

ORIGINAL
DO NOT REMOVE
FROM FILE

THIS AGREEMENT, made and entered into this 2nd day of February, 2010, is by and between the City of Fort Lauderdale, a Florida municipality, ("City"), whose address is 100 North Andrews Avenue, Fort Lauderdale, FL 33301-1016, and American Traffic Solutions, Inc., a Kansas corporation authorized to transact business in the State of Florida as ATS American Traffic Solutions, Inc., ("Contractor"), whose address and phone are 7681 East Gray Road, Scottsdale, AZ 85260, Phone: 888-776-8475, Fax: 480-596-4501.

WHEREAS, the City issued Request for Proposal Number 385-10113 ("RFP"), and the Contractor submitted a response to the RFP; and

WHEREAS, on February 2, 2010, the City Commission of the City of Fort Lauderdale approved an agreement with Contractor for the goods or services described in the RFP (Pur-03, CAR No. 10-0183),

NOW, THEREFORE, for and in consideration of the mutual promises and covenants set forth herein and other good and valuable consideration, the City and the Contractor covenant and agree as follows:

1. The Contractor agrees to provide to the City an automated camera red light traffic enforcement system in accordance with and in strict compliance with the specifications, terms, conditions, and requirements set forth in the RFP and any and all addenda thereto beginning February 2, 2010, and ending May 1, 2013.

2. This contract form G-111, the Professional Services Agreement dated January 14, 2010, any and all addenda to the RFP, the RFP, the Contractor's Best and Final offer, the Contractor's response to any addendum requiring a response, and the Contractor's proposal in response to the RFP are integral parts of this Contract, and are incorporated herein.

3. In the event of conflict between or among the contract documents, the order of priority shall be as follows:

First, this contract form G-111;
Second, Professional Services Agreement;
Third, any and all addenda to the City's RFP in reverse chronological order;
Fourth, the RFP;
Fifth, the Contractor's Best and Final offer;
Sixth, the Contractor's response to any addendum requiring a response;
Seventh, the Contractor's proposal in response to the RFP.

4. The Company warrants that the goods and services supplied to the City pursuant to this Contract shall at all times fully conform to the specifications set forth in the RFP and be of the highest quality. In the event the City, in the

ORIGINAL
DO NOT REMOVE
FROM FILE

City's sole discretion, determines that any product or service supplied pursuant to this Contract is defective or does not conform to the specifications set forth in the RFP the City reserves the right unilaterally to cancel an order or cancel this Contract upon written notice to the Contractor, and reduce commensurately any amount of money due the Contractor.

5. The City may cancel this Contract upon written notice to the Contractor in the event the Contractor fails to furnish the goods or perform the services as described in the RFP within 30 days following written notice to the Contractor.

6. The Contractor shall not present any invoice to the City that includes sales tax (85-8012514506C-7) or federal excise tax (59-6000319).

7. Contractor shall direct all invoices in duplicate for payment to Finance Department, City of Fort Lauderdale, 100 N. Andrews Avenue, 6th Floor, Fort Lauderdale, FL 33301. Any applicable discount MUST appear on the invoice.

8. Appendix A of the Contractor's response to the RFP is deleted.

9. Any and all references in the Contractor's response to the RFP suggesting that the Contractor's response to the RFP contains confidential information are deleted. Any and all references in the Contractor's response to the RFP suggesting that the Contractor's response to the RFP is subject to copyright protection are deleted.

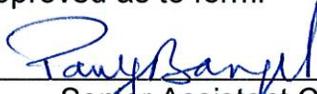
IN WITNESS WHEREOF, the City and the Contractor execute this Contract as follows:

KIRK BUFFINGTON, CPPO, C.P.M., MBA
DIRECTOR OF PROCUREMENT SERVICES

CITY OF FORT LAUDERDALE

By: 
Director of Procurement Services

Approved as to form:


Senior Assistant City Attorney

(Corporate Seal)

ATS American Traffic Solutions, Inc.

ATTEST:

By: *[Signature]*

Print Name: Adam E. Tuton

Title: EVP/COO

ADAM R. DRAIZIN

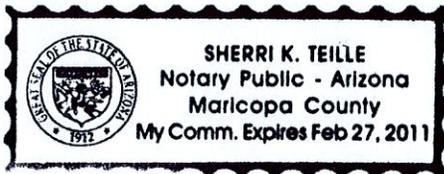
Print Name:

Secretary

STATE OF Arizona :
COUNTY OF Maricopa :

The foregoing instrument was acknowledged before me this 17 day of February, 2010, by Adam Tuton as (title): EVP/COO for ATS American Traffic Solutions, Inc., a Kansas corporation authorized to transact business in the State of Florida as ATS American Traffic Solutions, Inc..

(SEAL)



Sherril K. Teille
Notary Public, State of ~~Florida~~ Arizona
(Signature of Notary Public - State of Arizona)

Sherril K. Teille
(Print, Type, or Stamp Commissioned Name of Notary Public)

Personally Known OR Produced Identification _____

Type of Identification Produced _____

**PROFESSIONAL SERVICES AGREEMENT
"AGREEMENT"**

January 14, 2010

THIS AGREEMENT made this _____ day of _____, 2010, between American Traffic Solutions, Inc., a Kansas corporation authorized to transact business in the State of Florida as ATS American Traffic Solutions, Inc., (herein "ATS"), with its principal place of business at 7681 East Gray Road, Scottsdale, Arizona 85260, and the City of Fort Lauderdale, a Florida municipality, (herein "Customer"), with principal offices at 100 N. Andrews Avenue, #619, Fort Lauderdale, Florida 33301.

