NOTICE OF AWARD OF CONTRACT

TO: AMERICAN TRAFFIC SOLUTIONS, INC. DATE ISSUED: 05/14/14
1330 WEST SOUTHERN AVENUE CONTRACT NUMBER: 733-14
TEMPE, ARIZONA 85282 CONTRACT TITLE: POL - RED LIGHT CAMERA

THIS IS A NOTICE OF AWARD OF CONTRACT AND NOT AN ORDER. NO WORK IS AUTHORIZED UNTIL THE VENDOR RECEIVES A VALID COUNTY PURCHASE ORDER ENCUMBERING CONTRACT FUNDS.

Your firm is hereby awarded the above referenced contract. The contract term covered by this Notice of Award is effective IMMEDIATELY and expires on MAY 14, 2016. The contract documents consist of the terms, conditions, specifications and pricing of Agreement No. 733-14 (attached).

NOTES:

1. NO WORK SHALL BE PERFORMED BY THE CONTRACTOR WITHOUT PRIOR ACCEPTANCE BY THE COUNTY OF AN INSURANCE CERTIFICATE INCORPORATING ALL COVERAGES AND ENDORSEMENTS REQUIRED BY THE ABOVE-REFERENCED AGREEMENT.

2. ALL PO’S COVERING WORK UNDER THIS CONTRACT MUST BE APPROVED IN ADVANCE BY A HUMAN RESOURCES REPRESENTATIVE.

ATTACHMENTS: AGREEMENT NO. 733-14

CONTRACT PRICING: REFER TO ATTACHED AGREEMENT

EMPLOYEES NOT TO BENEFIT:
NO COUNTY EMPLOYEE SHALL RECEIVE ANY SHARE OR BENEFIT OF THIS CONTRACT NOT AVAILABLE TO THE GENERAL PUBLIC.

CONFLICT OF INTEREST:
PRIOR TO PLACING AN ORDER FOR GOODS OR SERVICES UNDER THIS CONTRACT, EMPLOYEES ARE RESPONSIBLE FOR ENSURING THAT THEY NOT PROHIBITED FROM PARTICIPATING IN THE CONTRACT UNDER THE RULES SET FORTH IN ARTICLE 9-103 OF THE ARLINGTON COUNTY PURCHASING RESOLUTION.
INSURANCE:
NO WORK SHALL BE PERFORMED UNTIL THE CONTRACTOR HAS PROVIDED THE COUNTY A
VALID INSURANCE CERTIFICATE COVERING ALL POLICIES, ENDORSEMENTS AND LIMITS
SPECIFIED IN THE AGREEMENT.

VENDOR CONTACT: ADAM TUTON
VENDOR TEL. NO. (480) 443-7000
VENDOR E-MAIL: CHARLES.TURNER@ATSL.COM
VENDOR PAYMENT TERMS: NET 30 DAYS
COUNTY CONTACT: JAMES WASEM
COUNTY TEL. NO.: 703-228-4045
COUNTY E-MAIL: JWASEM@ARLINGTONVA.US

CONTRACT AUTHORIZATION

[Signature]
Yvette Gonzalez, CPA
Procurement Officer

Date: 5/4/14

2
Notice of Award of Contract
RIDER AGREEMENT NO. 733-14

THIS AGREEMENT (hereinafter "Agreement") is made, on the date of its execution, by the County, between American Traffic Solutions, Inc.; 1330 West Southern Avenue, Tempe, Arizona 85282 ("Contractor"); a Kansas Corporation authorized to transact business in the Commonwealth of Virginia, and the County Board of Arlington County, Virginia ("County"). The County and the Contractor, for the consideration and quantity(ies) specified herein or specified in a County Purchase Order referencing this Agreement, agree as follows:

1. CONTRACT DOCUMENTS

The Contract Documents consist of this Agreement and Exhibit A (The City of Falls Church Contract No. 0715-09-R1C including Attachment B - Pricing Schedule, the City of Falls Church Notice of Award & Red Light Camera System Amendment No. 4), and Exhibit B (Scope of Work for Arlington County), together with any exhibits and amendments issued or applicable thereto. Collectively, "Contract Documents" or "Contract."

This Agreement rides a contract awarded to the Contractor by the City of Falls Church and extended by the Contractor to the County on the same terms and conditions as the Contractor's agreement with the City of Falls Church, and substituting the phrase "Arlington County", as appropriate, for the phrases "the City of Falls Church", or "The City" wherever those phrases appear in the Contract Documents, and the phrases "Falls Church City Council" is substituted with "County Board of Arlington County" wherever those phrases appear in the Contract Documents.

Where the terms of this Agreement vary from the terms and conditions of the other Contract Documents, the terms and conditions of this Agreement shall prevail.

The Contract Documents set forth the entire agreement between the County and the Contractor. The County and the Contractor agree that no representative or agent of either of them has made any representation or promise with respect to the parties' agreement which is not contained in the Contract Documents.

2. CONTRACT TERM

The Contractor's provision of goods and services for the County ("Work") shall commence upon execution of this agreement by the County and shall be completed no later than May 14, 2016 ("Initial Contract Term"), subject to any modifications as provided for in the Contract Documents.

Upon satisfactory performance by the Contractor and with the concurrence of the Contractor, the County may authorize continued operations of the Contractor under the same contract unit prices for not more than two additional twelve (12) month periods from May 14, 2016 to May 14, 2018. Each such period shall be referred to as a "Subsequent Contract Term."
However, if the City of Falls Church Contract No. 0715-08-RLC is not renewed, this Agreement shall automatically expire on the documented date of the City of Falls Church Contract No. 0715-08-RLC.

3. CONTRACT PRICING

The County will pay the Contractor in accordance with the terms of the Payment paragraph below, at the unit prices set forth in Exhibit A—Attachment A for Work provided by the Contractor, as described and required in the Contract Documents, and accepted by the County. Contract prices are to remain firm through May 2018 per the terms of Amendment 4 of Contract No. 0715-08-RLC.

4. SCOPE OF WORK

The Contractor agrees to perform the services described in the Contract Documents (hereinafter "the Work"). The primary purpose of the Work is to provide and maintain a turn-key Photo Red Light System that would enable traffic enforcement consistent with Virginia law.

The Contract documents set forth the minimum work estimated by the County and the Contractor to be necessary to complete the Work. It shall be the Contractor’s responsibility, at the Contractor’s sole cost, to provide the specific services set forth in the Contract Documents and sufficient services to fulfill the purposes of the Work. Nothing in the Contract Documents shall be construed to limit the Contractor’s responsibility to manage the details and execution of the Work.

5. PROJECT OFFICER

The performance of the Contractor is subject to the review and approval of the County Project Officer ("Project Officer") who shall be appointed by the Director of the Arlington County department or agency which seeks to obtain the Work pursuant to this Contract. However, it shall be the responsibility of the Contractor to manage the details of the execution and performance of its Work pursuant to the Contract Documents.

6. COUNTY PURCHASE ORDER REQUIREMENT

County purchases are authorized only if a County Purchase Order is issued in advance of the transaction. A Purchase Order must indicate that the ordering agency has sufficient funds available to pay for the purchase. Such a Purchase Order is to be provided to the Contractor by the ordering agency. The County will not be liable for payment for any purchases made by its employees without appropriate purchase authorization issued by the County Purchasing Agent. If the Contractor provides goods or services without a signed County Purchase Order, it does so at its own risk and expense.
7. NON-APPROPRIATION

All funds for payments by the County to the Contractor pursuant to this Contract are subject to the availability of an annual appropriation for this purpose by the County Board of Arlington County, Virginia. In the event of non-appropriation of funds by the County Board of Arlington County, Virginia for the goods or services provided under this Contract or substitutes for such goods or services which are as advanced or more advanced in their technology, the County will terminate the Contract, without termination charge or other liability to the County, on the last day of the then current fiscal year or when the appropriation made for the then current year for the services covered by this Contract is spent, whichever event occurs first. If funds are not appropriated at any time for the continuation of this Contract, cancellation will be accepted by the Contractor on thirty (30) days prior written notice, but failure to give such notice shall be of no effect and the County shall not be obligated under this Contract beyond the date of termination specified in the County’s written notice.

8. PAYMENT OF SUBCONTRACTORS

The Contractor is obligated to take one of the two following actions within seven (7) days after receipt of amounts paid to the Contractor by the County for work performed by any subcontractor under this Contract:

a. Pay the subcontractor for the proportionate share of the total payment received from the County attributable to the work performed by the subcontractor under this Contract; or

b. Notify the County and the subcontractor, in writing, of the Contractor’s intention to withhold all or a part of the subcontractor’s payment with the reason for nonpayment.

The Contractor is obligated to pay interest to the subcontractor on all amounts owed by the Contractor to the subcontractor that remain unpaid after seven (7) days following receipt by the Contractor of payment from the County for work performed by the subcontractor under this Contract, except for amounts withheld as allowed in subsection b., above. Unless otherwise provided under the terms of this Contract, interest shall accrue at the rate of one percent (1%) per month.

The Contractor shall include in each of its subcontracts, if any are permitted, a provision requiring each subcontractor to include or otherwise be subject to the same payment and interest requirements with respect to each lower-tier subcontractor.

The Contractor’s obligation to pay an interest charge to a subcontractor pursuant to this section may not be construed to be an obligation of the County. A Contract modification may not be made for the purpose of providing reimbursement for such interest charge. A cost reimbursement claim may not include any amount for reimbursement for such interest charge.
9. **EMPLOYMENT DISCRIMINATION BY CONTRACTOR PROHIBITED**

During the performance of this Contract, the Contractor agrees as follows:

A. The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability or any other basis prohibited by state law related to discrimination in employment except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

B. The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, will state that such Contractor is an Equal Opportunity Employer.

