Enforcement Program

Evidence of coverages checked off below which have as a minimum the limits shown must be submitted and approved prior to occupancy/start of operations. Amounts shown are Combined Single Limits ("CSL"). Split limits may be substituted if the total per occurrence equals or exceeds the CSL amount.

Limits

X Workers' Compensation (Statutory Limit)/Employer's Liability \$ 1,000,000
☒ Waiver of Subrogation in favor of City

X General Liability \$ 1,000,000
☒ Premises and Operations ☐ Collapse & Underground
☐ Contractual Liability ☒ Products/Completed Operations
☐ Independent Contractors ☐ Fire Legal Liability
☐ _____

X Automobile Liability (if vehicle is used for this contract, other than commuting to/from work) \$ 1,000,000
☒ Hired Automobiles ☒ Owned Automobiles: If not
☒ Non-owned Automobiles entering City property personal insurance will suffice

____ Professional Liability (Errors and Omissions) \$ _____

Discovery Period 12 MONTHS AFTER COMPLETION OF WORK OR FROM DATE OF TERMINATION OF THE AGREEMENT/ CONTRACT.

____ Property Insurance to cover value of bldg (as determined by city or insurance company)
☐ All Risk Coverage ☐ Boiler and Machinery \$ _____
☐ Extended Coverage ☐ Debris Removal \$ _____
☐ Flood ☐ _____ \$ _____
☐ Earthquake ☐ _____ \$ _____

____ Pollution Liability \$ _____
☐ _____

____ Fidelity Bond _____ Surety Bond \$ _____

____ \$ _____

☐ _____ \$ _____

Notes: _____



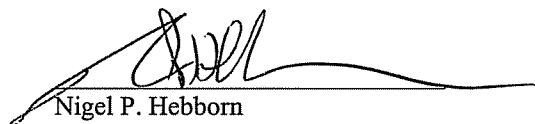
Authorization to Date Contract

January 9, 2006

Re: Agreement Number 03-332-003 Between The City of Los Angeles and Nestor Traffic Systems, Inc. for the Automated Photo Red Light Program

To Whom it May Concern:

The undersigned, a signatory on behalf of Nestor Traffic Systems, Inc. to the above-referenced agreement, hereby authorizes William B. Danzell to affix a date to my signature to said agreement.


Nigel P. Hebborn



**Nestor
Traffic
Systems**

Authorization to Date Contract

January 9, 2006

Re: Agreement Number 03-332-003 Between The City of Los Angeles and Nestor Traffic Systems, Inc. for the Automated Photo Red Light Program

To Whom it May Concern:

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Benjamin M. Alexander

Appendix B

Statement of Work

APPENDIX B STATEMENT OF WORK

CONSTRUCTION

- I. The Los Angeles Department of Transportation (LADOT) shall design and construct the necessary street infrastructure at each intersection. CONTRACTOR shall provide LADOT with technical assistance during the installation of the vehicle detection system, conduit, pull boxes, and electrical power. All wiring connections to the traffic signal controllers and camera platforms will be installed by the LADOT. CONTRACTOR will make the final connections to each camera.
- II. The LADOT shall provide CONTRACTOR with "as built" drawings in an AutoCad type electronic format of each selected intersection.
- III. The automated equipment CONTRACTOR installs at each intersection must be fully suitable for an automated photo red light program and functional for unattended use, 24 hours per day, seven days a week, under prevailing weather conditions, with the exception of normal servicing.
- IV. CONTRACTOR must notify the CITY immediately of any problems in the infrastructure installed by the CITY. The CITY will be responsible for maintaining the infrastructure installed and owned by LADOT.

POWER SUPPLY

The CITY shall provide the power supply, at no cost to the CONTRACTOR, for the automated photo red light equipment at each intersection in the program. The automated enforcement system must operate under a main power supply voltage of 110 volts. The power supply must be transformer-isolated and protected by a fuse of appropriate amperage. CONTRACTOR shall ensure that the system clock and other data elements are maintained in the event of a main power supply failure.

PHOTO ENFORCEMENT SIGNS

At each intersection, CONTRACTOR shall provide one (1) photo enforcement warning signs for each intersection approach as required by the California Vehicle Code (CVC). The photo enforcement signs must meet the specifications as required by the Manual on Uniform Traffic Control Devices. The CITY shall be responsible for the installation of the warning signs.

FLASH UNIT

The flash unit provided by CONTRACTOR shall be capable of providing adequate illumination to photograph violations under all lighting and weather conditions. The flash unit shall be aimed and its intensity limited, so it does not adversely affect the vision of a driver being photographed by the system.