WITNESSETH:

WHEREAS, ATS has the exclusive knowledge, possession and ownership of certain equipment, licenses, and processes, referred to collectively as the "Axisis™ System" (herein "Axisis"), and

WHEREAS, Customer desires to use the Axisis™ System to monitor and enforce red light violations, and may, in the future, desire to monitor and enforce traffic speed or other traffic movements and to issue citations for traffic violations; and

WHEREAS, the Customer's City Commission adopted Ordinance C-09-14, which authorizes the Customer's Traffic Safety Camera Program (TSCP) and provides for the implementation and operation of such,

NOW THEREFORE, the parties agree:

1. DEFINITIONS:

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

"Notice of Violation" or **"Citation"** means a citation or notice of violation or equivalent instrument issued by a competent state or municipal law enforcement agent or agency or by a court of competent jurisdiction relating to a violation documented or evidenced by Axisis™.

"Paid Citation" means a situation where the person cited has entered a plea of guilty and paid any portion of the fine and applicable court costs associated with the particular citation.

"Actionable Activation" means an activation of the automated camera's red light traffic enforcement system that is approved by the City of Fort Lauderdale Police Department for infraction issuance.

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

"Traffic Control Signal Monitoring System" or **"Camera System"** or **"System"** means an electronic system that captures recorded images of Motor Vehicles entering an Intersection against a red light Traffic Control Signal, or a photo-traffic monitoring device consisting of one (1) rear camera, strobe, and traffic monitoring device capable of accurately detecting a traffic infraction on up to five (5) contiguous lanes which records such data with one or more images of such vehicle. "Camera System" shall also, where the sense requires, include any enclosure or cabinet and related appurtenances in which the Axisis™ is stationed.

"Traffic Enforcement Officer" means the police officer(s) and/or public safety aide(s) designated by the Chief of Police to review Recorded Images prior to the issuance of a Notice of Violation.

"Recorded Images" means photographic, electronic, digital or video images of a Motor Vehicle, recorded by a Traffic Control Signal Monitoring System and establishing a time sequence of the Motor Vehicle entering the Intersection.

"Intersection" means: (1) The area embraced within the prolongation or connection of the lateral curb lines; or, if none, then the lateral boundary lines of the roadways of two (2) highways that join one another at, or

approximately at, right angles; or, the area within which vehicles traveling upon different highways joining at any other angle may come in conflict. (2) Where a highway includes two (2) roadways thirty (30) feet or more apart, then every crossing of each roadway of such divided highway by an intersecting highway shall be regarded as a separate Intersection. In the event such intersecting highway also includes two (2) roadways thirty (30) feet or more apart, then every crossing of two (2) roadways of such highways shall be regarded as a separate Intersection.

"Motor Vehicle" means any self-propelled vehicle not operated upon rails or guide-way, but not including any bicycle or electric personal assisted mobility device.

"Approach" is defined as one direction of travel of one or more lanes on a road or a traffic intersection up to five (5) contiguous lanes controlled by up to two (2) signal phases.

"Red Light Traffic Control Signal Violation" means an offense whereby a Traffic Control Signal Monitoring System establishes that a Motor Vehicle entered an Intersection controlled by a Traffic Control Signal at a time when the Traffic Control Signal for such vehicle's direction of travel was red.

"VIMS Analysis" is a statistical assessment of violations rates at suspected problem intersections and approaches to determine the need for a red light system.

"Owner" means the person or entity identified by the Florida Department of Motor Vehicle, or other state vehicle registration office, as the registered owner of a vehicle. Such term shall also mean a lessee of a Motor Vehicle pursuant to a lease of six (6) months or more.

"Traffic Control Signal" means any device that shows green, yellow and red lights or colored lighted arrows, successively, one at a time, or in combination, by which traffic is directed to stop and permitted to proceed.

"Unamortized Costs" means the historical cost of a fixed asset less the total depreciation shown against that asset up to a specified date. Unamortized costs for this Agreement may include, but not limited to training, design/engineering, construction, development, equipment.

2. ATS AGREES TO PROVIDE:

The scope of work identified in Exhibit "A, Section 1"

3. CUSTOMER AGREES TO PROVIDE:

The scope of work identified in Exhibit "A, Section 2."

4. TERM AND TERMINATION:

This contract shall be effective on the signature date above.

The term of this Agreement shall be for thirty-nine (39) months beginning on the date of award by Customer's City Commission (the "Start Date") and may be extended for up to three (3) additional one (1) year periods providing both Customer and ATS agree to the extension. However, Customer may terminate this Agreement at the expiration of any term by providing written notice of its intent not to extend the Agreement 120 days prior to the expiration of the current term.

The Contractor's services may be terminated:

- i) By mutual written consent of the parties;
- ii) For cause, by either party where the other party fails in any material way to perform its obligations under this Agreement. Termination under this subsection is subject to the condition that the terminating party notifies the other party of its intent to terminate, stating with reasonable specificity the grounds therefore, and the other party fails to cure the default within thirty (30) days after receiving notice.
- iii) For convenience, by either party in the event that state legislation or a decision by a court of competent jurisdiction that prohibits the deployment of the Traffic Control Signal Monitoring Systems that is the subject of this Agreement. Upon termination of this Agreement, the

parties recognize that Customer will have to process traffic law violations in the "pipeline," and that ATS accordingly must assist Customer in this regard. Accordingly, the parties shall take the following actions, and shall have the following obligations, which survive termination: Customer shall cease using the Camera System, shall return or allow ATS to recover all provided equipment within a reasonable time not to exceed ninety (90) days, and shall not generate further images to be processed. ATS shall provide Customer with any and all revenues owed to Customer accruing prior to the date of termination and ATS shall be entitled to its fees, pursuant to this Agreement, from said accrued revenues provided to Customer.

