



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JANUARY 23, 2020

FROM: Capitola Police Department
SUBJECT: Consider a New Photo Traffic Enforcement Contract

RECOMMENDED ACTION: Enter into a five-year contract with Verra Mobility, formerly American Traffic Solutions, for red light photo enforcement services and authorize the City Manager or designee to sign the agreement.

BACKGROUND: Since 2005, the City of Capitola has been using a red-light photo enforcement system to monitor all southbound vehicular traffic at the intersections of 41st Avenue and Clares Street and 41st Avenue and the Capitola Mall entrance. The system is operated by American Traffic Solutions doing business as Verra Mobility.

The original contractual period was five years with an option for a two-year extension. In 2012 Council authorized a second five-year contract with a two-year extension granted by Council on August 24, 2017. That contract expired on December 6, 2019. On December 31, 2019, staff negotiated a 90-day extension of the contract to provide time to review and consider the proposed new contract with Verra Mobility (see Attachment 1).

DISCUSSION: For several decades, traffic safety has been identified as a community and City priority. The photo enforcement program was implemented at the above intersections to improve traffic safety, reduce traffic collisions related to red-light violations, increase driver awareness, and change driving behavior. The enforcement program has operated effectively for the past 15 years, and data collected during that time provides a historical perspective on the functionality and safety benefits of the program.

Accident data collected for 2005 revealed significant concern associated with the 41st Avenue corridor between the freeway and Brommer Street due to 66 vehicular accidents, several known to be the result of motorists' failure to stop at the red light. As a result, Council authorized staff to enter into a contract with American Traffic Solutions for the establishment of photo enforcement at 41st and Clares and the intersection of 41st and the Mall Entrance. Since inception, traffic accidents throughout the 41st Avenue corridor have decreased. Specifically, since 2005,

- The intersection of 41st and Clares has seen a 60 percent decrease in accidents;
- 41st and the Mall entrance has seen an 89 percent decrease in accidents; and
- Accidents have decreased by 79 percent throughout the 41st Ave. corridor (see Attachment 2).

Photo Enforcement Contract
January 23, 2020

Based upon the analysis of collision data collected during the 15 years of implementation, staff believes that motorist driving behavior has changed resulting in a large percentage of the driving population complying with the law. As an example, over the last five-year period (2014-2018) the number of photographs taken of potential offenders (“events captured”) has decreased consistently from a high of 8,725 in 2014 to 5,943 in 2018. The overall recidivism rate is only 3 percent, meaning 97 percent of all violators who receive a citation do not commit a second violation. This low rate of recidivism is a clear signal of the positive change in driver behavior, and a strong indicator of the success of the program. It is worth noting that the “traffic volume” at this intersection has either remained consistent, or more likely, increased during this same period.

Red-light photo enforcement in conjunction with other enforcement efforts and traffic safety measures, such as raised center medians, the placement of dot bots, and the “No Right Turn on Red” restrictions, have reduced the number of collisions and enhanced safety in the busiest corridor in the City of Capitola.

Staff is recommending a sole-source purchasing contract due to the following considerations: a second source would require the removal and replacement of expensive equipment and subsequent survey/analysis of the roadways. The City would incur unnecessary costs to remove the current equipment, while the proposed new contract includes upgrades at no cost to the City. The proposed “purchase price” is substantially the same as the two previous contracts with American Traffic Solutions (ATS). Lastly, the City has enjoyed a good partnership with ATS for the past 14 years.

FISCAL IMPACT: The cost for the system is a \$5,100 fixed fee per month per camera system, resulting in a cost of \$10,200 for both intersections. The proposed contract stipulates that if the City does not collect fines totaling \$10,200 per month for red-light violations at the monitored intersections, the City only pays the vendor the amount collected. Please refer to page 3 section 4.5 - Flexible Payment Plan for specific language related to this contractual stipulation. Red-light violations at photo enforced intersections in Capitola have never exceeded \$10,200 per month since the inception of the program. As a result, the program is essentially cost neutral to the City.

ATTACHMENTS:

1. Draft red-light camera contract
2. Photo Enforcement Collision Data

Report Prepared By: Terry McManus
Police Chief

Reviewed and Forwarded by:

