



Staff Report City of Maywood

DATE: JULY 1, 2009

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: PAUL PHILIPS, CITY MANAGER
PREPARED BY: HILDA FLORES, INTERIM FINANCE DIRECTOR *HFL*

SUBJECT: FIRST EXTENSION AND CONTRACT AMENDMENT TO THE AGREEMENT BETWEEN THE CITY OF MAYWOOD, CALIFORNIA AND REDFLEX TRAFFIC SYSTEMS, INC. FOR PHOTO ENFORCEMENT SERVICES

RECOMMENDATION

It is recommended to Council to approve the extension with Redflex Traffic Systems for photo enforcement services for one year, FY 2009-10.

BACKGROUND

The City's objective of implementing photo enforcement is to reduce the incidence of vehicle collisions at the traffic intersections in city streets at a minimal cost. The police department has trained staff to implement the procedures required to process the citations generated from the photo enforcement.

FISCAL IMPACT

None. The contract includes cost neutrality; the City will never be required to pay Redflex more than actual cash received.

RECOMMENDATION

It is recommended to Council to approve the extension with Redflex Traffic Systems for photo enforcement services for one year, FY 2009-10.

**FIRST EXTENSION AND CONTRACT AMENDMENT TO THE AGREEMENT
BETWEEN THE CITY OF MAYWOOD, CALIFORNIA AND REDFLEX
TRAFFIC SYSTEMS, INC. FOR PHOTO ENFORCEMENT SERVICES**

This FIRST EXTENSION AND CONTRACT AMENDMENT ("Amendment No. 1") is executed this ___ day of _____ 2009 by and between Redflex Traffic Systems, Inc., a Delaware corporation with its offices at 23751 N. 23rd Avenue, Phoenix, Arizona 85085 ("Redflex"), and the City of Maywood, a California municipal corporation, with offices at 4319 E. Slauson Ave., Maywood, California 90270 (the "City"). Redflex and City are sometimes referred to individually as "Party" and collectively as "Parties."

RECITALS

WHEREAS, Redflex and the City previously entered into a certain agreement entitled "Agreement Between the City of Maywood and Redflex Traffic Systems, Inc. for Automated Red Light Photo Enforcement Cameras," dated December 23rd, 2003 ("Master Agreement"), to provide automated red light photo enforcement in the City of Maywood;

WHEREAS, Redflex and the City both agree and acknowledge that July 1, 2004 constitutes the Installation Date under the Master Agreement. The Installation Date is the day on which Redflex completed the construction and installation of at least one (1) Intersection Approach in accordance with the terms of this Agreement so that such Intersection Approach is operational for the purposes of functioning with the Redlight Photo Enforcement Program;

WHEREAS, the Master Agreement without this extension would otherwise be scheduled to expire on July 1, 2009;

WHEREAS, Redflex and the City mutually agree to extend the term of this Master Agreement and that certain terms of the Master Agreement shall be modified in order to improve the quality of automated red light enforcement services in the City of Maywood and to comply with recent changes in state law;

WHEREAS, Redflex has exclusive knowledge, possession and ownership of certain equipment, licenses, applications, and citation processes related to digital photo red light enforcement systems;

WHEREAS, the City desires to continue engaging the services of Redflex to provide certain equipment, processes and back office services so that authorized employees of the City are able to monitor, identify and enforce red light running violations; and

WHEREAS, it is a mutual objective of both Redflex and the City to reduce the incidence of vehicle collisions at the traffic intersections in city streets that will be monitored pursuant to the terms of the Master Agreement.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for other valuable consideration received, the receipt and sufficiency of which are hereby acknowledged, the Parties agree that the Agreement should be amended as follows:

1. The term of the Master Agreement shall be extended for an additional term (the "Renewal Term") of 12 months ending on July 1, 2010, unless earlier terminated as provided for in the Master Agreement.

2. The original Exhibit "D" of the Master Agreement is hereby DELETED and REPLACED with the following attached revised Exhibit "D".

3. Except as amended by this Amendment No. 1, all provisions of the Master Agreement remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first set forth above.

"City"

"Redflex"

CITY OF MAYWOOD

REFLEX TRAFFIC SYSTEMS, INC.,

By: _____

By: _____

Name: Veronica Guardado

Name: Aaron Rosenberg

Title: Mayor

Title: Executive Vice President

Approved as to Content:
Maywood Police Department

By: _____
Chief of Police

Attachment: Exhibit "D"

REVISED: JULY 1, 2009

EXHIBIT "D"**COMPENSATION & PRICING****Photo Red Light Cameras**

Commencing on the execution of this agreement City shall be obligated to pay Redflex a fixed fee for each Existing Designated Intersection:

Tier 1: Fixed Fee of \$2,800 per month per month as full remuneration for the continued services at the following approaches:

Slauson and Alamo W/B
Slauson and Alamo E/B

Note: Where improvements to capture additional lanes are added to any of the above approaches the Fixed Fee Price will be increased proportionally by mutual agreement between both Parties.