C. Notices, advertisements and solicitations placed in accordance with Federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.

D. The Contractor will comply with the provisions of the Americans with Disabilities Act of 1990 which prohibits discrimination against individuals with disabilities in employment and mandates their full participation in both publicly and privately provided services and activities.

E. The Contractor will include the provisions of the foregoing paragraphs in every subcontract or purchase order of over $10,000, so that the provisions will be binding upon each subcontractor or vendor.

10. **EMPLOYMENT OF UNAUTHORIZED ALIENS PROHIBITED**

In accordance with §2.2-4311.1 of the Code of Virginia, 1950, as amended, the Contractor acknowledges that it does not, and shall not during the performance of this Contract for goods and/or services in the Commonwealth, knowingly employ an unauthorized alien as that term is defined in the Federal Immigration Reform and Control Act of 1986.

11. **DRUG-FREE WORKPLACE TO BE MAINTAINED BY CONTRACTOR**

During the performance of this Contract, the Contractor agrees to (i) provide a drug-free workplace for the Contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the Contractor that the Contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order over $10,000.
11. Indemnification

The Contractor covenants to save, defend, hold harmless, and indemnify the County, and all of its elected and appointed officials, officers, employees, agents, departments, agencies, boards, and commissions (collectively the "County") from and against any and all claims, losses, damages, injuries, fines, penalties, costs (including court costs and attorney's fees), charges, liability, or expenses, however caused, resulting from, arising out of, or in any way connected with the Contractor's intentional, negligent, or grossly negligent acts or omissions in performance or nonperformance of its work called for by the Contract Documents. This indemnification shall survive the termination of this Contract.

13. Relation to County

The Contractor is an independent contractor and neither the Contractor nor its employees or subcontractors will, under any circumstances, be considered employees, servants or agents of the County. The County will not be legally responsible for any negligence or other wrongdoing by the Contractor, its employees, servants or agents. The County will not withhold payments to the Contractor for any Federal or state unemployment taxes, Federal or state income taxes, Social Security tax, or any other amount for benefits to the Contractor. Furthermore, the County will not provide to the Contractor any insurance coverage or other benefits, including workers' compensation, normally provided by the County for its employees.

14. Dispute Resolution

All disputes arising under this Contract, or its interpretation, whether involving law, or fact, or extra work, or extra compensation or time, and all claims for breach of contract shall be submitted to the Project Officer for decision at the time of the occurrence or beginning of the work upon which the claim is based, whichever occurs first. Any such claim shall state the facts surrounding it in sufficient detail to identify it, together with its character and scope. In accordance with the Arlington County Purchasing Resolution, claims denied by the Project Officer may be submitted to the County Manager in writing no later than sixty (60) days after final payment. The time limit for final written decision by the County Manager in the event of a contractual dispute, as that term is defined in the Arlington County Purchasing Resolution, is fifteen (15) days. Procedures for considering contractual claims, disputes, administrative appeals, and protests are contained in the Arlington County Purchasing Resolution, which is incorporated herein by this reference. A copy of the
Arlington County Purchasing Resolution is available upon request from the Office of the Purchasing Agent. The Contractor shall not cause a delay in the Work pending any decision of the Project Officer, County Manager, County Board, or a court of law.

15. **APPLICABLE LAW, FORUM, VENUE AND JURISDICTION**

This Contract and the work performed hereunder shall be governed in all respects by the laws of the Commonwealth of Virginia, and the jurisdiction, forum, and venue for any litigation with respect thereto shall be in the Circuit Court for Arlington County, Virginia, and in no other court. In performing its Work pursuant to this Contract, the Contractor shall comply with applicable federal, state, and local laws, ordinances and regulations.

16. **FORCE MAJEURE**

The Contractor shall not be held responsible for failure to perform the duties and responsibilities imposed by this Contract if such failure is due to fires, riots, rebellions, natural disasters, wars, acts of terrorism, or an act of God beyond control of the Contractor, and outside and beyond the scope of the Contractor's then current, business standards, disaster plan, that make performance impossible or illegal, unless otherwise specified in the Contract.

The County shall not be held responsible for failure to perform its duties and responsibilities imposed by the Contract if such failure is due to fires, riots, rebellions, natural disasters, wars, acts of terrorism, or an act of God beyond control of the County that make performance impossible or illegal, unless otherwise specified in the Contract.

17. **NOTICES**

Unless otherwise provided herein, all notices and other communications required by this Contract shall be deemed to have been given when made in writing and either (a) delivered in person, (b) delivered by an agent, such as an overnight or similar delivery service, or (c) deposited in the United States mail, postage prepaid, certified or registered, addressed as follows:

---

733-14
TO THE CONTRACTOR:

American Traffic Solutions, Inc.
Dan Reed, Associate General Counsel
1330 West Southern Avenue
Tempe, Arizona 85282

TO THE COUNTY:

James Mason, Project Office
Arlington County, Virginia
1425 Courthouse Road, 9th Floor
Arlington, Virginia 22201

AND

Richard D. Warren, Jr., Purchasing Agent
Arlington County, Virginia
2100 Clarendon Boulevard, Suite 500
Arlington, Virginia 22201

18. ARLINGTON COUNTY BUSINESS LICENSES
The Contractor must comply with the provisions of Chapter 11 ("licenses") of the Arlington County Code, if applicable. For information on the provisions of that Chapter and its applicability to this Contract, the Contractor must contact the Arlington County Business License Division, Office of the Commissioner of the Revenue, 2100 Clarendon Blvd., Suite 200, Arlington, Virginia, 22201, telephone number: (703) 228-3060.

19. INSURANCE REQUIREMENTS
The Contractor shall provide to the County Purchasing Agent a Certificate of Insurance indicating that the Contractor has in force the coverage types and minimum amounts below prior to the start of any Work under this Contract and upon any contract extension. The Contractor agrees to maintain such insurance until the completion of this Contract or as otherwise stated in the Contract Documents. All required insurance coverages must be acquired from insurers authorized to do business in the Commonwealth of Virginia, with a rating of "A-" or better and a financial size of "Class VII" or better in the latest edition of the A.M. Best Co. Insurance Guides, and acceptable to the County. The minimum insurance coverage types and amounts shall be:

b. Workers Compensation - Virginia Statutory Workers Compensation (W/C) coverage including Virginia benefits and employers liability with limits of $100,000/$100,000/$300,000. The County will not accept W/C coverage issued by the Injured Worker's Insurance Fund, Towson, MD.
h. Commercial General Liability - $1,000,000 Combined Single Limit coverage with $1,000,000 general aggregate covering all premises and operations and including Personal Injury, Completed Operations, Contractual Liability, Independent Contractors, and Products Liability. The general aggregate limit shall apply to this Contract.

c. Business Automobile Liability - $1,000,000 Combined Single Limit (Owned, non-owned and hired).

d. Additional Insured - Arlington County, and its officers, elected and appointed officials, employees, and agents shall be named as additional insureds on all policies, except Workers Compensation and Auto and Professional Liability. A copy of the Additional Insured endorsement must be provided by the Contractor to the County Purchasing Agent prior to the execution of this Contract and any Contract extension. Failure to provide such documentation shall result in cancellation of the award or of the Contract.

e. Cancellation - If there is a material change or reduction in coverage, non-renewal of any insurance coverage or cancellation of any insurance coverage required by this Contract, the Contractor shall notify the Purchasing Agent immediately. Any policy on which the Contractor has received notification from an insurer that the policy has or will be cancelled or materially changed or reduced must be immediately replaced with another policy consistent with the terms of this Contract and in such a manner that there is no lapse in coverage, and the County immediately notified of the replacement. Non-maintaining the required insurance throughout the Contract Term is considered a material breach of this Contract and grounds for termination. The Contractor shall also obtain an endorsement providing to the County thirty (30) days advance notice of cancellation or non-renewal (ten days for non-payment of premium). A copy of that endorsement shall be provided to the County Purchasing Agent prior to the execution of this Contract or any Contract extension thereafter.

f. Any insurance coverage that is placed as a “claims made” policy must remain valid and in force, or the Contractor must obtain an extended reporting endorsement consistent with the terms of this Contract, until the applicable statute of limitations has expired, such date as determined to begin running from the date of the Contractor’s receipt of final payment.
g. **Contract Identification** - All documentation and copies of endorsements required hereunder shall state this contract's number and title.

h. **Certificate Holder** - The Certificate Holder must be identified as:

   The County Board of Arlington County, VA
c/o the Purchasing Agent
2100 Clarendon Boulevard, Suite 500
Arlington, VA 22201

WITNESS these signatures:

THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA

**AUTHORIZED SIGNATURE:**

**NAME:** RICHARD D. WARDEN, JR.  **TITLE:** PURCHASING AGENT  **DATE:** 5/14/14

AMERICAN TRAFFIC SOLUTIONS, INC.

**AUTHORIZED SIGNATURE:**

**NAME AND TITLE:** EVP/PRESIDENT  **DATE:** 5/13/14
EXHIBIT B
SCOPE OF WORK
ARLINGTON COUNTY

The Contractor shall deploy a Photo Red Light Monitoring System ("System") consisting of traffic safety camera equipment at intersections designated by the County, covering one to four approaches at each intersection, and related services. The contracted services shall include all hardware, software, installation, maintenance, operation, and all back-office processing of violations.

The Contractor shall provide to the County, without any startup costs from the County, a turnkey solution for a photo red light monitoring system that will capture red light violations using digital technology.