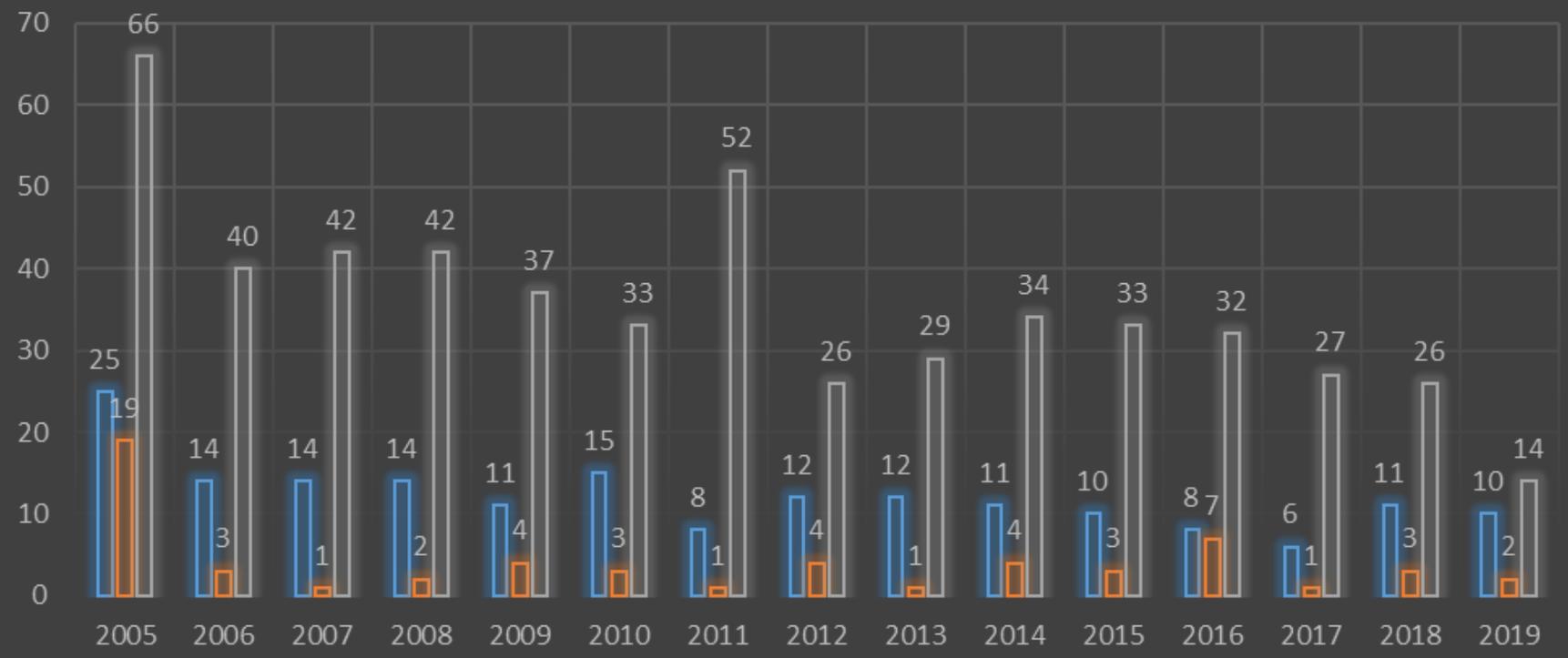


Jamie Goldstein, City Manager

1/15/2020

41st Avenue Collision Data 2005-2019 (as of 12/13/2019)

41st @ Clares 41st @ Mall Entrance 41st Avenue Corridor



Attachment: Photo Enforcement Collision Data (Photo Enforcement Contract)

I. DEFINITIONS

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

“Approach”: One (1) direction of travel on a road or a traffic intersection, including up to four (4) contiguous lanes controlled by up to two (2) signal phases.

“Axisis” or **“Axisis System”**: The proprietary back-end system that processes violations, including the printing and mailing of Citations, the generation of evidence packages, and that provides system generated reports of Violation counts.

“Business Hours”: Eight (8) hours per day, Monday through Friday, excluding weekends and holidays.

“Business Rules”: The Business Rules Questionnaire to be completed by Customer and delivered to Verra Mobility setting forth the business rules for the implementation and operation of the Program.

“Camera System” or **“Camera”**: A photo-traffic monitoring device consisting of one (1) rear camera, one (1) front camera, strobe, and traffic monitoring device (including the wiring associated with each) capable of accurately detecting a Violation on up to four (4) contiguous lanes which records such data with two (2) or more images of such vehicle. **“Camera System”**, where the context requires, also include any enclosure or cabinet, wiring, and related appurtenances in which the equipment is stationed.

“Change Order Notice”: Written notice from Customer requesting changes to the work required to be performed or the addition of products or services to those required pursuant to the terms of this Agreement, setting forth in reasonable detail the proposed changes.

“Change Order Proposal”: A written statement from Verra Mobility describing the cost of the changes to the work or addition of products or services requested by Customer in a Change Order Notice.

“Citation”: A citation or notice of violation or equivalent instrument issued by a competent state, county or municipal law enforcement agent or agency or by a court of competent jurisdiction relating to a Violation documented or evidenced in Axisis.

“Event”: A potential Violation captured by the Camera System.

“Fees”: The amount payable by Customer to Verra Mobility for equipment, services, and maintenance as set forth in EXHIBIT A.

“Infrastructure”: The poles, foundation, conduit, and other below-grade infrastructure required for System or any other equipment to be operational.

“Notice to Proceed”: Written confirmation from Customer that Verra Mobility may proceed with the installation of a given Camera System, a form of which is attached as EXHIBIT C.

“Owner”: The owner(s) of a motor vehicle as shown by the motor vehicle registration records of the motor vehicle department or the analogous agency of another state or country, including a lessee of a motor vehicle under a lease of six months or longer.

“Person” or **“Persons”**: Any individual, partnership, joint venture, corporation, limited liability company, trust, unincorporated association, governmental authority or political subdivision thereof or any other form of entity.

“Project Time Line”: The initial schedule and timelines required to begin the implementation of Customer’s project, as mutually agreed upon by the parties.

“Red Light Safety Camera System”: A Camera System, which is capable of capturing red light Violations, installed at an intersection Approach.

“**System**”: A Camera System and the related Infrastructure.

“**Violation**”: A failure to obey an applicable traffic law or regulation, including, without limitation, failure to obey a traffic signal.

II. **GENERAL TERMS AND CONDITIONS**

1. **Verra Mobility AGREES TO PROVIDE:**

The scope of work identified in **EXHIBIT B**, Section 1.

2. **CUSTOMER AGREES TO PROVIDE:**

The scope of work identified in **EXHIBIT B**, Section 2.

3. **TERM:**

This Agreement shall commence upon the Effective Date and shall continue for a term of five (5) years. This Agreement will automatically extend for five (5) consecutive one (1) year terms. However, Customer or Verra Mobility may terminate this Agreement at the expiration of any term by providing written notice of its intent not to extend the Agreement one hundred twenty (120) days prior to the expiration of the then-current term.

4. **FEES AND PAYMENT:**

4.1 Customer shall pay for all equipment, services and maintenance based on the fee schedule indicated in **EXHIBIT A**, Service Fee Schedule 1.

4.2 Invoices shall be in standard Verra Mobility format.

4.3 The Customer shall pay all Fees due Verra Mobility based upon invoices received from Verra Mobility, which will be reconciled by the Police Department staff, working with Verra Mobility accounting staff and verified by the Customer's Finance Department. Police and Customer Finance Department staff will utilize Santa Cruz County Red Light Photo Enforcement Fine Collection data and distribution reports provided to the Customer by the County for each billing period. Customer shall pay all Fees due Verra Mobility within thirty (30) days from the billing period date when Santa Cruz County Red Light Photo Enforcement Fine Collection data is made available, or at least twice per year. Late payments are subject to interest calculated at 1.5% per month on open balances.

