

**AGREEMENT FOR PROCESSING
OF PARKING CITATIONS**

This Agreement is entered into by and between Turbo Data Systems, Inc. (TDS), a California Corporation, and the City of Manhattan Beach, (hereinafter "Customer").

Whereas, TDS and the Customer desire to enter into an agreement whereby TDS will process parking citations for the Customer pursuant to the terms and conditions set forth herein.

In consideration of the mutual covenants, conditions, representations and warranties contained herein the parties hereby agree as follows:

1. **PURPOSE.** The purpose of this Agreement is for TDS to process parking citations for the Customer in a timely manner.

2. **SCOPE OF SERVICES.** When and as directed by the Customer, TDS shall perform the following services in processing all parking citations:

See Exhibit "B" - Scope of Services

3. **TERM.** This agreement shall become effective for a period of three years, starting May 1, 2016, with three optional one year extensions, for a total of six years.

4. **CONSIDERATION.** In consideration for services performed by TDS as provided in this agreement, Customer shall pay TDS pursuant to the terms set forth in Exhibit "A" which is attached hereto and incorporated herein by this reference.

5. **PAYMENT OF FEES.** Charges determined on the basis set forth in Exhibit "A" – PRICING shall be billed on a monthly basis in arrears and payment therefore shall be made within fifteen (15) days after submission of each separate invoice.

6. **ACCOUNTING RECORDS.** Records of the citations processed by TDS shall be available for examination by the Customer or its authorized representative(s) at a time reasonably agreeable to the Customer and TDS within one week following a request by the Customer to examine such records.

7. **TIME OF PERFORMANCE.** Time is of the essence, and TDS shall perform the services required by this agreement in an expeditious and timely manner so as not to unreasonably delay the purpose of this agreement as set forth in Sections 1 and 2.

8. **INDEPENDENT CONTRACTOR.** At all times during the term of this agreement, TDS shall be an independent contractor and shall not be an employee of the Customer. The Customer shall have the right to control TDS only insofar as the results of TDS's services rendered pursuant to this agreement; however, Customer shall not have the right to control the means by which TDS accomplishes the services rendered pursuant to this agreement.

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9. FACILITIES AND EQUIPMENT. TDS shall, at its own cost and expense, provide all facilities and equipment that may be required for performance of the services required by this agreement.

10. TDS agrees to defend, indemnify, hold free and harmless the Customer, its elected officials, officers, agents and employees, at TDS's sole expense, from and against any and all claims, actions, suits or other legal proceedings brought against the Customer, its elected officials, officers, agents and employees arising out of the performance of TDS, its employees, and/or authorized subcontractors, of the work undertaken pursuant to this Agreement. The defense obligation provided for hereunder shall apply without any advance showing of negligence or wrongdoing by TDS, its employees, and/or authorized subcontractors, but shall be required whenever any claim, action, complaint, or suit asserts as its basis the negligence, errors, omissions or misconduct of TDS, its employees, and/or authorized subcontractors, and/or whenever any claim, action, complaint or suit asserts liability against the Customer, its elected officials, officers, agents and employees based upon the work performed by TDS, its employees, and/or authorized subcontractors under this Agreement, whether or not TDS, its employees, and/or authorized subcontractors are specifically named or otherwise asserted to be liable. Notwithstanding the foregoing, TDS shall not be liable for the defense or indemnification of the Customer for claims, actions, complaints or suits arising out of the sole active negligence or willful misconduct of the Customer. This provision shall supersede and replace all other indemnity provisions contained either in the Customer's specifications or TDS's proposal, which shall be of no force and effect.

11. INDEMNIFICATION BY CUSTOMER. TDS shall use due care in processing work of the Customer. Any errors shall be corrected by TDS at no additional charge to the Customer. TDS shall be entitled to reimbursement from the Customer for any expenses incurred by TDS for the correction of any erroneous information provided by the Customer and TDS shall not be responsible for Customers' losses and expenses resulting from erroneous source materials provided by the Customer. Neither party shall be liable to the other for any indirect or consequential losses or damages resulting from any errors within the scope of this Section 11.

12. FAIR EMPLOYMENT PRACTICES/EQUAL OPPORTUNITY ACTS. In the performance of this agreement, TDS shall comply with all applicable provisions of the California Fair Employment Practices Act (California Labor Code Sections (410 et seq.) and the applicable equal employment provisions of the Civil Rights Act of 1964 (42 U.S.C. 200e 217), whichever is more restrictive.

13. AGENCY. Except as Customer may specify in writing TDS shall have no authority, expressed or implied, to act on behalf of the Customer in any capacity whatsoever as an agent. TDS shall have no authority, expressed or implied, pursuant to this agreement to bind Customer to any obligation whatsoever.