The Contractor shall provide the following services at the cost identified in Exhibit A - Attachment B "Pricing Schedule" of the City of Falls Church Contract No. 1710-08-RLC.

Equipment

High resolution digital cameras that provide clear and readable color digital images that capture a violator in both still pictures and digital video. The first image shall clearly show the violator with its front tires in front of the stop bar before the car enters the intersection, prior to committing a violation. The second image shall clearly show the scene, including the red signal and a clear view of the vehicle inside or passing through the intersection while the traffic signal is still red. The license plate number and details must be clearly legible in at least one image (unless obstructed in one or other of the images). Any close-ups or zoomed views must be extracted from one of the images described above. The Contractor shall not utilize a separate or secondary camera or system to capture a separate close-up or license plate image. Additionally, a separate digital video camera shall be provided to view a recording of the violation in real time.

The equipment shall provide clear and readable color digital images, twenty-four (24) hours a day, and in any type of conditions (including, but not limited to, bright sunlight, darkness, wind, temperatures which may range from 5 degrees Fahrenheit to 115 degrees Fahrenheit and up to 95% humidity) which show clearly but not limited to:

* the scene of the violation
* the appropriate traffic signal head with red indication,
* the vehicle in violation, clearly identifiable by color, make and model of vehicle, and the rear license plate of the vehicle, including license plate numbers and letters and the state of issuance.

The following information, but not limited to, shall be imprinted on each digital image without obstructing the images of the vehicle, license plate and violation:
• day, month and year of the violation,
• time of the violation stated in military time of hours, minutes and seconds,
• frame sequence number,
• intersection, identified by names of intersecting streets or other appropriate identifiers,
• amount of time, in fractions of seconds, from the time the signal turned red to the time of the violation,
• speed of the vehicle.

The Contractor shall install vehicle detection technology at the identified intersections using the techniques of detection selected by the County Project Officer.

At least once a month, the system shall provide self-tests whose results shall be posted on-line and made accessible to the County Project Officer.

The System shall be programmed to record violations after the red light phase has begun. A delay in start of the recording shall be in accordance with Virginia Code 655.2 - 966.1.

The System must count the number of violations and total traffic volume for all monitored lanes in the direction selected. It shall also record the total traffic count for 24-hour period for each monitored lane of traffic.

The Contractor shall be responsible for all permit acquisition, site design, construction, installation and maintenance of the equipment. If the system requires more than 2 amps of power, the Contractor shall supply power separately at no additional cost to the County.

Telecommunication and all other equipment required for proper operation of the system are the responsibility of the Contractor.

Prior to installation of any equipment, the Contractor shall conduct an analysis to identify recommended parameters for the capture of the accurate number of red light violations at each intersection identified by the County. This analysis shall be unique for each intersection, and shall include but not be limited to:

• pole placement
• unique construction requirements
• expected coverage areas (such as specific lanes, through traffic and/or left turn traffic, etc.)
• potential obstructions (such as frequent truck traffic stopped at the light, glare conditions
• safety recommendations regarding placement
• potential number of violations expected per average 24 hour period

Within fourteen (14) days of the contract award, the Contractor shall attend a meeting with appropriate County entities, such as the Police Department and Traffic Engineering, to discuss operating parameters for
the System.

The Contractor shall participate in testing of the System conducted by the County before any violations are processed. The testing shall demonstrate that the System can satisfy all the requirements identified above. The results of these tests must be acceptable to the County before the System is accepted.

Image Processing and Summons Services
The Contractor shall provide a robust, fully web enabled and fully secure citation processing system that includes data processing, initial screening of data, prompt delivery of data to police for violation review and citation authorization, citation mailing, bad address notification, and maintenance of secure Internet-based violation viewing capability.

The Contractor shall work with the County staff to design a citation for mailing that shall include, but not limited to:

- One copy of the citation with a tear-off, one for the recipient to keep and the other marked to be returned
- A pre-addressed return envelope to the Contractor that will be included with citation mailing
- Contractor’s hotline phone number and/or website address for questions on the summons

Summons shall be printed daily at the Contractor’s facility.

The Contractor shall generate all possible summonses and make the first attempt at process completion within seven (7) business days. This 7-day period shall include processing through the NLDES automated interface and County Police Department review process. However, in instances where the 7 day goal is not attainable, processing shall be in accordance with Virginia Code §15.2-958.1.

The Contractor shall mail a maximum of two (2) notices to violators who have not complied with the original summonses. These notices shall be sent at intervals, to be agreed upon between the Contractor and the County. Each summons must include all of the information required by Virginia Code §15.2-958.1(C).

The Contractor shall electronically interface with the General District Court Clerk’s Office for citations that will be contested. The General District Court Clerk will provide court dates once a month for trials. A business rule will be established by the parties providing for a pre-adjudication process to allow County staff to reject tickets that were issued in error where proper additional proof is provided.

The Contractor shall meet all the requirements for data processing of violators for records management purposes, and follow all applicable regulations for payment processing and collection notices, as set forth in §15.2-958.1 of the Code of Virginia.
System Security

The System shall include a two-factor user authentication protocol for any web enabled application or mutually agreed upon solution. The two-factor authentication protocol must require two independent ways to establish identity and privileges (password and authenticator). The Contractor must have all appropriate firewalls in place to protect the confidentiality of the information.

System logs and audit trail reports which detail user processing and security violations are reviewed by appropriate employees of the Contractor. Any violation which compromises information on vehicle ownership provided by the County Police Department shall be brought to the attention of the County Project Officer within 24 hours of its discovery.

On-line users shall be supported by System profiles that describe and control the functions the user can perform and the information they can access. The design of the System shall present users with only those functions they are authorized to access.

Access to Division of Motor Vehicle (DMV) Records

The Contractor shall provide the processing of all traffic citations and prepare evidence packages for the Court, in accordance with the applicable provisions of the Code of Virginia. The Contractor shall deliver to the County computer files that shall automatically interface with the Virginia State Police vehicle files. After the County has uploaded the DMV files and reviewed the violation, it shall be the responsibility of the Contractor to mail the summons.

The Contractor shall use the National Law Enforcement Teletype System ("NLETS") to administer this process. The County will execute DMV subscription agreement to request the information from DMV and deliver it to the Contractor.

Court Testimony

The Contractor shall have an expert witness available to testify in court at the expense of the Contractor. The expert witness shall be a locally retained technical expert who shall testify to the accuracy, calibration, maintenance, repair documentation, technical operation, and equipment effectiveness of the technology and system of inquiry.

The Contractor shall provide the following documentation for each case that goes to court:

a. A digital video for court presentation of the vehicle triggering the violation. The digital video shall show the vehicle prior to crossing the stop line, in the intersection and past the intersection while the light was red. The Contractor shall provide a close-up view of the tag on the vehicle. The Contractor shall provide all
equipment used for presentation.

b. The maintenance logs kept on the camera to show the camera was working properly before and after the violation in question was captured.

c. A diagram of the intersection.

d. Descriptions of various aspects of photo enforcement technology.

These images shall be accessible through a web based system where both the violator and County Police Department personnel can see the images. The Contractor shall perform the first review of a violation to eliminate violations that contain technical issues; however, County Police Department will have the final authority to review all violations as stated in Virginia Code 15.2 - 968.1.

Payment Processing and Collection Issues

The Contractor shall conduct weekly internal reviews to:

a. Reconcile the number of notices selected by the System or the County Project Officer with the actual physical count of notices mailed.

b. Sample a sufficient number of records prior to actual notice production to assure that accurate dates, notice data and values shall be generated.

c. Sample the actual notices after their printing to guarantee complete information and correct quantities.

d. Verify the notice selection and printing quality.

e. Monitor the envelope stuffing and delivery operations.

Payments processed via lockbox

a) The depository bank must be a Virginia Qualified Public Depository as stated in the Security for Public Deposits Act in Chapter 23 of Title 2.2 in the Code of Virginia.

b) The bank account must be in the name of the Arlington County Treasurer’s Office.

c) Arlington County Treasurer’s Office must have the ability to ACH debit the depository account on a daily basis.

The Contractor agrees to the following:

- NTS will assume liability for credit card information acquired through manual processing.
• Contractor must deposit all funds received on a gross basis and present a bill for all service charges and deductions.

• Contractor shall follow-up with card processors on credit/debit card disputes.

• Contractor shall reconcile the payments received monthly and make copies of the reconciliations available to the County Treasurer’s Office, via hard copy, web site, or e-mailed PDF.

• Once a bank has been agreed upon by the Contractor and County Treasurer’s Office, it cannot be changed except by a written consent of both parties.

• Depository bank accounts shall have the name Arlington County Treasurer and shall use the County’s FIN number.

• Contractor is responsible for the Virginia or applicable state’s escrow or unclaimed property law compliance for any credit balances.

• Any changes to the processing fees charged to the violators for payment transactions must be approved in writing by the County Police Department, after consultation with the County Treasurer’s Office.

The Contractor shall provide a secure, internet-based website viewing capability of the violations to the members of the public who receive mailed citations and in support of Police and Court operations.

Record Keeping

The Contractor shall follow formal record retention schedules as set forth in sections 42.1-79 of the Code of Virginia. This section refers to the Library of Virginia section 63-17, series number 100791 which states that the collection of photographic evidence of traffic violations, including automatic cameras at intersections, shall be retained for one (1) year after creation and then can be destroyed.

The Contractor must prepare logs which show the operational status of each camera at all times. These logs shall be maintained by the Contractor and supplied to the County, upon request.

The Contractor shall ensure that records are maintained in a secure storage facility which is only accessible by authorized personnel of the Contractor.