4.4 Verra Mobility's Fees will be fixed for the first five (5) years of this Agreement; thereafter, unit prices will increase annually by the Consumer Price Index (CPI), according to the average change during the prior twelve (12) months in the CPI for All Urban Consumers (CPI-U) for U.S. Customer average, as published by the Bureau of Labor Statistics, U.S. Department of Labor for the Services category listed under Commodity and Service Group.

4.5 Flexible Payment Plan:

During the term of the Agreement, payments by the Customer may be made to Verra Mobility under a Flexible Payment Plan if the total funds collected by the Program are insufficient to cover the Fees due Verra Mobility. Under the Flexible Payment Plan, the Customer may defer certain payments due and owing to Verra Mobility during the term of the Agreement. If at the end of the term sufficient funds have not been collected by the Customer to pay the accrued balance then due to Verra Mobility, Verra Mobility agrees to waive its right to recovery with respect to any balance owing to Verra Mobility at the end of that term.

This Flexible Payment Plan will be applied as follows: Verra Mobility will maintain an accounting of any net balances owed Verra Mobility each month during the term. If the total amount of funds

collected from all Camera Systems combined during a month exceeds the amount of the Verra Mobility invoice for the same month, the Customer shall pay Verra Mobility the total amount due on the invoice. If the total amount of funds collected from all Camera Systems combined during a month is less than the amount of the Verra Mobility invoice for the same month, the Customer shall pay Verra Mobility only the amount collected during the same month and Customer may defer payment of the remaining balance. If opting to use a Flexible Payment Plan, Customer will provide Verra Mobility with sufficient information about payments received directly by the Customer or by the Courts to accurately determine the amount of funds collected. Payments due Verra Mobility will be reconciled by applying funds collected in subsequent months, first to the accrued balance and then to the subsequent monthly invoice. If at any time the Verra Mobility invoices, including any accrued balance are fully repaid, Customer will retain all additional funds collected. Any funds in excess of the total balance due (whether reserved in cash or not by Customer) will be available to offset future Verra Mobility invoices during the term of the Agreement. Customer agrees and understands the Flexible Payment Plan shall be applied in the aggregate across all installed Camera Systems and will not be applied on a per camera basis or on a per month basis.

Example: Fee of \$4,400 per Camera System per month and four (4) cameras installed. If during Month 1 camera #1 revenue is \$5,000, camera #2 revenue is \$3,500, camera #3 revenue is \$6,000 and camera #4 revenue is \$3,000, the total revenue from the cameras for the month is \$17,500. Verra Mobility would invoice Customer for \$17,600 (\$4,400 x 4 Camera Systems). However, Customer would only be required to pay \$17,500 in Month 1 and the \$100 deficit would carry over to subsequent months. If in Month 2 the combined revenue from the 4 cameras was \$20,000, Verra Mobility would invoice the Customer \$17,700 (i.e., the \$100 deficit from the prior month plus the \$17,600 monthly fee for the 4 Camera Systems). The Customer is not responsible for any previously deferred balance remaining at the end of the term of the Agreement.

- 4.6 Flexible Payment Plan – Limitations. This provision shall not apply if: (1) Customer elects not to enforce all legally enforceable Violations; (2) Customer elects not to pursue collections on unpaid Violations when contractually obligated to do so; (3) Customer directs Verra Mobility to install a camera at a site where violation rates are projected by Verra Mobility to be below the rate required by Verra Mobility for an acceptable installation; (4) Customer waives and/or fails to timely process more than ten percent (10%) of valid Violations forwarded to the Police for acceptance according to the Business Rules defined by the Customer prior to the start of the program; or (5) Customer does not provide Verra Mobility with access to an accurate accounting of all payments received other than directly by Verra Mobility.
- 4.7 Payments by Customer – Customer will deduct from all payments to Verra Mobility all reasonable costs of upgrades to the System, overtime charges accrued by Capitola Police Department employees related to citation review, issuance, and court appearances related to use of Verra Mobility products.

5. COMMUNICATION OF INFORMATION:

Verra Mobility will comply with reasonable requests from Customer for information obtained by Verra Mobility through operation of the Axis System. Verra Mobility reserves the right to assess a fee for such services. Unless Verra Mobility is deemed a “Custodian of Record”, under any applicable law regarding disclosure of records or similar laws, Verra Mobility will not be under any obligation to provide information directly to non-Customer requesting parties. Should Verra Mobility choose to respond to non-Customer requesting parties, Verra Mobility and Customer shall work collaboratively in a good faith effort to provide requested information in a timely manner, which good faith effort may include, but not be limited to, Customer’s review and prior approval of Verra Mobility disclosing information.

6. CONFIDENTIALITY:

No information given by Verra Mobility to Customer will be of a confidential nature, unless specifically designated in writing as proprietary or confidential by Verra Mobility (“Verra Mobility Confidential Information”). If, however, Verra Mobility does designate certain information as proprietary or confidential, Customer shall treat the Verra Mobility Confidential Information with the same degree of care

and same restrictions as Customer treats its own proprietary and confidential information, but in no event with less than reasonable care and reasonable restrictions. Customer will use Verra Mobility Confidential Information solely in connection with its rights and obligations under this Agreement, and will not use Verra Mobility Confidential Information for any other purpose, including but not limited to any use to harm or injure Verra Mobility or in any other way detrimental to Verra Mobility. If Customer receives a request or becomes legally obligated or compelled (by deposition, interrogatory, request for documents, subpoena, civil investigative demand, other demand or request by a governmental agency, or the application of statutes, rules or regulations) to disclose any of the Verra Mobility Confidential Information, Customer will promptly provide Verra Mobility with written notice of such request or requirement before any disclosure, and will cooperate with Verra Mobility's reasonable efforts to obtain confidential treatment of the Verra Mobility Confidential Information. If a protective order or other confidential treatment is not obtained or if Verra Mobility waives its rights under this paragraph, Customer agrees to furnish only so much of the Verra Mobility Confidential Information as it is legally required to furnish and, where appropriate, to exercise its best efforts to obtain written assurances that confidential treatment will be accorded to the Verra Mobility Confidential Information. Customer will give Verra Mobility an opportunity to review the Verra Mobility Confidential Information prior to its disclosure, and Customer will allow Verra Mobility to participate in any related proceeding. Nothing in this paragraph shall be construed contrary to the terms and provisions of any applicable law regarding disclosure of records or similar laws, insofar as they may be applicable.