EQUIPMENT

CONTRACTOR shall provide the CITY with the following equipment:

- I. Camera housings, poles, and photo enforcement warning signs must be provided to the CITY for installation at a maximum of 32 intersections identified by the LAPD and LADOT. If a pole or warning sign becomes damaged or stolen, CONTRACTOR must provide replacement poles or warning signs to the CITY.
- II. High-resolution front and rear digital video cameras for each intersection approach selected by the LAPD and LADOT.
- III. A video detection system that identifies any vehicle entering the intersection at variable times in increments of 0.1 seconds beginning at 0.0 second after the signal has changed to a red phase.
- IV. Five (5) Intel-based PCs running Microsoft Windows 2000 or Windows NT and CONTRACTOR's CrossingGuard Windows-based CitationComposer software and five (5) color printers for the five (5) LAPD work stations responsible for the review and processing of automated red light citations. Each workstation shall be configured with a minimum 2.2 Gigahertz Pentium 4 processor, 20 Gigabyte hard drive, and 256 Megabytes RAM.
- V. An internet service provider subscription in order to download and transmit citation information via broadband, cable, DSL or other high speed line. Each workstation must be electronically equipped for the LAPD to receive a notice of violation sent by CONTRACTOR, and after its evaluation by the LAPD, to electronically transmit back to the contractor the determination whether to process the citation.
- VI. The CITY shall not own the equipment discussed in this section or otherwise provided by CONTRACTOR for performance of its services under this Agreement, or take any responsibility for its upkeep or damage, unless damage is caused by an Officer, Agent, or Employee of the CITY.

CAMERA EQUIPMENT

- I. Camera equipment installed at each intersection shall be housed in a weatherproof, vandalism resistant National Electrical Manufacturer's Association enclosure. The CITY shall not be responsible for the upkeep of CONTRACTOR's camera equipment or liable for any damage to said, equipment except as caused by the CITY or its employees or agents. CONTRACTOR shall repair and maintain camera equipment at no additional cost to the CITY.
- II. The digital video camera unit shall be capable of taking high-resolution images that clearly depict the vehicle, rear license plate, driver of the vehicle, and the color of the traffic signal light.
- III. Digital video images shall be taken from the front and rear of each violator's vehicle. If multiple violations are recorded on the same portion of video, all violations will be processed using the same video segment.
- IV. Violation files shall display the violation number, violation date, time of day (24 hour time), amber signal phase, red signal phase, violators lane of travel, camera location code, and the elapsed time of the traffic signal light after it has changed to the red phase.
- V. The camera equipment shall be able to monitor the traffic controller and accurately record the amber and red traffic signal phases.
- VI. The camera unit shall provide the capability to calculate the speed of a violator's vehicle approaching the intersection.
- VII. The camera unit shall be designed so that malfunctions can easily be identified and promptly corrected.
- VIII. The camera unit shall be capable of testing and adjusting from a remote location, provide error messages identifying malfunctions and record the time the system was shutdown in the event of a power or telecommunications failure.

PROGRAM IMPLEMENTATION

Upon receiving a notice from the CITY to proceed with the PROGRAM, CONTRACTOR shall develop the following:

- I. A Warning Letter – To be issued to violators during the initial 30-days of operation at each intersection in the program. No fine will be assessed to violator's during this warning period.

- II. Citation Design - Develop a citation form acceptable with the CITY that meets the requirements of the California Judicial Council, including requirements for information about court, payment and photographic viewing procedures.
- III. Citation Numbering Sequence - In accordance with the Superior Court of the County of Los Angeles, a unique citation numbering sequence shall be assigned to automated photo red light citations in order to distinguish them from other red light citations within the Court database.

PUBLIC AWARENESS CAMPAIGN

- I. CONTRACTOR shall provide the following during the initial public awareness campaign:
 - A. A 30-day period of warning letters for each intersection.
 - B. Assistance with media events.
 - C. Media training of CITY staff.
- II. The CITY reserves the right to incorporate into its website internet links to CONTRACTOR's traffic safety website, if any.

PROGRAM OPERATION

- I. The CONTRACTOR shall be responsible for the following:
 - A. Download all digital video images and perform a systems check each day for each intersection approach.
 - B. Maintain all equipment in proper working order.
 - C. Record all problems with the CONTRACTOR's equipment and remedy the problem within 48 hours at the CONTRACTOR's expense.
 - D. Conduct repairs of the CONTRACTOR's equipment.
 - E. Complete a maintenance check/service log.
 - F. Conduct periodic field inspections of equipment for the purpose of cleaning and routine maintenance.

- G. Enhancements or upgrades of software and equipment that materially improve the detection of violations by the system or the system's ability to issue citations as they become available.
- II. The CONTRACTOR shall provide a toll-free number with the following options:
 - A. Bilingual customer service representative.
 - B. Answer to basic questions involving citations issued by the program, including payment and court process.
 - C. Citywide photo viewing scheduling.
 - D. Citywide photo viewing appointments.
- III. The CITY shall be responsible for the configuration and/or operation of all intersection traffic light systems.