The Contractor shall maintain all supporting records until all appeals have expired, or one (1) year, whichever is greater.

Database records shall be maintained and accessible through on-line inquiry for a minimum of one (1) year from the date of the violation. After that time, the records may be archived.
Records of voided and destroyed images shall be retained by the Contractor for a period of one (1) year from the date of the violation.

Copies of all business and financial records related to the performance of this contract shall be provided to the Commander of the County Police Special Operations Section, or their designee, upon request.

The Contractor shall make all information collected and statistical data related to the program available for review by the Commander of the County Police Special Operations Section, or their designee.

**Equipment Maintenance and Warranties**

The servicing and maintenance of red light camera enforcement equipment shall be the exclusive responsibility of the Contractor. Initial response to any equipment malfunctions shall normally occur within a 24-hour period; repairs shall be accomplished within a 72-hour period. If the equipment is non-functional beyond this 72-hour period, liquidated damages will be assessed - see “Liquidated Damages” section below.

The Contractor shall provide to the County all relevant specifications, manuals and materials and warranties relating to the capabilities, operation and warranty of the equipment.

Notwithstanding the provisions of any manufacturer's warranty, the Contractor shall warrant that any equipment provided shall be fit for its intended purposes.

New Equipment: - If, within the applicable warranty period, the work or equipment is found to be defective or not in accordance with the contract documents, the Contractor shall promptly, after its receipt of written notice from the County, remedy the defective work or equipment. Failure to remedy this situation will result in assessment of liquidated damages - see “Liquidated Damages” section below.

Contractor shall not start charging the applicable fees until the System is fully operational and a 30 day warning period is completed.

**Training**

The Contractor shall train County staff at the site identified by the County in the operation of the System as it relates to their role in the violation monitoring/enforcement process. For the training the Contractor shall furnish all slide and overhead projectors, LCD panels, VCRs, monitors, and screens to ensure that all audiovisual materials are professionally presented, at no cost to the County. The Contractor shall provide qualified instructors and all materials to conduct training on the System.

Training shall be conducted at the County Police headquarters within, at a minimum, the following levels:

1. Eight (8) one-half-hour sessions, for routine roll call
sessions and any administrative gatherings, to ensure that all police staff is aware of the program and technology. This training shall be conducted annually to ensure all new employees are trained. The training shall be conducted during a month mutually agreeable to all shifts.

2. One-hour sessions for the employees who shall certify the violations, on an as-needed basis, as determined by the County.

3. Four-hour sessions for officers who will testify in court, on an as-needed basis, as determined by the County.

The Contractor shall furnish three (3) reference manuals to assist those working with the System and to troubleshoot any problems. Reference manuals shall be updated by the Contractor within fifteen (15) days of any enhancement to the System.

The Contractor shall provide up to five (5) training sessions per year for those outside the County Police Department, such as other senior County management staff, court personnel, and civic groups within Arlington County.

System Evaluation

The Contractor shall provide monthly customized reports on the data collected, including but not limited to:

1. Number of violations, in total and by location.
2. Number of identifiable images.
3. The number of violators sorted by locality in which the vehicle is registered.
4. Number of, and reasons for, voided summonses.
5. Equipment downtime.
7. Number of valid summonses and the number mailed.
8. Number of customer service calls.
9. Description of all equipment failure.
10. Number of days elapsed between the violation date and the date the citation is mailed to the registered owner.
11. Number of notices mailed after the initial summons was mailed.

All data generated by the System and the Contractor shall become the property of the County. All reports generated by the Contractor shall be forwarded to the Commander of the Special Operations Section of the County Police Department.

Public Information and Education Program

The Contractor shall develop a communications strategy manual to assist the County in publicizing the System and the rationale for its use. The Contractor shall provide a draft of the manual for the County’s review and approval prior to printing. The Contractor shall provide the
County two hundred and fifty (250) copies of the approved manual for County distribution. The manual shall include:

1. Timeline
2. Schedule of events and appearances
3. Lists of organizations and groups
4. Questions and answers for project personnel
5. Proposed community education strategy

The Contractor shall submit to the County, at no additional cost, in preparing a media packet for a press conference to re-announce the program to be completed by August 15th of each year. The packet shall include:

1. News release
2. Overview of the County's photo enforcement program
3. Project "fact" sheet
4. Project question and answer sheet
5. Photo enforcement "facts vs. myths" handout
6. Map showing high accident intersections
7. Background on similar successful photo enforcement projects elsewhere
8. Explanation of red light camera technology
9. Explanation of how the program shall be administered
10. Spokesperson contact sheet

The Contractor shall provide presentation materials and training to County staff or residents who will be asked to speak to community organizations about the photo red light monitoring program, as well as assisting County personnel in updating the County Police Department Web site with a description of the program.

The Contractor shall establish pages on their Web site describing the photo red light program. These pages shall be maintained by the Contractor.

Subject to approval of the County, the Contractor shall provide up to one thousand (1,000) informational flyers and fifty (50) signs for display at our rental agencies located within the County, at the Chamber of Commerce, and the Convention and Visitors Bureau. This is to be provided yearly with a completion date of August 15th of each year.

**Telephone Hotline**

The Contractor shall maintain a telephone "hotline" to receive calls for information about the System or photo red light enforcement. The hotline and services related to the hotline, shall be provided at no additional charge to the County.

This hotline shall be staffed at a minimum from 8:30 a.m. to 5:00 p.m. Monday through Friday, except County holidays. At other times a recording shall provide the caller with pre-selected information, along with a voicemail option.
The hotline shall have an 800 number.

The Contractor shall ensure that their staff that answers the hotline is knowledgeable about the System and is supported by reference manuals and other necessary documentation.

The Contractor shall perform internal reviews as needed to ensure that hotline staff provides information in a courteous and helpful manner. Results of these reviews shall be provided to the Commander of the Special Operations Section of the County Police Department, upon request.

The Contractor shall provide results and key statistical measures regarding the hotline to the Commander of the Special Operations Section of the County Police Department on a monthly basis.

The Contractor shall provide an automatic tracking system which records any phone activity on the summons record. This information shall be made available to the Commander of the Special Operations Section of the County Police Department, upon request.

**Installation Timetable**

Upon contract award, the Contractor shall immediately begin:

Preparation of site surveys and engineering drawings for those locations where camera systems shall be installed. This shall include:

a. An analysis of the ideal optical geometry of the Camera system and roadway site.

b. A determination of the ensuing effect of underground and overhead obstructions.

c. An analysis of electrical power requirements.

d. An analysis of mechanical requirements with attention to the potential use of existing roadside infrastructure.

e. Lane closure and traffic control requirements during installation.

Preparing a drawing detailing each field installation and providing it to the County Department of Environmental Services (DES).

Obtaining necessary permits from the County and Commonwealth of Virginia to construct the bases, poles, and cabinets at the County selected intersections.

Coordination with all utility companies that may have facilities located within the public right-of-way.
Procurement of the necessary software and hardware to support the program.

Meet with staff from the County and Clerk of the General District Court to resolve details on how the System shall be implemented.

The System shall be capable of capturing red light violations at one (1) intersection, at a minimum, and issuing related summonses within eight (8) weeks of contract implementation.

**Liquidated Damages**

The County and the Contractor agree that damages for failure to complete the work in accordance with the contract requirements are not susceptible to exact determination but that the following amounts are in proportion to the actual loss that the County would suffer from such failure:

A. Failure to transfer all of the vehicle data from the Contractor to the County’s designated office area for NLETS processing on each normal business day will result in a $250 liquidated damage assessment per day.

B. Failure to deliver all computer files that shall automatically interface with the NLETS vehicle files will result in a $500 liquidated damage assessment per day.

C. Failure to supply the Police Department with appropriate court packages for each defendant that selects a court date will result in a $50 liquidated damage assessment per missing court package.

D. Failure to deliver to the Clerk of the General District Court the summons within ten (10) business days from the mailing date that the copy was sent to the defendant will result in a $10 liquidated damage assessment per summons, per day.

E. The Contractor shall provide digital images complying with the above identified requirements for at least 85% of total violations (excluding exceptions) or liquidated damages will be assessed to compensate for the total violations lost.

F. Failure to repair non-functional equipment within 72-hour period will result in $150 liquidated damages assessment per day.

Therefore, the Contractor shall pay the County on demand the amounts provided above, for each incident that the County determines that work has not been completed in accordance with the listed contract requirement, as damages caused by such delay and not as a penalty. The County shall be entitled to offset liquidated damages against any sums owed by the County to the Contractor under this Contract.
RED LIGHT CAMERA SYSTEM

THIS AGREEMENT (hereinafter "Agreement") is made and entered into this ___ day of March 2008, by and between the City of Falls Church, VA, 300 Park Avenue, Falls Church, VA 22046 (hereinafter "City") and American Traffic Solutions, a corporation with offices at 7581 E Gray Road, Scottsdale, AZ 85260 (hereinafter "Contractor").

AGREEMENT

WITNESSETH: That for and in consideration of the payments and agreements hereinafter mentioned

The Contractor shall provide the equipment, materials, labor and services necessary to furnish, install and maintain a turn-key red-light signal photo enforcement system ("System") for the City as described in Contractor's response to RFP No. 0715-08-RLC. The Contractor shall furnish all of the equipment, labor, services and other support necessary for the provision and maintenance of the System and accomplishing the work, in strict accordance with the requirements of the Statement of Work attached hereto as Attachment A ("Scope of Work") and the Contract Documents, defined below.