- iv) For convenience of Customer, as the Customer reserves the right, in its best interest as determined by the Customer, to terminate by giving written notice to ATS thirty (30) days prior to the effective date of such termination. If the Customer elects to terminate the agreement under this subsection, the Customer shall pay termination costs related to wind-down and unamortized costs of system installation, implementation, and equipment depreciation. In a termination pursuant to this section during the first thirty-six months of the Agreement, ATS shall be required to provide complete documentation to support its total investment in each approach, including specific documentation relative to the total cost of each Camera System and related equipment, labor and installation costs and any other costs specific to each approach. The reimbursement shall then be determined by establishing the total cost of each approach, which shall not exceed \$100,000 per camera system, which amount shall be divided by thirty-six (36) months, which shall then be multiplied by the number of whole months remaining in the term of this Agreement. This amount may be in excess of service fees paid.

Example: If there was only one camera and the Agreement terminated in month 30 of the 36 month amortization schedule, the termination fee on that camera would be calculated as follows: $\$100,000 / 36 = \$2,777.78$ times 6 months remaining = \$16,667 due.

Upon termination of this Agreement, either for breach or because it has reached the end of its term, the parties recognize that the Customer will have to process traffic law violations in the "pipeline," and that ATS accordingly must assist the Customer in this regard. Accordingly, the parties shall take the following actions, and shall have the following obligations, which survive termination during the wind-down period: The Customer shall cease using the Axsis™ System, shall return or allow ATS to recover all provided equipment within a reasonable time not to exceed ninety (90) days, and shall not generate further images to be processed. Unless directed by the Customer not to do so, ATS shall continue to process all images taken by the Customer before termination and provide all services associated with processing in accordance with this Agreement, and shall be entitled to all Fees specified in the Agreement as if the Agreement were still in effect.

5. ASSIGNMENT:

ATS shall not transfer or assign this Agreement without prior written consent of the Customer.

6. FEES AND PAYMENT:

Customer shall pay for all equipment, services and maintenance based on the fee schedule indicated in Exhibit A, Schedule 1, ("Fees").

The Customer shall pay all fees due ATS based upon invoices from the preceding month within net forty-five (45) days after the date of satisfactory delivery at the place of acceptance and receipt of correct invoice at the office specified, whichever occurs last. Late payments are subject to interest calculated in accordance with the Florida Local Government Prompt Payment Act, Section 218.70 *et seq.*, Florida Statutes (2009), as may be amended or revised, on unpaid balances.

Unit prices will be fixed for the first thirty-nine (39) months of the first term and thereafter on each anniversary date of the term unit prices will increase by the CPI, according to the average change during the prior 12 months in the Consumer Price Index for All Urban Consumers (CPI-U) for U.S. City average as published by

the Bureau of Labor Statistics, U.S. Department of Labor, except that any such increase shall not exceed five percent (5%).

7. INTERSECTION AND VIOLATION RATE ANALYSIS:

Prior to implementing the Axis System, ATS may conduct an analysis of each Approach being considered for a Camera System. If ATS deems necessary, ATS will use the Axis™ VIMS (Violation Incident Monitoring System) or other tool or means to complete the analysis over a 4 to 24 hour period. The Customer will be provided a report on violations recorded at each monitored approach, including the time of day and lanes on which the violations occurred. For any Approach recommended by the Customer, ATS may install a Camera System. However, ATS may elect not to install a Camera System where traffic violation data does not support installation of the Axis System. Violation count of less than ten (10) during testing may not support installation of the Axis System.

8. COMMUNICATION OF INFORMATION:

ATS agrees that all information obtained by ATS through operation of the Axis System shall be made available to the Customer at any time during ATS's normal working hours, excluding trade secrets as defined by Florida law and other information that is confidential pursuant to Florida law or exempt from disclosure pursuant to Florida law and not reasonably necessary for the prosecution of citations or the fulfillment of Customer's obligation under this Agreement.

9. CONFIDENTIAL INFORMATION:

No information given by ATS to Customer will be of a confidential nature, unless specifically designated in writing as proprietary and confidential by ATS and either confidential pursuant to Florida law or exempt from disclosure pursuant to Florida law. Nothing in this paragraph shall be construed contrary to the terms and provisions of any Florida law governing public records or similar laws, insofar as they may be applicable. ATS shall not use any information acquired by this program with respect to any violations or the Customer's law enforcement activities for any purpose other than the program encompassed by this Agreement.

10. OWNERSHIP OF SYSTEM:

It is understood by the Customer that the System being installed by ATS is, and shall remain, the sole property of ATS, unless separately procured from ATS through a lease or purchase transaction. The System is being provided to Customer only under the terms and for the term of this Agreement.

11. RECORDS AND AUDIT:

ATS shall maintain during the term of the Agreement all books of account, reports and records in accordance with generally accepted accounting practices and standards for records directly related to this Agreement. The form of all records and reports shall be subject to the approval of the Customer's Internal Auditor. ATS agrees to make available to the Customer's Internal Auditor, during normal business hours and in Broward, Miami-Dade or Palm Beach Counties, Florida all books of account, reports and records relating to this Agreement for the duration of the Agreement and retain them for a minimum period of three (3) years beyond the last day of the Agreement term or such other period required by the Florida public records law and Florida public records retention schedules, whichever is longer.