City Operating Costs

Any gross cash receipts received by the City from County through the collection of red light citations shall first be applied to the City's monthly program operating costs ("City Operating Costs") which has been established at \$250 per active red light camera approach, per month. In order to ensure cost neutrality to the City, City will only be obliged to pay Redflex from the gross cash receipts received from County after first deducting City Operating Costs. In the event that balance remains unpaid due to a deficit in gross cash received by the City compared to the invoiced amount, City will provide Redflex, with payments, an accounting of such amounts supporting non payment of full invoiced amount and balance remaining.

EXAMPLE:**MONTH 1**

Gross Revenue to City for month	\$4,000
Less City Operating Costs	-500 (2 systems at \$250 per system)
Gross Cash Receipts	3,500
Redflex Invoice for Month 1	5,600
Payment to Redflex for Month 1	3,500

Check to Redflex for \$3,500 with accounting as above. Remainder balance of \$2,100 carried forward under Cost Neutrality provisions.

MONTH 2

Gross Revenue to City for month	\$8,400
Less City Operating Costs	-500 (2 systems at \$250 per system)
Gross Cash Receipts	7,900
Redflex Invoice Month 2	5,600
Plus unpaid balance from Month 1	2,100
Total Outstanding	7,700
Payment to Redflex	7,700

Check to Redflex for \$7,700 with accounting as above. No remaining balance to carry forward this month under Cost Neutrality provisions.

Cost Neutrality

Cost neutrality is assured to City - City will never be required to pay Redflex more than actual cash received.

The City agrees to pay Redflex within thirty (30) days after the invoice is received. City shall be obligated to pay the cumulative balance invoiced by Redflex, in accordance with terms set forth above, to the extent of **gross cash received by the City from automated red light violations. In the event that a balance remains unpaid due to a deficit in gross cash received by the City compared to invoiced amounts, City will provide to Redflex with each monthly payment, an accounting of such gross receipts supporting the amount withheld.**

1. In the event that the contract ends or is terminated and an invoiced balance is still owed to Redflex, all subsequent receipts from automated red light violations for a period of 12 months from the date of termination will be applied to such balance and paid to Redflex
2. Payment will be made by City up to the amount of cash received by City through the collection of red light and/or citation up to the amount currently due.
3. City to open special revenue account and payments to Redflex will come only from the available balance in that account up to the amount currently due, plus any unpaid prior invoiced amounts.
4. Cost neutrality will be reconciled and any necessary adjustments made at the end of the contract.
5. Cost neutrality is guaranteed except as follows:
 - If police fail to approve violations by the due date
 - If systems are de-activated due to City requirement

- If collections are not reasonably pursued within the City's normal operations
- If extreme circumstances beyond the control of Redflex cause the shortage
- If the signal amber timings at the photo enforced intersections are not set to the minimum requirements of Caltrans in California

BUSINESS ASSUMPTIONS FOR ALL PRICING OPTIONS:

1. Redflex construction will be able to utilize existing conduit for installation where space is available.
2. Except where a balance remains unpaid due to a deficit in the gross cash received as described herein, City agrees to pay Redflex within thirty (30) days after the invoice is received. A monthly late fee of 1.5% is payable for amounts remaining unpaid 60 days from date of invoice.
3. The provision of all necessary communication, broadband and telephone services to the Designated Intersection Approaches will be the sole responsibility of Redflex
4. The on-going supply of DSL or cable services to the Designated Intersections will be the sole responsibility of the City.
5. The on-going provision of any and all necessary electrical power to the Designated Intersection Approaches will be the sole responsibility of the City.
6. The City shall be solely responsible for installing required signage. City shall be solely responsible for the fabrication of any signage, notices or other postings required pursuant to any law, rule or regulation of any Governmental Authority ("Signage"), including but not limited to the Vehicle Code.
7. Roadway/Intersection improvement projects: City shall reimburse Redflex the costs of replacing and or modification of operational system approaches.
8. If a system is deactivated at the City's request due to roadway construction, the monthly fee will be reduced to \$1,500 per month per system deactivated or pro-rata amount of 1/30th of that reduced fee per day deactivated.