Contractor shall provide both the System and a full range of associated support services (violation validation and site selection support, customer service, expert witness testimony, telephone hotline, on-line payment options and violation viewing, community awareness, noticing, violations processing, Department of Motor Vehicle (DMV) interface, payment processing, collections, reporting, field maintenance and repair services, adjudication support, public information and education and training) ("Services") for the fees and charges described in Attachment "B Price Schedule".

1. CONTRACT DOCUMENTS

The term "Contract Documents" comprise the entire Agreement between the City and the Contractor and are made a part hereof as follows

- This Agreement, including Attachments.
- Contractor's proposal dated October 1, 2008, including updates dated November 10, 2008 and January 7, 2009; excluding any and all "Sample Agreements", (hereinafter "Proposal") and
- The City's Request for Proposal No. 0715-08-RLC dated August 1, 2008 including Addenda No.1, No 2 and No 3 (hereinafter "RFP")

The Proposal and the RFP are attached hereto by reference and made a part hereof.

If there are inconsistencies between specific terms and conditions of the Contract Documents, the specific terms and conditions of this Agreement shall govern overall and the Proposal shall take precedence over the RFP.

2. TERM OF AGREEMENT AND RENEWAL OPTIONS

The initial term of this Agreement shall cover the period from date execution by both parties for a three (3) year period.

Page 2 of 25
This Agreement may be renewed upon the same pricing, terms, and conditions at the expiration of its initial term for a maximum of two (1) year renewal periods by mutual written agreement between the parties.

Notice of intent to renew will be given to the Contractor in writing by the City, normally ninety (90) days before the expiration date of the current contract. Failure to give such notice will not constitute a breach of this contract. This notice will not be deemed to commit the City to a contract renewal.

Multiyear contracts may be continued each fiscal year only after funding appropriations and program approval have been granted by the Falls Church City Council. In the event that the Falls Church City Council does not grant necessary funding appropriation/program approval, then the affected multiyear contract becomes null and void effective July 1 of the fiscal year for which such approvals have been denied.

3. PRICING
This is a firm-fixed price agreement. The fee(s) shall remain firm for the term of this Agreement and will include all charges and fees that may be incurred in fulfilling the requirements of this initial contract.

Price reductions may be initiated by Contractor at any time and shall be effective immediately.

4. KEY PERSONNEL
Any Contractor personnel named in the Proposal will remain responsible throughout the period of this Agreement. No diversion or replacement may be made without submission of a resume of the proposed replacement with final approval being granted by the City, which approval shall not be unreasonably withheld.

5. COMPLIANCE WITH LAWS/LICENSE REQUIREMENT
Contractor shall be licensed in accordance with the City’s “Business, Professional, and Occupational Licensing (BPOL) Tax” Ordinance. Wholesale and retail merchants without a business location in the City are exempt from this requirement. Questions concerning the BPOL Tax should be directed to the Office of Commissioner of Revenue, telephone (703) 248-5065.

Contractor shall comply at its own expense with all federal, state and local laws, rules, regulations and orders that are directly or indirectly related to Contractor’s performance under this Agreement including procurement of required permits, certificates, licenses, insurance, approvals and inspections. Contractor shall comply with the Code of Virginia and section §2.2-4300, the Virginia Procurement Act. The City is exempt from the payment of federal excise taxes and the payment of State Sales and Use Tax on all tangible, personal property for its use or consumption. Tax exemption certificates will be furnished upon request.

6. WORK SITE DAMAGES
Any damage to property, whether owned by the City or others, resulting from work performed by the Contractor or Contractor’s subcontractor shall be repaired or replaced to the City’s satisfaction at the Contractor’s expense.
7. PROJECT STAFF
The City will, throughout the term of this Agreement and any renewal term(s), have the right of reasonable rejection and approval of staff or subcontractors assigned to the project by the Contractor. If the City reasonably rejects staff or subcontractors, the Contractor must provide replacement staff or subcontractors satisfactory to the City in a timely manner and at no additional cost to the City. The day-to-day supervision and control of the Contractor’s employees shall be solely the responsibility of the Contractor.

8. INSURANCE
The Contractor shall be responsible for its work and every part thereof, and for all materials, tools, equipment, appliances, and property of any and all description used in connection therewith. The Contractor assumes all risk of direct and indirect damage of or injury to the property or persons used or employed on or in connection with the work contracted for, and all damage or injury to any person or property wherever located, resulting from any action, omission, commission or operation under the contract. The Contractor shall, during the continuance of all work under the contract provide the insurance as detailed in Attachment C “Insurance Specifications”.

9. LIABILITY AND INDEMNITY
All persons furnished by Contractor, including subcontractors, shall be considered solely Contractor’s employees or agents; and Contractor shall be responsible for compliance with all laws, rules, and regulations involving, but not limited to, employment of labor, hours of labor, working conditions, payment of wages and payment of taxes, such as unemployment, social security and other payroll taxes, including applicable contributions from such persons when required by law.

Contractor agrees to indemnify and save the City harmless from any liabilities, claims, or demands (including the costs, expenses on account thereof) that may be made: (1) by any third person for injuries, including death to persons or damage to property, including theft, resulting from Contractor’s negligent or otherwise wrongful acts or omissions, or those of persons furnished by Contractor hereunder; (2) by any third person for injuries, including death to persons or damage to property, caused by any material, if any, supplied by Contractor hereunder in a defective or unreasonably dangerous condition, or (3) under Worker’s Compensation, or similar employer-employee liability acts, against the City by persons provided by Contractor. Contractor agrees to defend the City at the City’s request, against any such liability, claim or demand.

The foregoing indemnification shall apply whether Contractor or the City defends such suit or claims and whether the death, injury or property damage is caused by the sole acts or omissions of Contractor. The City agrees to notify Contractor promptly of any written claims or demands against the City for which Contractor is responsible hereunder.

10. SAFETY
The Contractor shall comply with, and ensure that the Contractor’s personnel and subcontracted personnel comply with, all current applicable local, state and federal policies, regulations and standards relating to safety and health, including, by way of illustration and not limitation, the standards of the Virginia Occupational Safety and Health Administration for the General Industry and for the Construction Industry, the Federal Environmental Protection Agency Standards and the applicable standards of the Virginia Department of Environmental Quality.
The Contractor shall provide, or cause to be provided, all technical expertise, qualified personnel, equipment, tools and material to safely accomplish the work specified to be performed by the Contractor and subcontractor(s).

11. RECORD RETENTION/AUDITS
Contractor shall maintain accurate records of all invoices, amounts billable to and payments made by the City, during the performance of this Agreement and for a period of three (3) years from the completion of this Agreement. Such records shall include but not be limited to: all paid vouchers including those for out-of-pocket expenses; other reimbursement supported by invoices, including Contractor copies of periodic estimates for partial payment; ledgers, cancelled checks; deposit slips; bank statements; journals; contract amendments and change orders; insurance documents; payroll documents; timesheets; memoranda; and correspondence. Such records shall be available to the City on demand and without advance notice during the Contractor’s normal working hours.

City personnel or designee may perform in-progress and post-audits of Contractor’s records.

12. HOLD HARMLESS
During the term of this Agreement, including any warranty period, Contractor shall indemnify, defend, and hold harmless the City, its officials, agents and employees, from all damages, suits, actions, liabilities, claims and costs of any kind, brought on account of any personal injuries, damages, or violation of rights, sustained by any person or property, or from any claims or amounts to the extent arising from violations of any law, bylaw, ordinance, regulation or decree, provided that such liability is not attributable to the negligence of the City or failure of the City to use the materials, goods or equipment in the manner already, clearly and permanently described on the materials, goods or equipment delivered.

13. PATENTS AND ROYALTIES
The Contractor covenants to save, defend, hold harmless, and indemnify the City, and all of its officers, officials, departments, agencies, agents, and employees (collectively the “City”) from and against any and all claims, losses, damages, injuries, fines, penalties, costs (including court costs and attorney’s fees), charges, liability, or exposure, however caused, for or on account of any trademark, copyright, patented or unpatented invention, process, or article manufactured or used in the performance of this Contract, including its use by the City. If the Contractor uses any design, device, or materials covered by letters patent or copyright, it is mutually agreed and understood, without exception, that the Contract price includes all royalties or costs arising from the use of such design, device, or materials in any way involved with the work.

14. PROCEDURES
The extent and character of the services to be performed by Contractor shall be subject to the general control and approval of the City’s Project Manager or his/her authorized representative(s).

15. BANKRUPTCY
If Contractor should be adjudged bankrupt, or make a general assignment for the benefit of its creditors, or if a receiver should be appointed on account of the Contractor’s insolvency,
or if the Contractor should persistently or repeatedly refuse or should fail, except in cases for which extension of time is provided, to deliver the goods or services within the time specified, or if Contractor otherwise defaults, then the City may without prejudice to any other right or remedy, and after giving the Contractor seven (7) calendar days written notice, terminate this Agreement Contractor and procure such goods or services from other sources. In such event, Contractor shall be liable to the City for any additional cost occasioned by such failure or other default.

In such cases, Contractor shall not be entitled to receive any further payment if the expense of finishing the contract requirements, including compensation for additional managerial and administrative services shall exceed the unpaid balance of the contract price, the Contractor shall pay the difference to the City.

16. TIME OF THE ESSENCE

Time is of the essence in respect to all provisions of this Agreement that specify a time for performance; provided, however, that the foregoing shall not be construed to limit or deprive a party of the benefits of any grace or use period allowed in this Agreement.

17. PURCHASE ORDERS

Equipment shall not be provided or Services performed without receipt of Contractor’s insurance certificate and issuance of a Purchase order by the City.