12. INDEMNIFICATION AND INSURANCE:

ATS shall comply with all laws, ordinances and regulations governing the use of photo enforcement systems applicable to this Agreement and shall comply with the maintenance procedures and manufacturer recommendations for operation of the Axis™ equipment which affect this Agreement, and shall indemnify and save harmless the Customer against claims arising from the violations of the maintenance procedures and manufacturer recommendations for operation of the equipment as a result of the negligence, recklessness, or willful or intentional misconduct of ATS, its officers and directors, agents, attorneys, and employees, but excluding any employees or agents of Customer.

ATS agrees to protect, defend, indemnify, and hold harmless the Customer and the Customer's officers, employees, and agents from and against any and all losses, penalties, damages, settlements, fines claims, costs, charges for other expenses, or liabilities of every and any kind including any award of attorney fees and any award of costs in connection with or arising from any negligent, intentional or reckless act or omission by ATS or any of ATS's officers, employees, agents, contractors, or subcontractors in performing the work agreed to or performed by ATS under the terms of this Agreement. Without limiting the foregoing, any and all claims, suits or other actions relating to personal injury, death, damage to property, defects in materials or workmanship, actual or alleged violations of any applicable statute, ordinance, administrative order, rule or decree of any court in connection with or arising from any negligent, intentional or reckless act or omission by ATS shall be included in this indemnity.

ATS shall maintain the following minimum scope and limits of insurance:

- a. Commercial General Liability Insurance including coverage for bodily injury, property damage, premises and operations, products/completed operations, personal and advertising injury, and contractual liability with a combined single limit of \$1,000,000 per occurrence. Such insurance shall name the Customer and the Customer's officers, employees, volunteers and elected officials as additional insured's for liability arising from ATS's operation.
- b. Workers Compensation as required by applicable state law, and Employers' Liability insurance with limits of not less than \$500,000 each accident; ATS shall at all times maintain worker's compensation insurance coverage in the amounts required by law, but shall not be required to provide such coverage for any actual or statutory employee of Customer.
- c. Comprehensive Business Automobile Liability Insurance for all owned, non-owned and hired automobiles and other vehicles used by ATS with a minimum \$1,000,000 per occurrence combined single limit bodily injury and property damage.

ATS shall require any subcontractors doing work under this Agreement to provide and maintain the same insurance, which insurance shall also name the Customer and the Customer's officers, employees, volunteers and elected officials as additional insureds.

Certificates showing ATS is carrying the above described insurance, and evidencing the additional insured status specified above, shall be furnished to the Customer within thirty calendar days after the date on which this Agreement is made. Such certificates shall show that the Customer shall be notified at least thirty (30) days in advance of all cancellations of such insurance policies. ATS shall forthwith obtain substitute insurance in the event of a cancellation.

Inasmuch as the Customer is a body politic and corporate, the laws from which Customer derives its powers, insofar as the same law regulates the objects for which, or manner in which, or the concerns under which, the Customer may enter into this Agreement, shall be controlling and shall be incorporated by reference into this Agreement. The Customer shall be responsible for vehicle insurance coverage on any vehicles driven by Customer employees. Coverage will include liability and collision damage.

ATS will require all of its subcontractors to provide the aforementioned coverage as well as any other coverage that ATS may consider necessary, and any deficiency in the coverage or policy limits of said subcontractors shall be the sole responsibility of ATS.

13. STATE LAW TO APPLY:

This Agreement shall be governed by and construed in accordance with the laws of the State of Florida. The parties waive the privilege of venue and agree that all litigation between them in the state courts shall take place in Broward County, Florida and that all litigation between them in the federal courts shall take place in the Southern District in and for the State of Florida.

14. DISPUTE RESOLUTION:

In the event the parties are unable to resolve any dispute by good-faith negotiation, such dispute may be resolved by litigation only in the state court sitting in Broward County, Florida or the federal court sitting in the Southern District of Florida. The parties agree that jurisdiction and venue are proper in said County.

15. AMENDMENTS TO THE AGREEMENT:

The Customer may from time to time consider it in its best interest to change, modify or extend term, conditions or covenants of this Agreement or require changes in the scope of the Services to be performed by ATS, or request ATS to perform additional services regardless of and without invalidating the process that was used to procure the services enumerated under this Agreement. Any such change, addition, deletion, extension or modification, including any increase or decrease in the amount of ATS's compensation, which are mutually agreed upon by and between the Customer and ATS shall be incorporated in written amendments (herein called "Amendments") to this Agreement that are duly executed by both parties. Such Amendments shall not invalidate the procurement process or this Agreement nor relieve or release ATS or the Customer of any of its obligations under this Agreement unless stated therein.

Deletion or Modification of Services: The Customer reserves the right to delete any portion of this Agreement at any time without cause, and if such right is exercised by the Customer, the total fee shall be reduced in the same ratio as the estimated cost of the work deleted bears to the estimated cost of the work originally planned. If work has already been accomplished on the portion of the Agreement to be deleted, ATS shall be paid for the deleted portion on the basis of the estimated percentage of completion of such portion. If ATS and Customer agree on modifications or revisions to the task elements, after the Customer has approved work to begin on a particular task of project, and a budget has been established for that task or project, ATS will submit a revised budget to the Customer for approval prior to proceeding with the work. Amendments will require written approval from Customer.

16. LEGAL CONSTRUCTION AND REQUIREMENTS:

In case any one or more of the provisions contained in this Agreement shall for any reason, by a court of competent jurisdiction, be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

Applicable provisions of all federal, state, county laws, and local ordinances, rules and regulations, shall govern development, submittal and evaluation of all bids received in response hereto and shall govern any and all claims and disputes which may arise between person(s) submitting a bid response hereto and the Customer by and through its officers, employees and authorized representatives, or any other person, natural or otherwise; and lack of knowledge by any bidder shall not constitute a cognizable defense against the legal effect thereof.