7. OWNERSHIP OF SYSTEM:

Under all circumstances, Verra Mobility shall retain ownership of all Camera Systems and the Axis System provided for use by the Customer under the terms and conditions of this Agreement. In order to carry out the purposes of this Agreement, for the term of this Agreement, Verra Mobility grants Customer a non-exclusive, non-transferable license to use the Axis System. Verra Mobility shall retain the ownership rights to all meta-data, business intelligence, or other analytics obtained, gathered, or mined by Verra Mobility from the program data. On and as of the date of termination, Customer shall be deemed to accept and receive full ownership and control of the Infrastructure. Notwithstanding the Customer's ownership of the Infrastructure, any costs of upgrading the Infrastructure and any other Verra Mobility equipment shall either be paid by Verra Mobility directly or initially paid by the City, and then deducted from the City's payments to Verra Mobility, such that Verra Mobility bears all costs of upgrading Infrastructure and any other Verra Mobility equipment. Such upgrades shall take place at a time determined by Verra Mobility but not later than the expiration of the Term of this Agreement.

8. INDEMNIFICATION AND LIABILITY:

8.1 Indemnification by Verra Mobility. Verra Mobility agrees to indemnify Customer and its managers, officers, directors, employees, agents, representatives and successors (individually, a "Customer Party" and collectively, the "Customer Parties") against all liabilities, obligations, losses, damages, penalties and judgments (collectively, "Losses"), which may be imposed on or incurred by any Customer Party arising out of or related to the negligence of, willful misconduct of, or material breach of this Agreement by Verra Mobility, its employees or agents which result in death or bodily injury to any natural person (including third parties) or any damage to any real or tangible personal property (including the personal property of third parties), except (i) to the extent caused by the negligence of, willful misconduct of, or material breach of this Agreement by any Customer Party or (ii) any claim, action or demand (a "Claim") caused by Customer's failure to perform its obligations under this Agreement.

8.2 Indemnification by Customer. Customer hereby agrees to indemnify Verra Mobility and its affiliates, shareholders or other interest holders, managers, officers, directors, employees, agents, representatives and successors, permitted assignees and all Persons acting by, through, under or in concert with them (individually, an "Verra Mobility Party" and collectively, the "Verra Mobility Parties") against any and all Losses which may be imposed on or incurred by any Verra Mobility Party arising out of or related to the negligence of, willful misconduct of, or material breach of this Agreement by the Customer, its employees, contractors or agents that result in death or bodily injury to any natural person (including third parties) or any damage to any real or tangible personal property

(including the personal property of third parties) except (a) to the extent caused by the negligence of, willful misconduct of, or material breach of this Agreement by any Verra Mobility Party or (b) any Claim caused by Verra Mobility's failure to perform its obligations under this Agreement. Upon the termination of this Agreement, Customer agrees to indemnify Verra Mobility Parties against any and all Losses which may be imposed on or incurred by any Verra Mobility Party arising out of or related to any Claim related to the poles, foundation, conduit, and other below-grade infrastructure ("Infrastructure").

- 8.3 Indemnification Procedures. In the event of any Claim in respect of which any party hereto seeks indemnification from the other, the party seeking indemnification (the "Indemnified Party") shall give the party from whom indemnification is sought (the "Indemnifying Party") written notice of such Claim promptly after the Indemnified Party first becomes aware thereof; provided, however, that failure to give such notice shall not preclude indemnification with respect to such Claim except to the extent of any additional or increased Losses or other actual prejudice directly caused by such failure. The Indemnifying Party and the Indemnified Party shall cooperate in the defense or settlement of any Claim and no party shall have the right to enter into any settlement agreement that materially affects the other party's material rights or material interests without such party's prior written consent, which consent shall not be unreasonably withheld or delayed.
- 8.4 Limited Liability. In no event shall Verra Mobility's liability under this Agreement exceed the average of the prior twelve (12) months of Fees paid by Customer pursuant to this Agreement. Notwithstanding anything to the contrary in this Agreement, neither party shall be liable to the other, by reason of any representation or express or implied warranty, condition or other term or any duty at common or civil law, for any indirect, incidental, special, lost profits or consequential damages, however caused and on any theory of liability, arising out of or relating to this Agreement.

9. INSURANCE:

Verra Mobility shall maintain the following minimum scope and limits of insurance:

- 9.1 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.
- 9.2 Workers' Compensation as required by applicable state law, and Employer's Liability Insurance with limits of not less than \$500,000 each accident. Verra Mobility 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.
- 9.3 Comprehensive Business Automobile Liability Insurance for all owned, non-owned and hired automobiles and other vehicles used by Verra Mobility with a minimum \$1,000,000 per occurrence combined single limit bodily injury and property damage.
- 9.4 Customer shall be named as additional insured on the comprehensive general liability policies provided by Verra Mobility under this Agreement.
- 9.5 Certificates showing Verra Mobility is carrying the above described insurance, and evidencing the additional insured status specified above, shall be furnished to Customer within thirty (30) calendar days after the Effective Date of this Agreement.
- 9.6 Customer shall be responsible for vehicle insurance coverage for the vehicle and all installed equipment, on any vehicles driven by Customer employees or contractors. Coverage will include liability and collision damage and shall provide 100% coverage. Additionally, Customer shall maintain: Worker's Compensation coverage as required by applicable state law; Employer's Liability Insurance; and Commercial General Liability insurance including coverage for bodily injury, property damage, premises and operations, products/completed operations, personal and advertising injury, and contractual liability. Customer will provide certificates of insurance, listing Verra Mobility as

additional insured. If Customer fails to meet the above insurance requirements, Verra Mobility reserves the right to procure such insurance and bill the Customer.

10. LIMITED WARRANTY:

EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, VERRA MOBILITY MAKES NO WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE, WITH RESPECT TO THE CAMERA SYSTEMS, THE COMMUNICATIONS DEVICES, THE AXIS SYSTEM, OR ANY RELATED EQUIPMENT OR SOFTWARE, OR WITH RESPECT TO THE RESULTS OF THE PROGRAM. THE CUSTOMER ACKNOWLEDGES THAT AT TIMES SUCH SYSTEMS AND RELATED EQUIPMENT AND SOFTWARE MAY MALFUNCTION OR OTHERWISE NOT OPERATE AS ANTICIPATED. VERRA MOBILITY SHALL DILIGENTLY ENDEAVOR TO CORRECT ANY SUCH MALFUNCTION IN A TIMELY MANNER.