14. CHANGES IN LAW. Should there be any changes in the law applicable to the processing of

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parking citations which would require material changes in the method of the processing as contemplated in this agreement, or materially reduce or eliminate the amount of revenue received by the Customer from parking citations, this agreement shall terminate on the date such law becomes effective, provided either party gives sixty (60) days' notice of termination. Any changes in the processing of parking violations as a result of changes in the law or DMV regulations affecting such violations, which do not materially add to the cost of processing such citations by TDS shall be implemented by TDS at the request of the Customer, provided however, that the cost of such implementation does not exceed the fee paid to TDS for performing such services. If any such change results in the cost of processing citations exceeding the amounts provided for in Section 4 and the Customer declines to amend this agreement to provide for the payment of such increased costs, the agreement shall terminate as of the effective date of the change in the law or regulations.

15. OWNERSHIP OF SOFTWARE. Customer acknowledges that the software and software programs developed by TDS and used by the Customer or used for the Customer's benefit are the sole property of TDS and the Customer obtains no right or interest in the software by virtue of this agreement.

16. OWNERSHIP OF DOCUMENTS. All citations, electronic and handwritten; reports; electronic storage media; and other documents, including copies and reproductions assembled or prepared by TDS or TDS' agents, officers, or employees in connection with this Agreement, including any and all copyright interest therein, shall be the property of the Customer and shall be delivered to the Customer upon either the completion or termination of this Agreement. Copies of said documents may not be retained by TDS, and shall not be made available by TDS to any individual or organization without the prior written approval of Customer, except as required by law. TDS or TDS's agents shall execute such documents as may be necessary from time to time to confirm Customer's ownership of the copyright of such documents.

17. FORCE MAJEURE. Neither party shall be responsible for delays or failure in performance resulting from acts beyond the control of such parties. Such acts shall include, but are not limited to, Acts of God, strikes, riots, acts of war, epidemics, fire, communication line failure, earthquakes or other disasters.

18. TERMINATION. This agreement may be terminated by either party upon ninety (90) days written notice. At such time, TDS agrees to provide Customer, in computer readable form, a copy of all data files to service its citations.

19. NOTICE. Whenever it shall be necessary for either party to serve notice on the other respecting this agreement, such notice shall be served by certified mail addressed to:

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TDS: Turbo Data Systems, Inc.
18302 Irvine Blvd, Suite 200
Tustin, CA 92780
Roberta J. Rosen, President

CUSTOMER: City of Manhattan Beach
Finance Department
1400 Highland Avenue
Manhattan Beach, CA 90266

unless and until different addresses may be furnished in writing by either party to the other, and such notice shall be deemed to have been served within seventy-two (72) hours after the same has been deposited in the United States Post Office by certified mail. This shall be valid and sufficient service of notice for all purposes.

20. EXTENT OF AGREEMENT. This agreement represents the entire and integrated agreement between Customer and TDS and supersedes any and all prior negotiations, representations or agreements, either written or oral. This agreement may be amended only by written instrument signed by both Customer and TDS. This agreement may only be assigned with the express written consent of each of the parties hereto. In the event that any provision hereof is deemed to be illegal or unenforceable, such a determination shall not affect the validity or enforceability of the remaining provisions hereof, all of which remain in full force and effect.

21. LITIGATION COSTS. If any legal action or any other proceeding is brought to enforce the terms of this agreement, or because of an alleged dispute, breach, or misrepresentation in the connection with any of the provisions of this agreement, the successful or prevailing party or parties shall be entitled to recover their reasonable attorneys' fees and other costs incurred in that action or proceeding, including the costs of appeal in addition to any other relief to which it or they may be entitled.

22. EMPLOYEE BOND INSURANCE. At all times during the term of this Agreement TDS shall keep in effect a \$250,000 blanket employee fidelity bond and Customer will be a named insured on the policy.

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23. EFFECTIVE DATE OF THIS AGREEMENT. This agreement, made in duplicate, shall be effective from and after May 1, 2016.

Executed on this ___ day of _____, 201__.

CITY OF MANHATTAN BEACH
a California municipal corporation
City Manager

CITY OF MANHATTAN BEACH
a California municipal corporation
Finance Director

SM AS
APPROVED TO FORM

CITY OF MANHATTAN BEACH
a California municipal corporation
City Attorney

Q m Bar

ATTEST
CITY OF MANHATTAN BEACH
a California municipal corporation
City Clerk

TURBO DATA SYSTEMS, INC.