17. NO AGENCY:

ATS is an independent contractor under this Agreement. Personal services provided by ATS shall be by employees of ATS who shall be subject to supervision by ATS, and not as officers, employees, or agents of the Customer. Personnel policies, tax responsibilities, social security, health insurance, employee benefits, purchasing policies and other similar administrative procedures applicable to services rendered under this Agreement shall be those of ATS.

18. FORCE MAJEURE:

The Customer and ATS will be excused from the performance of their respective obligations under this Agreement when and to the extent that their performance is delayed or prevented by any circumstances beyond their control including, fire, flood, explosion, strikes or other labor disputes, act of God or public emergency, war, riot, civil commotion, malicious damage, act or omission of any governmental authority, delay or failure or shortage of any type of transportation, equipment, or service from a public utility needed for their performance, provided that:

- a. the non-performing party gives the other party prompt written notice describing the particulars of the Force Majeure including, but not limited to, the nature of the occurrence and its expected duration, and continues to furnish timely reports with respect thereto during the period of the Force Majeure;
- b. the excuse of performance is of no greater scope and no longer duration than is required by the Force Majeure;
- c. no obligations of either party that arose before the Force Majeure causing the excuse of performance are excused as a result of the Force Majeure; and,
- d. the non-performing party uses its best efforts to remedy its inability to perform.

Notwithstanding the above, performance shall not be excused under this Section for a period in excess of two (2) months, provided that in extenuating circumstances, the Customer may excuse performance for a longer term. Economic hardship of ATS will not constitute Force Majeure. The term of the Agreement shall be extended by a period equal to that during which either party's performance is suspended under this Section.

19. PERMITS, FEES, AND LICENSES:

ATS shall, at its own expense, obtain all necessary permits, pay all licenses, and fees, required to comply with all local ordinances, state and federal laws, rules and regulations applicable to business to be carried out under this Agreement.

20. NON-DISCRIMINATION:

There shall be no discrimination as to race, sex, color, creed, age, disability, marital status or national origin in the operations conducted under this Agreement.

21. SUBCONTRACTORS:

ATS must be capable of performing all the services contained within this Agreement. If ATS uses a sub-contractor in the performance of these services, ATS shall submit complete information on any/all proposed subcontractors. The same qualifications requirements, and all other terms and conditions of the Agreement shall also apply to the subcontractor. The Customer reserves the right to approve or disapprove of any sub-contractor proposed.

ATS shall ensure that all of ATS's subcontractors perform in accordance with the terms and conditions of this Agreement. ATS shall be fully responsible for all of ATS's subcontractors' performance, and liable for any of ATS's subcontractors' non-performance and all of ATS's subcontractors' negligent, intentional or reckless acts and omissions. ATS shall defend, counsel being subject to the Customer's approval or disapproval, and indemnify and hold harmless the Customer and the Customer's officers, employees, and agents from and against any claim, lawsuit, third party action, settlement, or judgment, including any award of attorney fees and any award of costs, by or in favor of any of ATS's subcontractors for payment for work performed for the Customer by any of such subcontractors, and from and against any claim, lawsuit, third party action, settlement, or judgment, including any award of attorney fees and any award of costs, occasioned by or arising out of any negligent, intentional or reckless act or omission by any of Contractor's subcontractors.

22. NOTICES:

Any notice or demand which under the terms of this Agreement or under any statute must or may be given or made by ATS or Customer shall be in writing and shall be given or made by personal service, telegram, first class mail, overnight delivery, or by certified or registered mail to the parties at the following respective addresses:

City of Fort Lauderdale
100 N. Andrews Avenue, # 619
Fort Lauderdale, FL 33301
Attn: Kirk Buffington, Director of Procurement Services

American Traffic Solutions, Inc.
7681 E. Gray Rd
Scottsdale, AZ 85260
Attn: Chief Operating Officer

Exhibit A
ATS SCOPE OF WORK

1. AMERICAN TRAFFIC SOLUTIONS (ATS) SCOPE OF WORK

1.2 ATS IMPLEMENTATION

- 1.2.1 ATS agrees to provide a turnkey solution for Camera Systems to the Customer wherein all reasonably necessary elements required to implement and operate the solution are the responsibility of ATS, except for those items identified in Section 2 titled "Customer Scope of Work". ATS and the Customer understand and agree that new or previously unforeseen requirements may, from time to time, be identified and that the parties shall negotiate in good faith to assign to the proper party the responsibility and cost for such items. In general, if work is to be performed by the Customer, unless otherwise specified, the Customer shall not charge ATS for the cost. All other in-scope work, external to the Customer, is the responsibility of ATS.
- 1.2.2 ATS agrees to make every effort to adhere to the Project Time Line agreed upon between the parties and based on the Best and Final Offer.
- 1.2.3 ATS will assist the Customer with video evaluation of candidate sites using the Axis VIMS system.
- 1.2.4 ATS will install Camera Systems at a number of intersection or grade crossing approaches to be agreed upon between ATS and the Customer after completion of site analyses. In addition to any initial locations, the parties may agree from time to time to add to the quantities and locations where Camera Systems are installed and maintained.
- 1.2.5 ATS will operate each Camera System on a 24-hour basis, barring downtime for maintenance and normal servicing activities.
- 1.2.6 ATS' in-house marketing department will assist the Customer with public information and outreach campaign strategies as detailed in ATS's RFP response.
- 1.2.7 ATS agrees to provide a secure web site (www.violationinfo.com) accessible to citation recipients (defendants) by means of a Notice # and a PIN, which will allow violation image and video viewing.
- 1.2.8 The Customer and ATS will complete the Project Business Process Work Flow design within 30 calendar days of contract signature in accordance and consistent with the Best and Final Offer.
- 1.2.9 ATS normally shall provide technician site visits to each Camera System once per month to perform preventive maintenance checks consisting of camera enclosure lens cleaning; camera, strobe and controller enclosure cleaning; inspection of exposed wires; and general system inspection and maintenance.
- 1.2.10 ATS shall repair a non-functional Camera System within 72 business hours of determination of a malfunction.
- 1.2.11 ATS shall repair the Axis VPS system within 1 business day from the time of the outage. Outages of Customer internet connections or infrastructure are excluded from this service level.