11. STATE LAW TO APPLY:

This Agreement shall be construed under and in accordance with the laws of the State of California.

12. DISPUTE RESOLUTION:

- 12.1 All disputes arising out of or in connection with the Agreement shall be attempted to be settled through good-faith efforts between senior management of both parties. Following thirty (30) days of unsuccessful negotiation, the parties shall participate in professionally-assisted mediation, with a mediator acceptable to both parties. The parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the dispute. The mediation will be treated as a settlement discussion and therefore will be confidential. The mediator may not testify for either party in any later proceeding relating to the dispute. No recording or transcript shall be made of the mediation proceedings. Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.
- 12.2 Failing resolution through negotiation or mediation, any remaining dispute shall be submitted to binding arbitration in accordance with the Arbitration Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association (“AAA Rules”) before a single arbitrator. The place of arbitration will be mutually agreed upon within fourteen (14) days of a decision to seek arbitration. Limited discovery will be permitted in connection with the arbitration upon agreement of the parties and upon a showing of substantial need by the party seeking discovery.
- 12.3 The arbitrator’s decision shall follow the plain and natural meaning of the relevant documents and shall be final and binding. The arbitrator will have no power to award:
- a) damages inconsistent with the Agreement; or,
 - b) punitive damages or any other damages not measured by the prevailing party’s actual damages, and the parties expressly waive their right to obtain such damages in arbitration or in any other forum.
- 12.4 All aspects of the arbitration will be confidential. Neither the parties nor the arbitrator may disclose the existence, content or results of the arbitration, except as may be necessary to comply with legal or regulatory requirements.
- 12.5 Each party will promptly pay its share of all arbitration fees and costs, provided that such fees and costs shall be recoverable by the prevailing party as determined by the arbitrator. If a party fails to pay such share promptly upon demand, the arbitrator shall, upon written request by the other party, enter a final and binding decision against the nonpaying party for the full amount of such share, together with an award of attorneys’ fees and costs incurred by the other party in obtaining such decision, which decision may be entered in any court of competent jurisdiction. Except for the failure of a party to pay arbitration fees and costs that requires resort to the arbitrator to order such

payment, the parties will bear their own attorneys' fees in any matter or dispute under this Agreement.

13. CHANGE ORDERS:

Customer may request the addition of any products or services that Verra Mobility provides or other changes to the scope of work to be performed under this Agreement by providing a Change Order Notice to Verra Mobility. Upon Verra Mobility's receipt of the Change Order Notice, Verra Mobility shall deliver to Customer a Change Order Proposal. Following Customer's receipt of the Change Order Proposal, the parties shall negotiate in good faith regarding a plan and schedule for implementation of the proposed changes; the time, manner and amount of payment or price and any other matters relating to the proposed changes. Any Change Order Proposal mutually agreed to by the parties in writing shall be incorporated as an addendum to this Agreement.

14. TERMINATION:

14.1 Verra Mobility's services may be terminated:

- (i) By mutual written consent of the parties; or
- (ii) For material breach of this Agreement by either party, where the other party fails in any material way to perform its obligations under this Agreement.
 - a) Where Customer is in breach of this Agreement for non-payment of Fees to Verra Mobility, Verra Mobility may exercise any or all of the following remedies: (1) provide Customer written notice and ten (10) days to cure before suspending performance and turning off the Camera Systems; (2) terminate this Agreement for cause where Customer's account remains delinquent sixty (60) days after written notice; and (3) in addition to the foregoing, seek any other available remedies at law or equity.
 - b) Termination under this Subsection 15.1(ii) for any reason other than non-payment of Fees by Customer 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 forty-five (45) days after receiving written notice.
- (iii) Customer may unilaterally terminate this Agreement without cause after providing forty-five (45) days written notice to Verra Mobility. In the event the City terminates pursuant to this provision, Customer shall pay Verra Mobility an early termination fee in the amount of \$165,000.
- (iv) In the event of termination by Verra Mobility under Subsection 15.1(ii) for breach by Customer (including non-payment of Fees), Customer shall pay Verra Mobility an early termination fee based on a price of a \$165,000 Red Light Safety Camera System amortized over sixty (60) months on a straight-line basis. The amortization schedule for said costs shall be reduced proportionally for each month each Camera System is installed. This subsection shall only apply to Camera Systems installed after the Effective Date of this Agreement.
- (v) Customer recognizes the substantial upfront costs Verra Mobility will incur to install Camera Systems. Customer therefore agrees that any Camera Systems that Customer authorizes through a Notice to Proceed shall remain installed and operational for the duration of the term, unless otherwise mutually agreed. Verra Mobility will bill a restocking or standby fee for any upfront costs associated with the Camera System(s) or other equipment in the event Customer terminates or suspends a Notice to Proceed.

14.2 Upon termination of this Agreement, including because it has reached the end of its term, the parties recognize that Customer will have to process Events in the "pipeline". Accordingly, the parties shall

take the following actions and shall have the following obligations, which survive termination during the wind-down period:

- (i) Customer shall cease using the Axis System to capture Events.
- (ii) Unless it is unlawful to do so, Verra Mobility will, for a period of ninety (90) days, continue to process all Events captured before termination and provide all services associated with processing in accordance with this Agreement and shall be entitled to a monthly fee per Camera System. After such ninety (90) day period, Verra Mobility will terminate all use of the Axis System for Customer's Program and upon such termination, the Axis System, including violationinfo.com website, and related lockbox shall no longer be capable of accepting payments.
- (iii) Except as provided for in Section 15.2(iv) related to the Infrastructure, Customer shall return or allow Verra Mobility to recover all provided equipment within a reasonable time not to exceed ninety (90) days.
- (iv) Pursuant to Section 8, Customer shall be deemed to accept full ownership and control of the Infrastructure. Upon Customer's request or if otherwise required by law, regulation, or administrative agency, and subject to the limitations set forth herein, Verra Mobility shall remove the Infrastructure Verra Mobility installed in connection with Verra Mobility's performance of its obligations under this Agreement for the actual cost of the removal (presently estimated at approximately \$5,000 per Approach) plus an additional 20% service fee (the "Removal Fee"). As part of the services performed for the Removal Fee, Verra Mobility shall restore the surface of Customer's property to substantially the same condition as such property was in immediately prior to this Agreement, except for foundation removal, which shall be left approximately flush with grade with no exposed bolts, or other hazards. Installed underground Infrastructure shall not be required to be removed, and Customer shall accept and observe any and all duties, obligations, or liabilities associated with the remaining foundation, conduit, or other below-grade Infrastructure.