Any Purchase Order issued by the City which references this Agreement, shall be deemed to be placed under and incorporate the terms and conditions of this Agreement as well as any supplemental terms and conditions agreed to by the parties in writing. However, the City’s failure to specifically incorporate, identify or reference this Agreement on any Purchase Order shall in no manner affect the applicability of these terms and conditions.

The City may, upon written notice to Contractor, at any time prior to product shipment or performance or work, cancel any or all Purchase Orders, or portions thereof, placed by the City hereunder, except with respect to goods which have already been delivered and accepted or services which have already been completed and accepted. The City’s liability to Contractor with respect to such canceled Purchase Order(s) shall be limited to Contractor’s purchase price of all components which are not usable in Contractor’s other operations or marketable to Contractors other customers or documented prorated costs for services completed and specifically related to completion such Purchase Order(s). Termination charges shall not be applicable to cancellation resulting from Contractor’s default.

The City assumes no liability for any goods or services provided in excess of the amount or scope specified in a Purchase Order.

18. USE OF INFORMATION

Any specifications, drawings, sketches, models, samples, tools, computer or other apparatus programs, technical or business information or data, written, oral or otherwise (all hereinafter designated “Information”) which the City furnished, or shall furnish, to Contractor under this Agreement or in contemplation of this Agreement shall remain the City’s. All copies of such Information in written, graphic or other tangible form shall be returned to the City upon request. Unless such Information was previously known to Contractor free of any obligation to keep it confidential, or has been or is subsequently made public by the City or a
third party, it shall be kept confidential by Contractor, shall be used only in performing under this Agreement, and may not be used for other purposes except upon such terms as may be agreed upon in writing by the City.

19. CONTRACTOR’S INFORMATION
Except as mutually agreed upon in writing and in advance of such information being provided by Contractor, no specifications, drawings, sketches, models, samples, tools, computer or other apparatus programs, technical or business information or data, written, oral or otherwise, furnished by Contractor to the City under this Agreement shall be considered by Contractor to be confidential or proprietary unless clearly and specifically marked as such.

20. DATA SOURCES
The City will provide the Contractor all available data possessed by the City that relates to this Agreement. However, the Contractor is responsible for all costs for acquiring other data or processing, analyzing or evaluating City data.

21. SAFEGUARDS OF INFORMATION
The Contractor may not sell or give to any individual or organization any information, reports, or other materials given to, prepared or assembled by the Contractor under this Agreement.

22. ACCESS TO AND INSPECTION OF WORK
The City will at all times, have access to the work being performed under this Agreement wherever it may be in progress or preparation.

23. CHANGES
The City may, at any time, by written order, require changes in the services to be performed by the Contractor. If such changes cause an increase or decrease in the Contractor's cost of, or time required for, performance of any services under this contract, an equitable adjustment shall be made and the contract shall be modified in writing accordingly. The City Purchasing Manager must approve all work that is beyond the scope of this Request for Proposal. Actual projects/tasks will be ordered in writing by the City, unless for an emergency situation, the contractor may not begin work on projects until such time as a written authorization and approval of the funding for the project is made.

No services for which an additional cost or fee will be charged by the Contractor shall be furnished without the prior written authorization of the City Purchasing Manager.

24. CHOICE OF LAW
This Agreement is made, entered into, and shall be performed in the City of Falls Church, Virginia, unless otherwise specified, and shall be governed by the applicable laws of the Commonwealth of Virginia. Any dispute arising out of this Agreement, its interpretations or its performance shall be litigated only in either the General District Court or in the Circuit Court of the County of Arlington, Virginia.
25. PROJECT AUDITS

a. The Contractor shall maintain books, records and documents of all costs and data in support of the services provided. The City or its authorized representative shall have the right to audit the books, records and documents of the contractor related to this project under the following conditions:

1) If the contract is terminated for any reason in accordance with the provisions of these contract documents in order to arrive at equitable termination costs;
2) In the event of a disagreement between the contractor and the City on the amount due the Contractor under the terms of this contract;
3) To check or substantiate any amounts invoiced or paid which are required to reflect the costs of services, or the Contractor's efficiency or effectiveness under this contract; and,
4) If it becomes necessary to determine the City's rights and the contractor's obligations under the contract or to ascertain facts relative to any claim against the Contractor that may result in a charge against the City.

b. These provisions for an audit shall give the City unlimited access during normal working hours to the Contractor's books and records related to this project under the conditions stated above.

c. Unless otherwise provided by applicable statute, the contractor, from the effective date of final payment or termination hereunder, shall preserve and make available to City for a period of three (3) years thereafter, at all reasonable times at the office of the Contractor but without direct charge to the City, all its books, records documents and other evidence bearing on the costs and expenses of the services relating to the work hereunder.

d. The City's right to audit and the preservation of records shall terminate at the end of three (3) years as stated herein. The Contractor shall include this "Right of Audit and Preservation of Records" clause in all subcontracts issued by it and they shall require same to be inserted by all lower tier subcontractors in their subcontract, for any portion of the work.

e. Should the Contractor fail to include this clause in any such contract or lower tier contract, or otherwise fail to insure the City's rights hereunder, the Contractor shall be liable to the City for all reasonable costs, expenses and attorney's fees which the City may have to incur in order to obtain an audit or inspection of or the restoration of records which would have otherwise been available to the City from said persons under this clause. Such audit may be conducted by the City or its authorized representative.

26. REPORTS

The Contractor(s) must submit status reports as requested appropriate to the tasks and projects that are developed under this contract in a form, format and frequency satisfactory to the City.

27. INVOICING AND PAYMENT

Payment shall be made after satisfactory performance of the contract, in accordance with all of the provisions thereof, and upon receipt of a properly completed invoice, such statement
to include a detailed breakdown of all services and compensation therefore, for that period and the City Purchase Order Number. No invoice will be paid which does not reference the City Purchase Order. Conflicting pre-printed provisions on the reverse or front of the Contractor’s form(s) shall be deemed deleted.

Invoices shall be based upon actual services rendered. All such invoices will be paid net thirty (30) days after receipt of an undisputed invoice unless (i) more favorable terms are stated on Contractor’s invoice and the City elects to pay on such terms, or (ii) any items therein are questioned, in which event payment will be withheld pending verification of the amount claimed and the validity of the claim. The Contractor shall provide complete cooperation during any such investigation. Unless otherwise specified, all invoices shall be forwarded to the following address:

City of Falls Church  
Attn: Finance  
300 Park Ave., Suite 300E  
Falls Church, Virginia 22046

Payment by the City of such Invoices does not mean or imply that the goods or services have been accepted and does not impair or limit in any way the City’s full rights and remedies which shall be and remain as set forth hereof.

The City reserves the right to withhold any or all payments or portions thereof for Contractor’s failure to perform in accordance with the provision of the contract or any modifications thereto.

28. PAYMENTS TO SUBCONTRACTORS

Within seven (7) days after receipt of amounts paid by the City for work performed by a subcontractor under this Agreement, the Contractor shall either:

a. Pay the subcontractor for the proportionate share of the total payment received from the City attributable to the work performed by the Subcontractor under this agreement; or

b. Notify the City and subcontractor, in writing, of its intention to withhold all or a part of the subcontractor’s payment and the reason for non-payment.

The Contractor shall pay interest to the subcontractor on all amounts owed that remain unpaid beyond the seven-day period except for amounts withheld as allowed in item b. above.

Unless otherwise provided under the terms of this agreement, interest shall accrue at the rate of one percent (1%) per month

The Contractor shall include this provision in each of its subcontracts requiring each subcontractor to include or otherwise be subject to the same payment and interest requirements with respect to each lower-tier subcontractor.

The Contractor’s obligation to pay an interest charge to a subcontractor pursuant to this provision may not be construed to be an obligation of the City.

29. DELAYS

If delay in agreed upon delivery schedule is foreseen, Contractor shall give thirty (30) days prior written notice to City’s Project Manager setting forth, the reasons for the delay (actual or potential), the steps being taken to remedy the delay, and the earliest possible shipping
date for acceptance by the City. City's receipt of notice shall not constitute approval of the delay or the proposed revised delivery schedule or a waiver of the delivery schedule in the Purchase Order. The City has the right to extend delivery date at its sole discretion. Contractor must keep the City advised at all times of status of the project. Default in promised delivery (without prior approval from City) or failure to meet specifications, authorizes the City to cancel the Purchase Order or purchase supplies, equipment or services elsewhere and charge full increase in cost and handling to defaulting Contractor. Contractor shall be responsible for all damages of any kind incurred or suffered by the City which were caused by a delay of Contractor in meeting delivery schedules including all premium logistics and transit cost resulting from Contractor's inability to meet delivery schedules.

30. DEFAULT

In the event that Contractor fails to deliver goods or complete any part of the services agreed upon herein within the time specified, or in accordance with agreed schedules, or in the event that Contractor shall be in breach or default of any other material term, condition or provision of this Agreement, the City may consider the Contractor to be in default. In the event of default, the City will provide Contractor with written notice of default, and Contractor will be provided twenty (20) calendar days to provide a plan to correct said default to be approved by City. If Contractor fails to cure said default within twenty (20) calendar days, the City, in addition to all other rights and remedies provided hereunder or at law or equity, may procure goods or services through a third party, and Contractor shall be responsible for any costs incurred by the City in completing the work to a capability equal to that specified in the contract. In addition, the City shall have the right to immediately cancel this Agreement, in whole or in part without any liability to Contractor whatsoever, except as to payment for those products or services accepted by the City.