CITATION PROCESSING

- I. CONTRACTOR shall electronically interface with the Department of Motor Vehicles (DMV), to determine the registered owners' information and address for violators with California license plates. CONTRACTOR shall also electronically interface with the DMV, to determine the registered owners' information and address for violators with non-California license plates. If for any reason CONTRACTOR cannot interface with the DMV, it shall immediately notify the CITY in writing.
- II. CONTRACTOR shall maintain a chain of custody for all documents relating to the operation of the PROGRAM. This will include the secure record keeping and evidence storage procedures.
- III. A quality check of each violation shall be conducted by CONTRACTOR in order to assure accuracy.
- IV. CONTRACTOR shall print all traffic citations.
- V. CONTRACTOR shall assume all mailing and postage costs as deemed reasonable and necessary to issue a citation and have it delivered by the United States Postal Service. CONTRACTOR shall generate a Certificate of Mailing.
- VI. CONTRACTOR will process the digital video images of each violation. The license plate of the vehicle must be used to identify the registered owner through information maintained by the Department of Motor Vehicles (DMV) and accessed by CONTRACTOR.

CITATION APPROVAL PROCESS

- I. The LAPD will establish the issuance criteria for all violations.
- II. Each LAPD officer assigned to the PROGRAM shall provide a signature sample to CONTRACTOR for digitized use on automated red light citations.
- III. Citations shall be available for on-line approval at the five designated LAPD locations via the computer workstation.
- IV. For each violation, CONTRACTOR shall electronically send the LAPD a completed notice of violation containing all images within seven (7) calendar days following the violation. If CONTRACTOR is not able to access a registered owners' information, including address, online, the CONTRACTOR will electronically send the LAPD a notice of violation containing all images within five (5) calendar days following the violation, but such notice shall not include registered owners' information and address. The LAPD will review all violation incidents and electronically notify CONTRACTOR of each citation to be processed and mailed.
- V. Once a citation has been approved by the LAPD, a digitized signature of that officer shall be electronically generated and placed on each approved citation.
- VI. The CONTRACTOR shall electronically process all approved and mailed citations with the Los Angeles County Superior Court System. The CONTRACTOR shall be responsible for the issuance and mailing of all approved citations as required by California Vehicle Code Sections 40518(a) and (b).
- VII. Once citation approval is received from the LAPD, an electronic file shall download all citation information to the Los Angeles County Court computer database via the Expanded Traffic Records System (ETRS).

VIOLATION VIEWINGS

CONTRACTOR shall arrange with traffic violators all viewing appointments with the LAPD. If necessary, the LAPD will request that CONTRACTOR provide the digital video images of the violation prior to the scheduled viewing date.

TRAINING

- I. Throughout the term of this entire Agreement, CONTRACTOR shall provide training to all primary and backup personnel assigned to the automated photo red light program as request by the LAPD. The training shall provide an overview of all aspects of the automated program, including the technical information

necessary to testify in court. CONTRACTOR shall assume the cost involved for all training.

- II. CONTRACTOR shall be responsible for conducting a sufficient number of workshops to train judicial officers or other court personnel. The training should include, but not be limited to, a detailed overview of the automated photo red light program. All costs associated with the training of court personnel shall be the CONTRACTOR's responsibility.

COURT

- I. Throughout the term of this entire Agreement, CONTRACTOR shall provide, upon the request of the CITY or the LAPD, an expert witness to testify in court as to the operation of the camera system, collection and processing of the photographed evidence submitted to the court. CONTRACTOR shall assume all costs involved for courtroom appearances and testimony.
- II. Throughout the term of this entire Agreement, CONTRACTOR shall prepare a court case package that shall contain front and rear color digital video images of the violation, a certified copy of the maintenance or calibration records covering the period prior to and immediately after the photographed violation, a certificate of mailing stamped by the United States Postal Service indicating the citation was mailed within eleven (11) days of the violation, and an affidavit by CONTRACTOR that outlines the duties performed throughout the entire processing of the violation. Court case information shall be available to the LAPD within five (5) working days prior to the scheduled court date. The CITY shall provide CONTRACTOR three (3) working days notice of any scheduled court date for which case information must be available.

MONTHLY REPORT

- I. CONTRACTOR shall be required to provide a monthly report for each location approach. The report shall contain the number of vehicles monitored, the number of violations detected, and the number of video violations captured. The report shall also contain information regarding violations detected but not submitted to the LAPD for review. Violations not processed or submitted for review must be classified as: unit malfunction; unable to identify the driver; unable to read the license plate; no license plate; vehicle obstructed; altered/marred/dirty license plate; DMV record not on file; and other categories as may be determined by the LAPD or CONTRACTOR.
- II. The monthly report shall also contain the number of malfunctions caused by the camera, electronics, vehicle sensors, and include the amount of days lost due to each malfunction. The report shall include the average number of days required to process citations beginning with the date of violation to the date CONTRACTOR mails the citation to the violator.

MONTHLY MEETINGS

At the beginning of the contract, CONTRACTOR shall meet with the LAPD and the LADOT at least once a week to evaluate progress and determine that deadlines are met. After the initial start-up period, CONTRACTOR shall meet in person with the LAPD and the LADOT on a monthly basis, at CITY's option, to discuss operational issues.