By: *Roberta J. Rosen*

Roberta J. Rosen
President

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EXHIBIT "A" - PRICING

Basic Processing Services	Automated Citations	\$0.40 per citation
	Manual Citations	\$0.40 per citation

Included: TDS entry of citations and citation dispositions (bounced checks, payments, extensions, etc.), database maintenance, daily system backups, DMV interface (r/o retrieval and placing and releasing registration holds), weekly/monthly reporting, toll-free telephone number (for public access), Interactive Voice Response System (IVRS), Customer Service Representatives (8:00 am – 5:00 pm, M-F), customized recorded telephone information, ongoing Client support, correspondence and other documentation, daily pick up of payments and other documents from a TDS provided PO Box, daily payment processing, bank deposits, Internet-based online inquiry access to the Customer's database and documentation and training for successful use of TDS provided online system.
Monthly minimum \$500.

Notice Mailing **\$0.78 per notice mailed**

Out of State Processing **30% of amount collected**
No charge until payment is collected. No charge if payment is made prior to a notice.

Administrative Adjudication - Paperless **\$1.50 per appeal**
\$0.85 per letter sent
Includes online appeals through pticket.com, mailing all administrative review result letters, hearing result letters, scheduling of all hearings and mailing hearing schedule letters to the public. Forms, notices and postage included.

Final Notices **\$0.78 per notice mailed**

DMV Hold Letters (optional) **\$0.78 per notice mailed**

Credit Card Payment Processing **\$3.50 Fee Paid by Violator**
No Charge to City

Special Collections ICS **30% of amount collected**

FTB Interagency Processing **\$2.50 + 15% of amount collected**

Courier Services **\$119 per month (actual cost-pass through)**

Fee Increases:

Postal Rate Increase Offset – Fees will increase immediately to offset the amount of any postal increase.

Fee Increases – May be increased after the first three year term of the contract upon written agreement from both parties.

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EXHIBIT "B" - SCOPE OF SERVICES

PARKING CITATION PROCESSING AND COLLECTION

TDS shall perform the following services in processing all parking citations:

- A. **Basic Processing** – TDS will enter manual citations and citation dispositions into Customer’s database within 2 business days. The basic service includes database maintenance, daily system backups, toll-free phone number for the public, Interactive Voice Response System (IVRS) with customized recorded information and citation lookup capability, pticket.com web-based Inquiry System for the public with customized content, Customer Service Representatives (8:00 am – 5:00 pm, Monday through Friday, excluding holidays) to speak with the public regarding parking citation issues, ongoing Client support, and documentation and training for use of the TDS-provided online system.
- B. **Handheld Ticket writer Interface** - TDS will provide for automated import of electronic citations into Customers database within 1 business day. TDS will maintain and update the hot sheet or scofflaw files on a daily basis for Customer to upload into their handheld ticket writers. TDS will work with Customer to implement any changes required for handheld ticket writer equipment.
- C. **System and Document Storage** - Citations paid or dismissed will be retained on the computer system for 3 years and then removed. Unpaid citations will be retained on the computer system for 5 years and then removed. Citation documents will be stored for 2 years from date of issue and then returned to Customer or shredded. Payment documents will be stored for 2 years from the date of payment and then returned to Customer or shredded.
- D. **Online Reporting** - Provide monthly reports online indicating the status of all citations, such reports to be available for Customer access no later than the thirtieth (30th) day of the following month.
- E. **DMV Interface for Registered Owner Name Retrieval** - Attempt to obtain names and addresses of registered owners of cited vehicles for those citations that have not been cleared prior to their notice generation date.
- F. **Notice Processing** - Print the required Notice and mail to each registered owner whose name has been retrieved within 10 to 21 days after the citation has been issued. Includes second notices mailed for bounced checks, partial payments, and name or address changes. The notice date shall

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be extended whenever there is an unusual delay in delivery of information or citations to TDS. All postage, notice forms and envelopes will be provided by TDS.

- G. DMV Interface for Placing Registration Holds** - Transmit a Notice of Delinquency to the California DMV for vehicles with California license plates after a Notice of Violation has been mailed to the registered owner and TDS has not received notification that the citation has been cleared. This Notice of Delinquency will be transmitted to the California DMV within 2 business days after the date specified by the Customer to be the DMV Date.
- H. DMV Interface for Releasing Registration Holds** - Transmit a Notice to the California DMV that a Notice of Delinquency has been cleared within 2 business days after TDS has received notification of clearance.
- I. DMV Interface for Monthly Payment File** – Receive payment file from DMV as available (currently monthly) and update DMV transactions into Customers database, providing reporting for reconciliation purposes.
- J. Delivery Service** – Courier Service will be provided three times per week.
- K. Collection and Payment Processing** - TDS will provide the following collection and payment processing services for Customer:
- Provide P. O. Box where payments are mailed
 - Courier pickup from P. O. Box daily
 - Open all mail
 - Verify payment amounts and record on computer system within 2 business days (48 hours)
 - Respond to reasonable non-judicial public inquiries by phone mail
 - Return questionable mail to Customer for decision
 - Make bank deposits to Customer bank account
 - Verify amounts deposited, by citation number
 - Provide toll-free number for citizen inquiries
 - Provide weekly reports for bank statement reconciliation
 - Provide monthly Paid Citation Distribution Report
- L. Out of State Citations** - TDS shall process citations for non-California license plates by entering the citation information into the system database and reporting them along with all other citations on the database with the standard reports. Requests for non-California registered owner information will be sent to the appropriate out-of-state DMV using TDS' affiliation with NLETS. The Notice of Intent will be generated to the registered owner and the fine amount requested. TDS will incur all costs for out of state name retrieval, including out-of-state DMV fees and charges. TDS will receive