- 1.2.12 For any city using ATS lockbox or epayment services, ATS will establish a demand deposit account bearing the title, "American Traffic Solutions, Inc. as agent for Customer" at U.S. Bank. All funds collected on behalf of the Customer will be deposited in this account and transferred by wire the first business day of each week to the Customer's primary deposit bank. The Customer will identify the account to receive funds wired from U.S. Bank. Customer shall sign a W-9 and blocked account agreement, to be completed by the Customer, to ensure the Customer's financial interest in said U.S. Bank account is preserved.
- 1.2.13 ATS will design, fabricate, install, obtain permits and maintain one red light camera warning sign for each monitored approach.
- 1.2.14 ATS or subcontractors will be responsible for any costs associated with building, construction, electrical, street use and/or pole attachment permits.
- 1.2.15 ATS shall assign a project manager who will be the liaison between the Customer and ATS and will be responsible for project activities such as development of a project plan and tracking of deliverables. The Customer shall reserve the right to request a new project manager.

1.3 ATS OPERATIONS

- 1.3.1 ATS shall provide the Customer with a one-time warning period no less than 30 days after the installation and operation of any Traffic Control Monitoring System.
- 1.3.2 ATS shall provide the Customer with an automated web-based citation processing system (Axis™ VPS) including image processing, 1st notice color printing and mailing of Citation or Notice of Violation per chargeable event and a mailing of a text only reminder notice. ATS shall mail each Citation or Notice of Violation to the Owner shall be delivered by First Class mail within the period prescribed by City of Fort Lauderdale ordinance. Mailings to Owners responding to first notices identifying drivers in affidavits of non-liability or by rental car companies are also included.
- 1.3.3 Subsequent notices (such as pre-collection letters) may be delivered in accordance with Section 26-214, Code of Ordinances of the City of Fort Lauderdale, Florida, or other mail means for additional compensation to ATS as agreed by the parties in Schedule 1.
- 1.3.4 ATS shall apply an electronic signature to the citation when authorized to do so by an approving law enforcement officer.
- 1.3.5 ATS shall obtain in-state vehicle registration information necessary to issue citations assuming that it is named as the Customer's agent.
- 1.3.6 ATS shall seek records from out-of-state vehicle registration databases and apply records found by Axis to issue citations for the Customer according to each pricing option.
- 1.3.7 If Customer is unable to or does not desire to integrate ATS data to its computer system, ATS shall provide an on-line court processing module, which will enable the special magistrate to review cases, related images, correspondence and other related information required to adjudicate the disputed citation. The system will also enable the Customer staff to accept and account for payments. Any costs charged by a third party vendor to integrate the ATS system to a Customer computer system shall be borne by the Customer. If the Customer agrees, ATS may agree to cover these up front costs and recover the costs from the collected revenue in addition to its normal fees.

- 1.3.8 ATS shall provide to the Customer access to the Axis™ VPS system, which provides the Customer with ability to run and print any and all standard system reports.
- 1.3.9 If required by the Customer, ATS shall, at ATS' expense provide the Customer with, and train a local expert witness able to testify in administrative proceedings and in court on matters relating to the accuracy, technical operations, and effectiveness of the Axis™ System until judicial notice is taken.
- 1.3.10 In those instances where damage to a Camera System or sensors is caused by negligence on the part of the Customer or its authorized agent(s), ATS will provide Customer an estimate of the cost of repair. Upon authorization to proceed with the repairs or replacement, ATS shall replace or repair any damaged equipment and invoice for the pre-approved repair cost. ATS shall bear the cost to replace or repair equipment damaged in all other circumstances.
- 1.3.11 ATS shall provide a toll-free help line to help the Customer resolve any problems encountered regarding its Red Light Camera System and/or citation processing. The help line shall function during normal business hours. Call Center hours for violators is Monday-Friday 8:00am-8:00pm EST; Help Desk for Customers is 24 x 7, 365 days.
- 1.3.12 As part of its turnkey system, ATS shall provide violators with the ability to view violations online. This online viewing system shall include a link to the ATS payment website(s) and may offer the opportunity to download an affidavit of non-liability online. Online obtained affidavits, if approved by the Customer, shall be directed to and processed by ATS and communicated to the Customer via the Axis VPS transfer described above.