14.3 In the event of termination by Verra Mobility for non-payment of Fees by Customer, Verra Mobility shall cease processing Events as of the date of termination.

15. LIMITED AGENCY:

Customer hereby grants Verra Mobility the authority to act on its behalf as a limited agent of Customer solely for purposes of (i) access to DMV records; and (ii) generating and administratively processing recorded images of Events as described in this Agreement and the Business Rules. Verra Mobility and its employees, contractors, agents and servants will in no event be considered to be employees, agents (other than in the limited capacity described herein), or servants of Customer. This Agreement does not and shall not be interpreted as creating a general agency relationship between Verra Mobility and Customer.

16. USE OF SUBCONTRACTORS:

From time to time, Verra Mobility may subcontract certain services provided under this Agreement without notice to or consent of Customer.

17. DATA RETENTION:

Subject to litigation holds, court orders, changes in law, or other legal requirements applicable to Verra Mobility, Verra Mobility shall maintain the categories of data set forth under the heading "Type of Record" for the periods of time set forth under the heading "Minimum Verra Mobility Retention Period" on **Exhibit E** during the term of this Agreement. Within one hundred-twenty (120) days of the later of the termination of this Agreement or the termination of any wind-down period, Verra Mobility shall place the Violation Images, Non-Violation Images, Individually Identifiable Violation Records, and Individually Identifiable Non-Violation Records (each as described on **Exhibit E**), not previously disposed of in accordance with the data retention schedule, at a secured location with SFTP access where Customer shall have ninety (90) days to retrieve and validate the information. After ninety (90) days, Verra Mobility shall

delete all data from the SFTP location and shall have no further data retention obligations to Customer with respect to such data.

18. FORCE MAJEURE:

Neither party will be liable to the other or be deemed to be in breach of this Agreement for any failure or delay in rendering performance arising out of causes beyond its reasonable control and without its fault or negligence. Such causes may include but are not limited to, acts of God or the public enemy, terrorism, significant fires, floods, earthquakes, hurricanes, epidemics, quarantine restrictions, strikes, freight embargoes, unusually severe weather, or governmental authorities approval delays which are not caused by any act or omission by the parties. The party whose performance is affected agrees to notify the other promptly of the existence and nature of any delay. For the avoidance of doubt, road construction is not an event of Force Majeure.

19. TAXES:

At the time of execution of this Agreement, it is the understanding of the parties that Verra Mobility's services provided hereunder may be subject to federal, state or local taxes including but not limited to excise, sales, use, property or similar taxes or charges. Customer agrees to reimburse Verra Mobility for any such tax or charge if charged against Verra Mobility. If incurred, such taxes or charges may be invoiced at any time.

20. NOTICES:

Any notices or demand which, under the terms of this Agreement or under any statute, that must or may be given or made by Verra Mobility or Customer shall be in writing and shall be given or made by personal service, first class mail, Federal Express, or by certified mail to the parties at the following addresses:

City of Capitola
420 Capitola Avenue
Capitola, CA 95010
Attn: Police Chief

American Traffic Solutions, Inc.
1150 North Alma School Road
Mesa, Arizona 85201
Attn: Legal Department

21. LEGAL CONSTRUCTION:

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein. This Agreement shall be enforced to the maximum extent possible so as to give effect to the intent of the parties and shall be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable herein.

22. AMENDMENTS TO THE AGREEMENT:

Any changes, modifications or amendments to this Agreement shall be in writing and signed by both parties.

23. INTEGRATION:

This Agreement constitutes the sole and only agreement of the parties and supersedes any prior or contemporaneous understanding, written or oral, between the parties respecting its subject matter.

24. SURVIVAL:

The following provisions of the General Terms and Conditions shall survive the termination of this Agreement: Sections 4, 6, 7, 8, 11, 12, 14, 15, 17, 19, 22 and this Section 25.

25. ADDITIONAL SERVICES:

During the term of this Agreement, from time-to-time Verra Mobility may propose certain new technologies for Customer to consider and, if so desired, Customer may procure from Verra Mobility the new technologies through an amendment to this Agreement upon terms to be mutually agreed upon.

26. PILOTS:

From time to time, at the mutual agreement of the parties, Verra Mobility may pilot existing Verra Mobility products and services or products and services that are under development by Verra Mobility or its current or future subcontractors and vendors (each a “Vendor”). During any pilot pursuant to this Section 27, registered owner information shall not be used and no Events will be issued as Citations and no mailing of warnings or Citations will occur. Customer expressly acknowledges that Verra Mobility is under no obligation to retain for any period of time any data produced by any pilot systems. Verra Mobility may request Customer or its employees to provide feedback on the use, quality, viability, features, functionality, or desirability of pilot systems (“Customer Feedback”). All data, drawings, plans, specifications, blueprints, studies, reports, memoranda, computation sheets, computer files and media or other documents prepared or generated by Verra Mobility or a Vendor or a pilot systems in connection with any pilot shall remain the property of Verra Mobility (the “Pilot Data”). To the extent that such Pilot Data is provided to Customer, Verra Mobility grants to Customer a limited, personal, nonsublicensable, nonexclusive license to use the Pilot Data, solely for evaluation and statistical purposes. Actual program performance may vary from pilot performance. Customer acknowledges and agrees that the terms of this Agreement, *except for* Sections 6, 7, 8, 11, 12, 16, 21, 22, 23, 24, 25 and this Section 27, shall not apply to any such pilot.