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payment from Customer based on the amount of revenues collected from out-of-state citations after the Notice of Intent has been issued. This amount will be billed monthly for the prior months' receipts (as determined from our database and/or reports). Payments collected via credit card will also incur credit card fees. Customer must complete NLETS authorization form to participate in NLETS services.

- M. **Pticket.com** – pticket.com will provide a *customized* agency-specific interface for the public to view information about citations, appeal citations, make citation payments and obtain all related information about the citation process. The pticket.com website is owned by TDS and TDS is responsible for all content.
- N. **IVR and Web Payment Systems - Payment by Credit Card** - Through the Interactive Voice Response (IVR) System, and through the pticket.com web site, we accept credit card payments via Visa, MasterCard and Discover. The systems authorize each transaction while the caller is on the phone or online. Customers are given an authorization number or email confirmation to confirm their charge. The IVR system and the pticket.com web payment system both automatically update the citation database with the payment immediately. Credit Card monies are paid to a Turbo Data Systems bank account and are reconciled monthly. Each customer receives their own credit card postlog which shows in detail which citations were paid and for what amount, along with the deposit slip from the bank or the ACH deposit email showing that these funds have been deposited into the customer's account. Should there be any charge backs to a merchant account, the funds are pulled directly from the Turbo Data master account and the citation will be reactivated, much like a bounced check. The violator will be sent a notice and will then proceed to DMV hold. TDS will provide all services regarding reconciliation, reactivation of charge backs, etc. Customer will not be involved in the daily processing.
- O. **Administrative Adjudication Processing** - TDS will provide for the processing of requests for contesting citations, allowing for agency processing of administrative reviews, tracking and monitoring all relevant dates on an automated system, mailing timely notification to respondents regarding the status of their claims, and scheduling of administrative hearings. All Administrative Adjudication information entered into the system is done in real time and is linked to existing database information to ensure proper tracking of relevant dates, mailing names and addresses and other pertinent information. Administrative Review requests will be entered within 2 business days of

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receipt. Adjudication documents will be stored for 2 years from their activity date and then shredded.

- P. **Online Appeals (eAppealsPRO)** – TDS will provide online appeal capability for the public to appeal their citations online. TDS will provide an online application to access the online appeals, which will be searchable and sortable. TDS will keep an electronic history of online processed appeals for at least two years.
- Q. **Online Inquiry Access for Customers' Staff** - Access includes online access 24 hours a day, 7 days a week for Agency personnel to inquire on Customer's database. This access includes citation inquiry (includes citation status, history status, administrative adjudication status, notes, etc.), the ability to enter and view notes, post dismissals/payments, view daily deposits made at TDS' facility and view daily file transfers sent from the handheld ticket writer software and received at TDS' facility. TDS' technical staff will provide support. TDS will provide a real-time secured high-speed connection to the citation database through the Customers' Internet connection.
- R. **Additional Notices**– TDS will mail **Other Correspondence** as required for processing.
- S. **ICS Collection Service – Special Collections** - Outstanding citations (DMV No-Holds or DMV Transfer of Ownership Releases or Non-California plates) and any other citations deemed as delinquent citations by Customer are transferred into the ICS system on a weekly basis. Up to two collection letters will be mailed for each ICS account requesting payment. Delinquent accounts are sent to a credit reporting agency on a weekly basis. Paid accounts are reported to the credit reporting agency weekly. Payments are processed daily and deposited to the Customer's regular citation processing bank account. The TDS Customer Service Center will handle all ICS related calls through a special toll-free number dedicated to ICS accounts. Monthly reporting shows all accounts moved to the ICS system and all payments received due to ICS efforts.
- T. **Franchise Tax Board Offset Program** – TDS will combine citations by license number for total amount due, eliminate corporate names, retrieve SSN's by name from a 3rd party, combine accounts by SSN, mail required FTB letters in advance of placing accounts at FTB, process payments generated by the FTB process, receive phone calls generated by the FTB process, provide all systems and operational procedures required for the FTB process, and provide complete reporting and reconciliation for the FTB process. Customer will be required to complete required FTB paperwork and forms (with TDS' assistance), establish a SWIFT account with the FTB, and provide whatever assistance may be required to work with the FTB regarding the FTB process.