2. CUSTOMER SCOPE OF WORK

2.2 GENERAL IMPLEMENTATION REQUIREMENTS

- 2.2.1 Within 7 business days of contract execution, the Customer shall provide ATS with the name and contact information for a project manager with authority to coordinate Customer responsibilities under the Agreement.
- 2.2.2 Within 7 business days of contract execution, the Customer shall provide ATS with the name and contact information for an Appeals Coordinator or staff responsible for oversight of all related program requirements
- 2.2.3 The Customer shall make every effort to adhere to the Project Time Line to be agreed upon between the parties.
- 2.2.4 The Customer shall direct the Chief of Police or approved alternate to execute the ATS DMV Subscriber Services Agreement (Schedule 2) to provide verification to the State Department of Highway Safety and Motor Vehicles.; National Law Enforcement Telecommunications System, or appropriate authority indicating that ATS is acting as an Agent of the Customer for the purposes of accessing vehicle ownership data pursuant to the list of permissible uses delineated in the Drivers Privacy Protection Act 18 U.S.C. § 2721, Section (b) (1) and as may otherwise be provided or required by any provision of applicable state law.
- 2.2.5 The Customer and ATS shall complete the Project Business Process Work Flow design within 30 calendar days of contract signature, in accordance and consistent with the Best and Final Offer.

2.3 STREETS AND TRAFFIC DEPARTMENT OPERATIONS

- 2.3.1 If the Customer chooses to move a Camera System to a new approach after initial installation, it shall do so only after the Police Department's Safety Goals have been

achieved. ATS will absorb costs associated with a new approach in the installation of a new approach.

- 2.3.2 The Customer shall assist ATS in obtaining access to traffic signal phase connections according to approved design.
- 2.3.3 Where possible, Customer shall assist ATS in obtaining access to power from existing power sources. Where possible, Customer shall assist in obtaining access to traffic signal phase connections to a pull box, pole base, or controller cabinet nearest to each Camera System within the Customer's jurisdiction. The costs, if reasonable, for any additional conduit or power infrastructure needed to support installation of the Camera System shall be funded by ATS.
- 2.3.4 Customer shall endeavor to approve or reject ATS submitted plans within seven (7) business days of receipt. ATS and Customer will endeavor to approve the plans in a timely manner.
- 2.3.5 The Customer will endeavor or to issue all needed permits to ATS and its subcontractors in an expedited fashion of plan approval.
- 2.3.6 If state legislation is approved, Customer shall not prohibit ATS to install vehicle detection sensors, at ATS's cost, in the pavement of roadways within the Customer's jurisdiction, and only after required permits have been approved and written authorization of approval from Customer is received.
- 2.3.7 If use of private property right of way is needed, Customer shall assist ATS in acquiring permission to build in existing utility easements as necessary. Any additional cost for private property right of way lease/rental costs shall be borne by ATS. ATS reserves the right to not install on private property if the costs are unreasonable.
- 2.3.8 Customer may allow ATS to build needed infrastructure in existing Customer owned easement as necessary and only after required permits have been approved.

2.4 POLICE DEPARTMENT OPERATIONS

- 2.4.1 The Police Department shall process each potential violation in accordance with State Laws and/or City Ordinances at the earliest convenience following its appearance in the Police Review Queue, using Axis™ to determine which violations will be issued as Citations or Notices of Violation.
- 2.4.2 Police Department workstation computer monitors for citation review and approval should provide a resolution of 1280 x 1024.
- 2.4.3 For optimal data throughput, Police Department workstations should be connected to a high-speed internet connection with bandwidth of T-1 or greater.
- 2.4.4 Police Department shall provide signatures of all authorized police users who will review events and approve citations on forms provided by ATS.

2.5 CUSTOMER OPERATIONS

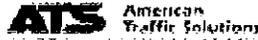
- 2.5.1 If Customer does not provide payment processing services, Customer shall use ATS payment processing services. The fees for lockbox and epayment services are included as part of the fixed fee structure.
- 2.5.2 Customer shall provide a hearing officer and facilities to schedule and hear disputed citations.

- 2.5.3 Customer shall provide the specific text required to be placed on the Citation notice to be issued by ATS within 30 calendar days of contract signature.
- 2.5.4 The Customer shall endeavor to approve the Citation form within fifteen (15) days following receipt from ATS.
- 2.5.5 Customer shall handle inbound and outbound phone calls and correspondence from defendants who have questions about disputes, and other issues relating to citation adjudication. Customer may refer citizens with questions regarding ATS or Axis technology and processes to websites and/or toll-free telephone numbers provided by ATS for that purpose.
- 2.5.6 Following expiration of a second notice to an Owner, Customer may pursue delinquent collections of unpaid notices with an existing contractor or ATS. If Customer elects to use ATS in the collection of delinquent notices, Customer will provide written authorization of approval. Fees for ATS delinquent collection services are outlined in Schedule 1, Optional Services of this Agreement. .
- 2.5.7 Any potential, one time, direct costs to ATS to develop an interface between the Customer's computer system will be initially paid by ATS and any such reasonable costs will be reimbursed to ATS from collected revenues in addition to its normal fees.

2.6 INFORMATION TECHNOLOGY DEPARTMENT OPERATIONS

- 2.6.1 In the event that remote access to the ATS Axis VPS System is blocked by Customer network security infrastructure, the Customer's Department of Information Technology shall coordinate with ATS to facilitate appropriate communications while maintaining required security measures.

DMV Subscriber Agreement



DMV Services Subscriber Agreement

ATS requires that your agency certify the intended use of the information made available to your agency through our services and that such uses are in compliance with the Federal Driver's Privacy Protection Act Title XXXI and other applicable laws governing dissemination of public records. Based on your agency's intended use of such information, ATS will either grant permission to use the service or deny the application. Please specify any of the following permissible uses under §2721 that apply

- (1) For use by any government agency, including any court of law enforcement agency, in carrying out its functions, or any private person or entity acting on behalf of a Federal, State or local agency in carrying out its functions.
- (4) For use in connection with any civil, criminal, administrative, or arbitral proceeding in any Federal, State, or local court or agency or before any self-regulatory body, including the service of process, investigation in anticipation of litigation, and the execution or enforcement of judgments and orders, or pursuant to an order of a Federal, State, or local court.
- (7) For use in providing notice to the owners of towed or impounded vehicles.
- (10) For use in connection with the operation of private toll transportation facilities.