31. WARRANTY

Contractor represents and warrants that all goods will be new, free from defects in material or workmanship and will conform to, comply, function and perform in accordance with the requirements and specifications, and that Contractor will make all necessary adjustments, repairs and replacements to maintain all goods in such condition during the term of the applicable warranty, in accordance with the terms and conditions hereof. Contractor further warrants that each product furnished under this Agreement will perform such general and specific operations and have such general and specific characteristics as described and claimed for them in any of Contractor's published literature, descriptions and specifications whether or not such literature, descriptions and specifications are included in or referenced by a Purchase Order or this Agreement.

Contractor warrants to the City that services provided hereunder shall be expertly performed in a manner which meets or exceeds the highest prevailing standards in the industry, and in accordance with applicable specifications.

All warranties shall survive inspection, acceptance and payment.

32. NON-WAIVER

No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies.
The City’s failure at any time to enforce any of the provisions of this Agreement or any right or remedy available hereunder or at law or equity, or to exercise any option herein provided will in no way be construed to be a waiver of such provisions, rights, remedies or options or in any way to affect the validity of this Agreement. The exercise by the City of any rights, remedies or options provided hereunder or at law or equity shall not preclude or prejudice the exercising thereafter of the same or any other rights, remedies or options.

33. IMMIGRATION REFORM AND CONTROL ACT OF 1986

Contractor certifies that the Contractor shall not during the performance of this Agreement in the Commonwealth of Virginia knowingly employ an unauthorized alien as defined in the federal Immigration Reform and Control Act of 1986.

34. PUBLICITY

As a matter of policy, the City does not endorse the products or services of a contractor. Contractor will (i) to submit to the City’s Purchasing Manager all advertising, sales, and promotional materials, press releases and other publicity materials relating to the goods or services provided under this Agreement wherein the name or marks of the City are included mentioned or contain language from which the connection of said names or marks may be inferred or implied; and (ii) not to publish or use such advertising, sales and promotional materials, press releases, or other publicity materials before receiving the prior written approval from the City.

35. RELATIONSHIP OF PARTIES

Contractor is acting solely as an independent contractor and not as an agent of any other party. Persons furnished by the respective parties shall not be considered employees of the other party for any purpose. Nothing contained in this Agreement is intended to give rise to a partnership or joint venture between the parties.

36. OWNERSHIP OF DELIVERABLE AND RELATED PRODUCTS

The City shall have all rights, title, and interest in or to all specified or unspecified interim and final products, work plans, project reports and/or presentations, data, documentation, and documentation developed or generated during the completion of this project, including, without limitation, unlimited rights to use, duplicate, modify, or disclose any part thereof, in any manner and for any purpose, and the right to permit or prohibit any other person, including the Contractor, from doing so.

Contractor shall be expressly prohibited from receiving additional payments or profit from the items referred to in this paragraph, other than, that which is provided for in the general terms and conditions of this Agreement.

37. DISPUTE RESOLUTION

Arbitration shall not be applicable for the resolution of disputes between City and Contractor. Disputes by the Contractor with respect to this Agreement shall be decided in the first instance by the City’s Purchasing Manager or his/her designee, who shall reduce his/her decision to writing and mail or otherwise furnish a copy thereof to the Contractor. This decision shall be final and binding unless within twenty (20) days from the date of such decision the Contractor mails or otherwise furnishes the Purchasing Manager a written appeal addressed to the City Manager. Decision by the City Manager shall be final and binding unless a timely appeal is made to a Court of competent jurisdiction in accordance
with Section 24 entitled "Choice of Law". Pending a final determination of a property
appealed decision of the Purchasing Manager, the Contractor shall proceed diligently with
the performance of the Agreement in accordance with that decision.

Contractual claims, whether for money or other relief, shall be submitted in writing no later
than sixty days after final payment; however, written notice of the contractor's intention to file
such claim shall have been given at the time of the occurrence or beginning of the work
upon which the claim is based. Nothing herein shall preclude a contract from requiring
submission of an invoice for final payment within a certain time after completion and
acceptance of the work or acceptance of the goods. Pendency of claims shall not delay
payment of amounts agreed due in the final payment.

38. ANTITRUST
Contractor conveys, sells, assigns and transfers to the City all rights, title and interest in and
to all causes of action it may now have or hereafter acquire under the antitrust laws of the
United States and the Commonwealth of Virginia, relating to the particular goods or services
purchased or acquired by the City under this Agreement.

39. USE OF CONTRACT BY OTHER POLITICAL JURISDICTIONS
In accordance with the Proposal, this Agreement may be extended, with the authorization of
the Contractor, to other public bodies, or public agencies or institutions of the United States
to permit their use of the contract at the same prices and/or discounts and terms and
conditions of this agreement.

40. TERMINATION
Subject to the provisions below, this Agreement may be terminated by the City upon thirty (30)
days written notice; but if any work or service hereunder is in progress, but not completed as of
the date of termination, then this Agreement may be extended upon written approval of the
City until said work or services are completed and accepted.

a. Termination for Convenience
In the event that this Agreement is terminated or canceled upon request and for the
convenience of the City, without the required thirty (30) days advance written notice, then
the City shall negotiate reasonable termination costs, if applicable, not to include
Contractor’s anticipated profit on unperformed services.

b. Termination for Cause
The City may terminate this Agreement for cause on the part of the Contractor at any
time if Contractor has failed to cure any default in accordance with Paragraph 39 entitled
"Default". Termination by the City for cause on the part of the Contractor shall be
excluded from the foregoing provision (a) hereinafore; termination cost, if any, shall not
apply. The thirty (30) days advance notice requirement is waived in the event of
Termination for Cause. In addition, the City may procure elsewhere products or services
which are similar to those terminated, and on such terms as City may deem appropriate,
and Contractor shall be liable for excess re-procurement costs or the City may deduct
such costs from any moneys now due or hereafter accruing to Contractor from the City.
This remedy shall be in addition to any other remedies which the City may have in law or
in equity.
In the event any Termination for Cause is found to be improper or invalid by any court of competent jurisdiction, then such termination shall be deemed to have been a Termination for Convenience.

c. **Termination Due to Unavailability of Funds in Succeeding Fiscal Years**

Multiyear contracts may be continued each fiscal year only after funding appropriations and program approval have been granted by the Falls Church, City Council. If funds are not appropriated or otherwise made available to support continuation of the performance of this Agreement in a subsequent fiscal year, then this Agreement shall be canceled and the Contractor shall be reimbursed for the reasonable value of any nonrecurring costs incurred but not amortized in the price of the supplies or services delivered under this Agreement, not to include Contractor's anticipated profit on unperformed services.

**41. DOWNTIME, DELAYS AND PERFORMANCE COMPENSATION**

In the event of any delay in the agreed upon System delivery date which cause is not directly and solely attributable to City or other Contractor failure to perform covered under "Force Majeure" section hereunder, the City may elect to receive Immediate compensation in the form of payments ("Performance Compensation Payments"). In such event, City shall assess such payments and Contractor shall make such payments to City. The sole purpose of such Performance Compensation Payment is to provide a mechanism within the context of the ongoing performance of the Agreement under which City would determine and receive compensation, should Contractor fall in its performance, without immediate resort to actions under the Paragraph "b" "Termination for Cause" of the "Termination" section in the Agreement. However, such failures shall be counted in determining the repeated, consistent or cumulative failure of Contractor to meet the performance requirements of this Amendment. City reserves the right and shall have the option to terminate this Agreement, should Contractor at any time fail to meet any performance requirements of this Agreement or any amendment(s) hereeto.

For unapproved delays or excessive system or intersection downtime, as determined by City, Contractor shall pay to City Performance Compensation Payments. Performance Compensation Payment shall be determined as follows:

For each approach that experiences downtime in excess of 36 continuous or cumulative hours per month, Contractor agrees to reimburse city $10 of monthly fee for that approach for each additional four (4) hours of downtime per month.

(Example. 4 lane approach has downtime of 52 hours in month Contractor reimburses City $512: 4 (16/4) x $128 daily fee.)

Outages of City's internet or infrastructure are excluded.

**42. ASSIGNMENT**

This Agreement shall not be assignable by the Contractor in whole or in part without the written consent of the City.

**43. INSPECTION AND ACCEPTANCE**

A. All systems provided and services performed under this Agreement shall be performed to the satisfaction of the City.

B. The City reserves the right to conduct any test/inspection it may deem advisable to assure goods and services conform to the specifications. If goods or services do not conform to requirements, in addition to all other rights and remedies City may have, the
City may reject the goods or services in full or part. Non-conforming goods may be returned or non-conforming services rejected at the City's option for refund, credit or replacement at Contractor's expense. Goods rejected upon receipt remain the property of Contractor. The City's inspection, or lack of inspection, shall not affect any express or implied warranties, nor shall the City waive any rights to return goods which contain latent defects discovered in the testing of the City's products containing such goods. The acceptance of such systems and services by the City shall be a condition precedent to the right of Contractor to receive payment in full for such systems and services.

C. Contractor shall provide written notice of completion of the project to the City indicating that the system is tested, and fully functional in accordance with the requirements (Completion Notice) by the agreed system delivery date as may be extended in writing by the City at its sole option. After the system is installed, the City shall have a period of ninety calendar (90) days within which to use and live test the system for conformity with the Agreement and Contractor's advertised and published specifications (Acceptance Test Period) at no additional cost. During the Acceptance Test Period, if the City notifies Contractor of a non-conformity or defect, Contractor shall correct, at its expense, all deficiencies or non-conformances no later than ten (10) days after such notice. Time used by Contractor to correct nonconformities and for the City or Contractor to retest system defects or non-conformances shall extend the Acceptance Test Period accordingly. All warranties made by Contractor under this Agreement shall commence after the Acceptance Test Period and upon the City's written notice of the acceptance by the City. The City's right to inspect and test during the Acceptance Test Period does not relieve Contractor from its testing, inspection and quality control obligations nor shall it affect the City's rights under warranty.