27. EXECUTION:

This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement, and all of which, when taken together, shall be deemed to constitute one and the same Agreement. The exchange of copies of this Agreement and of signature pages by facsimile or “.pdf” transmission shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile or “.pdf” shall be deemed to be their original signatures for any purpose whatsoever.

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EXHIBIT A
SERVICE FEE SCHEDULE

1.0 **Description of Pricing**

Fees are based on per camera and are as follows:

| Product Description | Fee |
|---|---|
| Red Light Safety Camera System – the parties shall mutually agree on the number of units to be installed. | \$5,100 Fixed Fee per Month per Camera System |
| Subsequent Notices Mailing Fee – For any additional notices sent by First Class Mail required by the Customer or required by law in excess of the standard set of notices as described in subsection 1.2.3 of Exhibit B, Verra Mobility will charge the Customer a Subsequent Notices Mailing Fee. | \$2.00 per page per notice |
| Video Retrieval Fee: Verra Mobility shall retrieve up to one (1) video per week at no cost to Customer. Note: Customer shall have unlimited ability to self-retrieve video at no cost to Customer through the Enhanced Video Services. | For all additional video retrievals, the fee is \$10.00 each. |
| Service Fees: All service Fees per Camera System above includes all costs required and associated with a Camera System installation for monitoring up to 4 lanes and two signal phases, routine maintenance, and use of Axis System for back-office operations. Includes camera equipment for monitoring up to 4-lanes and up to two (2) signal phases, installation, maintenance, Event processing services, DMV records access, First Class mailing of Citations with return envelope, First Class mailing of second notice (as needed), lockbox and epayment processing (excluding user convenience fee, which is paid by payor), IVR call center support for general Program questions and public awareness Program support. Any required certified mail is not included and the fee is extra and will be billed per unit as published by the US Postal Service. | |

Optional Collection Services:

2.0 Verra Mobility may initiate collection efforts of delinquent notices upon written request by Customer, so long as collection of said recovered revenue amounts does not conflict with applicable state law. Verra Mobility will be entitled to receive portions of the collected revenue as noted below. For those accounts in default that go to collection, this is in addition to Verra Mobility Fees noted above.

Delinquent Collections Services 30% of Recovered Revenue

In the event that Customer elects to have Verra Mobility provide collections services, Customer shall so notify Verra Mobility in writing. Customer agrees that, once Verra Mobility’s collections services are elected, Customer may not utilize another vendor for these collections services without prior written consent from Verra Mobility.

Attachment: Draft red-light camera contract (Photo Enforcement Contract)

EXHIBIT B
SCOPE OF WORK

1. VERRA MOBILITY SCOPE OF WORK

1.1 VERRA MOBILITY IMPLEMENTATION

- 1.1.1 Verra Mobility agrees to provide Camera System(s), use of the Axis System and related services to Customer as outlined in this Agreement, excluding those items identified in Section 2 titled “Customer Scope of Work”. Verra Mobility and 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 the proper party the responsibility and cost for such items. In general, if work is to be performed by Customer, unless otherwise specified in writing, Customer shall not charge Verra Mobility for the cost.
- 1.1.2 Customer and Verra Mobility will complete the Project Time Line within thirty (30) days of Agreement execution date, unless mutually agreed to otherwise by the parties. Verra Mobility agrees to make every effort to adhere to the Project Time Line.
- 1.1.3 Prior to installing or deploying a Camera System, Verra Mobility may conduct a statistical analysis of each road or intersection Approach being considered for a Camera System or Camera Systems (“Site Selection Analysis”) to assist Customer in determining which road or Approaches will be the most beneficial to Customer in pursuit of its traffic safety and enforcement goals. Considerations may include collision history, community safety, police department staff review and engineering feasibility assessment. Camera System installations will be based on mutual agreement by Customer and Verra Mobility. Verra Mobility makes no representations or warranties that any Violation rate estimates will be predictive of actual future traffic Violation rates.
- 1.1.4 Verra Mobility will install Camera System(s) at a number of intersections to be mutually agreed upon between Verra Mobility and Customer after completion of Site Selection Analysis and reflected in a written Notice to Proceed. Once installed the Camera Systems will be activated remotely without the need of any technicians or Customer staff being present. In addition to any initial Designated Intersections the parties may mutually agree to add additional Camera System(s) or Approaches, which shall be reflected in a written Notice to Proceed.
- 1.1.5 Verra Mobility’s Communications Department will assist Customer with public information content and outreach campaign strategies.
- 1.1.6 Verra Mobility agrees to provide a secure website (www.violationinfo.com) accessible to Owners/violators who have received notices of violation by means of a Notice # and PIN, which will allow Violation image and video viewing. As part of the secure website, a space will be provided for a Frequently Asked Questions (F.A.Q.) page approved by Customer. Verra Mobility will operate this secure website on a 24-hour basis, barring downtime for maintenance, normal servicing activities, or other unforeseen instances.
- 1.1.7 Verra Mobility will provide technician site visits to each Camera System, as needed, to perform maintenance checks consisting of camera enclosure lens cleaning; camera, strobe and controller enclosure cleaning; inspection of exposed wires; and general system inspections and maintenance, including Infrastructure upgrades when necessary.
- 1.1.8 Verra Mobility shall take commercially reasonable best efforts to repair a non-functional System within seventy-two (72) hours (excluding weekends and holidays) of determination of a malfunction.

- 1.1.9 Verra Mobility is authorized to charge, collect and retain a service/convenience fee of \$4.00 for each payment processed through the web, call center, IVR, or other electronic means. Such fee is paid by the payor and retained by Verra Mobility.
- 1.1.10 Verra Mobility will work with the Customer and its prior vendor in the data migration of the prior vendor's records into the Axis System.