In consideration of ATS making its Services available, Subscriber agrees to (i) utilize ATS provided data only for the purpose(s) specified above; and (ii) request such information only for the Subscriber's exclusive use in the ordinary course of Subscriber's business and not for resale.

I certify that I am authorized to execute the Subscriber Use Certification on behalf of the Subscriber listed below. On behalf of such Subscriber, I certify that the above statements are true and correct. Subscriber acknowledges and agrees that ATS may from time to time audit Subscriber's use of ATS's Services to ensure that such use is consistent with the intended uses set forth above and with all applicable laws.

This agreement shall be for _____ year(s) commencing on the date below and shall automatically renew annually. This agreement may be terminated within 30 days notice of the anniversary date, annually.

SUBSCRIBER INFORMATION

Subscriber Agency/Name

NLETS Agency (OR)

Name of Authorized Representative

Title of Authorized Representative

Mailing Address

City

State

ZIP Code

Telephone: () -

Fax: () -

Email

Signature of Authorized Representative

Date Signed



City of Fort Lauderdale • Procurement Services Department
100 N. Andrews Avenue, #619 • Fort Lauderdale, Florida 33301
954-828-5933 FAX 954-828-5576
purchase@fortlauderdale.gov

BEST AND FINAL

RFP 385-10113
Automated Camera Red Light Enforcement System

ISSUED: August 5, 2009

In accordance with Section 2-194 Competitive Negotiations section of the CODE OF ORDANCES OF THE CITY OF FORT LAUDERDALE, FLORIDA, your firm is requested to submit your Best and Final offer for the requested services for RFP 395-10211.

PLEASE FILL IN THE STATED COST AND DELIVERY PORTIONS OF THIS BEST AND FINAL OFFER DOCUMENT, AND HAVE AN AUTHORIZED PERSON SIGN AND RETURN TO THE CITY OF FORT LAUDERDALE. (SEE ATTACHED COST PROPOSAL PAGE.)

ALL BEST AND FINAL OFFERS, SHALL BE DELIVERED PRIOR TO 2:00PM ON AUGUST 12, 2009. NO E-MAILS OR FAXES WILL BE ALLOWED.

CONTRACTOR SHALL SUBMIT THEIR RESPONSE TO THE ADDRESS STATED BELOW:

Attn: Michael Walker
City of Fort Lauderdale
100 N. Andrews Avenue, Suite 619
Fort Lauderdale, FL 33301

This Best and Final offer will supersede your original offer provided in your original RFP proposal.

Company
Name: American Traffic Solutions, Inc.

(Please print)

Authorized Contractors
Signature: _____

Date: 8/11/2009

ALL OTHER TERMS, CONDITIONS AND SPECIFICATIONS SHALL REMAIN THE SAME.



COST PROPOSAL PAGE

OPTION 2 - FEE FOR ACTIONABLE ACTIVATION – FIXED FEE STRUCTURE

The Contractor should propose an all-inclusive fixed fee per actionable activation of each automated camera red light traffic enforcement system. For evaluation purposes, the City will assume 200 actionable activations per month.

Actionable activation is defined as an activation of the automated cameras red light traffic enforcement system that is approved by the City of Fort Lauderdale Police Department for infraction issuance.

\$ 28.00 each actionable activation.

200 Violations per month x 10 approaches = 2,000 violations per month
Fine from the City is \$125 x 2,000 violations per month = \$250,000 per month
\$250,000 x 12 months = \$3,000,000 gross annual income per year to City

200 Violations per month x 10 approaches = 2,000 violations per month
Fee to Contractor is \$28.00 x 2,000 violations per month = \$56,000 per month
\$56,000 x 12 months = \$672,000 gross annual income per year to Contractor

\$3,000,000 - \$672,000 = \$2,328,000 Net Income to City per year, assuming 100% collection rate with all 10 camera approaches installed.

SAMPLE CALCULATION FOR PROJECTED 100% REVENUE:

For evaluation purposes calculating total revenue, the City will assume 200 violations per approach per month. For cost/revenue evaluation, contractors may assume that City anticipates implementing systems at 10 intersection approaches with a \$125.00 Fine being charged by the City.

(SAMPLE) If contractor charges \$30.00 for each actionable activation:

200 Violations per month X 10 approaches = 2,000 violations per month
Fine from the City is \$125 x 2,000 violations per month = \$250,000 per month
\$250,000 x 12 months = \$3,000,000 gross annual income per year to City

200 violations per month x 10 approaches = 2,000 violations per month
Fee to Contractor is \$30.00 x 2,000 violations per month = \$60,000 per month
\$60,000 x 12 months = \$720,000 gross annual income per year to Contractor

\$3,000,000 - \$720,000 = \$2,280,000 Net Income to City per year, assuming



City of Fort Lauderdale • Procurement Services Department
100 N. Andrews Avenue, #619 • Fort Lauderdale, Florida 33301
954-828-5933 FAX 954-828-5576
purchase@fortlauderdale.gov

100% collection rate with all 10 camera approaches installed.

Please state below, how many calendar days after receiving all required permits, your firm will be able to install that specific camera system for which the permit is being requested?

Calendar Days after receiving permits to install permitted camera system at defined intersection:

Five (5) Calendar Days

ATS has routinely installed cameras five days after receiving permits. Unlike competitors' systems, our solution is proven, installed and operational throughout Florida. We look forward to delivering our proven solution to the City for this important public safety project.