If Contractor fails to provide the Completion Notice within the by the mutually agreed upon delivery or approved extended delivery date or if the system fails to perform during the Acceptance Test Period and Contractor is unable to correct the defect or non-conformance within five (5) business days, then the City may reject the system. In addition, the City may immediately invoke its rights under the contract to include those in the sections entitled "Delays" and "Termination for Cause". Such rights include but are not limited to a (a) refund of any and all monies paid to Contractor for the system and (b) the City's right to purchase supplies, equipment, or services elsewhere and charge the full increase in cost and handling to Contractor.

Nothing in this section affects or limits any of the City's right or remedies available under the agreement.

44. OWNERSHIP OF PRODUCTS

All work under this Agreement, compilation of notes, work sheets, and any and all interim and final products and materials shall be the sole property of the City. Contractor shall retain ownership of all system hardware and software.

45. FORCE MAJURE

Neither party shall be liable for any delay or failure to perform its obligations in connection with any action described in this Agreement, if such failure results from any act of God, riot, war, civil unrest, flood, earthquake, acts by the public enemy or other cause beyond such party's reasonable control (including any mechanical, electronic, or communications failure, but excluding failure caused by a party's financial condition or negligence).
46. SURVIVAL

All right, obligations, representations, warranties and covenants hereunder granted or incurred prior to and which by their nature would continue beyond the cancellation, termination, or expiration of this Agreement or any Purchase Order placed hereunder by the City shall survive such cancellation, termination, or expiration.

47. NOTICES

Any notices required or permitted to be given hereunder shall be given in writing and shall be delivered (a) in person, (b) by certified or registered mail, postage prepaid, return receipt requested, or (c) by express mail or a commercial overnight courier that guarantees next day delivery and provides a receipt. Such notices shall be addressed to the respective parties as follows:

<table>
<thead>
<tr>
<th>To Contractor</th>
<th>To City</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name: Greg Parks</td>
<td>Purchasing Manager</td>
</tr>
<tr>
<td>Address: 7881 E. Gray Road</td>
<td>300 Park Ave., Suite 300 East</td>
</tr>
<tr>
<td>City: Scottsdale, AZ 85260</td>
<td>Falls Church, VA 22046</td>
</tr>
<tr>
<td>Phone: (913) 575-2912</td>
<td>(703) 248-5007</td>
</tr>
</tbody>
</table>

Contractor must provide Notices for change in ownership, change in name of firm, or change in mailing address to City within thirty (30) days of such change. Notices for change in ownership must include the names of all new owners or officers, registered agent for service of process and state of incorporation or organization.

48. NON-WAIVER

No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies.

The City's failure at any time to enforce any of the provisions of this Agreement or any right or remedy available hereunder or at law or equity, or to exercise any option herein provided will in no way be construed to be a waiver of such provisions, rights, remedies or options or in any way to affect the validity of this Agreement. The exercise by the City of any rights, remedies or options provided hereunder or at law or equity shall not preclude or prejudice the exercising thereafter of the same or other rights, remedies or options.

49. DRUG-FREE WORKPLACE TO BE MAINTAINED BY CONTRACTOR

During the performance of this Agreement, the Contractor agrees to: (i) provide a drug-free workplace for Contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employment placed by or on behalf of the contractor that the contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over $10,000, so that the provisions will be binding upon each subcontractor or vendor.
For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to a contractor in accordance with the Falls Church Purchasing Policy, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

50. PROVISIONS REQUIRED BY LAW DEEMED INSERTED

Each and every provision of laws and clauses required by law to be inserted in this Agreement shall be deemed to be inserted and incorporated by reference. This Agreement shall be read and enforced as though the required provisions are included and if through mistake or otherwise, any such provision is not inserted or not correctly inserted, then upon the application of either party, this Agreement may be amended to make such insertion.

51. ENTIRE AGREEMENT

This Agreement and all other appendices, exhibits, and schedules attached or referred to in this Agreement constitute(s) the final, complete, and exclusive statement of the terms of the agreement between the parties pertaining to the subject matter of this Agreement and supersede all prior and contemporaneous understandings or agreements of the parties. This Agreement may not be contradicted by evidence of any prior or contemporaneous statements or agreements.

This Agreement shall not be modified or amended except by a writing signed by authorized representatives of both parties.

This Agreement shall be binding upon all parties hereto and their respective heirs, executors, administrators, successors, and assigns.
IN WITNESS WHEREOF, the parties hereto have executed, or caused to be executed by their duly authorized officials, this Agreement in two copies, each of which shall be deemed an original on the date first above written.

THE CITY OF FALLS CHURCH

(Signature)

Wvall Shields

(Printed Name)

City Manager

(Title)

5-13-09

(Date)

AMERICAN TRAFFIC SOLUTIONS, INC.

(Signature)

Adam Tuton

(Printed Name)

Executive Vice President/CEO

(Title)

5/15/09

(Date)

I, the undersigned, on behalf of the City of Falls Church, hereby verify that the contents of the above Agreement have been reviewed and approved.

John Foster, City Attorney

Page 17 of 25
ATTACHMENT B

PRICE SCHEDULE

The pricing covers fixed and variable costs of the system installation, maintenance and operation. As stated in the pricing notes below, the flat monthly fee includes all the costs associated with payment processing (lockbox payment processing fees and online payment processing fees).

<table>
<thead>
<tr>
<th>Description</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly all inclusive fee per camera approach per month (with up to 4 lanes)</td>
<td>Approach with 2 enforced lanes: $3,550</td>
</tr>
<tr>
<td></td>
<td>Approach with 3 enforced lanes: $3,700</td>
</tr>
<tr>
<td></td>
<td>Approach with 4 enforced lanes: $3,850</td>
</tr>
</tbody>
</table>
NOTICE OF SOLE SOURCE AWARD
In accordance with the Virginia Public Procurement Act 2.2-4300

SUBJECT: Red Light Camera System

CONTRACTOR: American Traffic Solutions, Inc. (ATS)
This procurement is being processed as a Sole Source by the City of Falls Church, Virginia (City), based on this written determination that only one source is practicably available at this time to provide a red light camera system meeting the requirements of the City.

- ATS currently provides the equipment, materials, labor and services to furnish a red light signal photo enforcement system for the City. The system has been in place and operational at two (2) intersections in the City since December 2012 under the City's Contract No. 0714-08-RLC which at the time was competitively procured. Since program inception, approximately 13,000 red light violations that would have otherwise gone undetected were recorded and cited by the photo enforcement equipment. In addition, and in compliance with statutory requirements, video evidence of red light-running captured by the camera system has been successfully utilized to determine liability in vehicular collisions at enforced intersections. The red light camera system has also resulted in an increase in the rate of payment compliance as well as a reduction in the number of violations at target intersections over the life of the program.

- The City intends to expand the red light camera system to include additional intersections for enforcement. In the interest of facilitating program expansion, ATS has committed in writing to extend their current pricing schedule through May 2018, allowing the City to install and operate new equipment at prices established in 2009. However, since the establishment of the current contract, there now remains only one other vendor offering a substantially similar product that meets the legal requirements for operation in Virginia and that vendor has been debarred from conducting business by another municipality. That vendor has also been disqualified from participation in City procurements by opinion of the City Attorney. Extension of the current contract on a sole source basis would enable the City to both expeditiously and economically expand its red light camera system.

Under Sole Source provisions, the City will extend its contract with American Traffic Solutions, Inc. to provide red light camera system equipment and services as specified by the City in its current contract. The extension shall be for an amount not-to-exceed $42,500 per year and the term shall be for a period of four (4) years structured as a two (2) year initial term and two (2) one-year renewal options.

APPROVED:

By: George R. Armstrong CPPO, CPPB
Purchasing Agent

Date: January 24, 2014

The City of Falls Church is committed to the letter and spirit of the Americans with Disabilities Act.
This document will be made available in alternate format upon request. Call 703 248-5007 (TTY 711).
RED LIGHT CAMERA SYSTEM  
Amendment No. 4

This Amendment No. 4 ("Amendment") to the Red Light Camera System Contract No. 0715-08-RLC ("Contract") by and between the City of Falls Church ("City"), with offices at 300 Park Avenue, Falls Church, Virginia 22046 and American Traffic Solutions, Inc. ("Contractor"), with offices at 1330 West Southern Avenue, Tempe, Arizona 85282, is made and effective the 5th day of January 2014.

WHEREAS, the Contractor is presently providing a Red Light Camera System and Services to the City under the contract dated May 15, 2009 as amended ("Contract");

NOW THEREFORE, in consideration of mutual benefits, the parties agree to modify the Contract as follows:

The Contract is hereby extended four (4) years from the expiration date of the current term, May 14, 2014, at existing pricing, terms and conditions in accordance with the Contract and ATS correspondence, "RE: Commitment to keep current pricing firm through May 2018," dated October 17, 2013. The extension shall be structured as an initial term of two (2) years with two (2) one-year renewal options.

All other terms and conditions of the Contract shall remain unchanged and in full force and effect.

ACCEPTED AND AGREED by the parties and executed by their duly authorized officials. This Contract may be executed in any number of counterparts, including facsimile counterparts or electronic PDFs, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

THE CITY OF FALLS CHURCH  
Mr. Wyatt Shields  
City Manager  
(Date)  
1-30-14

AMERICAN TRAFFIC SOLUTIONS, INC.  
Mr. Adam E. Tuton  
FVP/President SLGS  
(Date)  
1-30-14