1.2 VERRA MOBILITY OPERATIONS

- 1.2.1 Verra Mobility shall implement and operate the Program in accordance with the provisions of this Agreement and the Customer's Business Rules.
- 1.2.2 Verra Mobility shall provide Customer with a grace period of up to thirty (30) days in length, as determined by Verra Mobility, following the installation and activation of the first installed Camera System. Customer shall not be charged a fee during the grace period.
- 1.2.3 Verra Mobility shall provide Customer with access to the Axis System, including image processing, first notice printing and mailing of Citation per Violation and a mailing of a text only reminder notice, a hearing scheduled letter, a hearing denied letter, an insufficient information letter, and a dismiss letter. In the case of a transfer of liability by the Owner, the Axis System shall be setup to mail a Citation to the driver identified in the affidavit of non-liability or by a rental car company. Costs of certified mailings are priced separately and paid by Customer to Verra Mobility as indicated in **EXHIBIT A**.
- 1.2.4 Subsequent notices, other than those specified in Subsection 1.2.3 may be delivered by First Class or other mail means for additional compensation to Verra Mobility as agreed upon by the parties.
- 1.2.5 Verra Mobility shall apply an electronic signature, name, or badge number to the Citation as authorized in the Customer's Business Rules.
- 1.2.6 Verra Mobility shall seek records from out-of-state vehicle registration databases and use such records to assist Customer in processing Citations. In its capacity as limited agent pursuant to the DMV Services Subscriber Authorization found in **EXHIBIT D**, Verra Mobility may seek records from out-of-state vehicle registration databases. Verra Mobility may mail Citations to the address of the Owner obtained through the DMV, obtained through the National Change of Address (NCOA) database provided by the United States Postal Service, or obtained through other means including but not limited to skip tracing.
- 1.2.7 The Axis System shall provide Customer with the ability to run and print standard system reports. Verra Mobility provides a suite of standard program reporting at no charge to clients with active Programs. Upon notice to Customer, Verra Mobility reserves the right to modify the suite of standard program reporting available to Customer, so long as such change applies generally to customers with similar programs. Customized reporting services are available upon written request. The fee for such services shall be mutually agreed upon.
- 1.2.8 During the twelve (12) month period following the installation or deployment of the first Camera System, upon Verra Mobility's receipt of a written request from Customer at least fourteen (14) calendar days in advance of a court proceeding, and if required by the court or prosecutor, Verra Mobility shall provide Customer with or train a local expert witness to testify in court on matters relating to the accuracy, technical operations, and effectiveness of the Camera System or the Axis System until judicial notice is taken. Customer shall use its best efforts to obtain judicial notice as soon as possible. If Verra Mobility expert witness is required more than two (2) times during the twelve (12) month period, Customer shall reimburse Verra Mobility for any reasonable time and travel costs incurred for the additional dates.

- 1.2.9 In those instances where damage to a System (or sensors where applicable) is caused by (i) negligence on the part of Verra Mobility or its authorized agent(s), Verra Mobility shall bear the cost of repair or (ii) vandalism, negligence or recklessness on the part of a third-party, a driver or severe weather or other Force Majeure events, Verra Mobility and Customer shall bear the cost of repair equally with Customer reimbursing Verra Mobility for its portion of the cost of repair. For all other causes of damage, including road construction, Customer negligence, etc. Customer shall reimburse Verra Mobility for the cost of repair. Verra Mobility shall bear costs associated with regular Infrastructure upgrades, as identified by Verra Mobility.
- 1.2.10 Verra Mobility shall provide a help-line to assist Customer with resolving any problems encountered regarding its Camera System and/or the Axis System. The help-line shall function during Business Hours.
- 1.2.11 As part of the Axis System, a website will be made available to allow alleged violators the ability to view their Citations online. This online viewing system shall include a link to the Verra Mobility payment website(s) and may offer the opportunity to download an affidavit of non-liability online. Online obtained affidavits, if approved by the court, may be directed to and processed by Verra Mobility processors and communicated to the court via the Axis transfer described above.

2. **CUSTOMER SCOPE OF WORK**

2.1 **GENERAL IMPLEMENTATION REQUIREMENTS**

- 2.1.1 Within seven (7) business days of the Effective Date of this Agreement, Customer shall provide Verra Mobility with the name, title, mailing address, email address and phone number of:
- A project manager with authority to coordinate Customer responsibilities under this Agreement;
 - Court manager responsible for oversight of all Court-related program requirements;
 - The police contact;
 - The court contact;
 - The person responsible for overseeing payments by violators (might be court);
 - The Prosecuting Attorney;
 - The Customer Attorney;
 - The finance contact (who receives the invoices and will be in charge of reconciliation);
 - The IT person for the police;
 - The IT person for the courts;
 - The public works and/or engineering contact responsible for issuing any/all permits for construction; and
 - Court manager responsible for oversight of all Court-related program requirements.
- 2.1.2 Customer and Verra Mobility shall complete the Project Time Line within thirty (30) calendar days of the Effective Date of this Agreement, unless mutually agreed to otherwise by the parties. Customer shall make every effort to adhere to the Project Time Line.
- 2.1.3 Verra Mobility to provide Customer with a mock-up of the Citation within fifteen (15) days of the Effective Date of this Agreement. Customer shall provide a revised draft of the Citation in accordance with Customer's local law and state law within fifteen (15) days of receipt of the mock-ups from Verra Mobility.
- 2.1.4 Within seven (7) business days of receipt by Customer, Customer shall provide Verra Mobility completed forms for purposes of directing payments by payors and establishing a merchant identification number, if applicable, and such forms may include among others a financial information request form, participant agreement and merchant services agreement

for the provision of electronic payment processing services by a payment processor, W-9, certification regarding beneficial ownership, and a bank verification letter prepared by Customer's settlement bank.

- 2.1.5 Customer grants Verra Mobility the right to make non-substantive formatting or incidental changes to the Citation form without approval by Customer.
- 2.1.6 Customer shall direct the law enforcement agency to execute the Verra Mobility DMV Services Subscriber Authorization (substantially in the form attached as **EXHIBIT D**) to provide verification to the National Law Enforcement Telecommunications System (NLETS), State Department of Motor Vehicles, or appropriate authority indicating that Verra Mobility is acting on behalf 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.
- 2.1.7 Customer shall prepare the Business Rules for implementation and operation of the Program.
- 2.1.8 Customer is responsible for notifying Verra Mobility of any local legislative and/or ordinance changes in writing within forty-eight (48) hours of the first read of the proposed legislation. Verra Mobility will not be responsible for complying with any change in applicable local law, until such time as Verra Mobility has been notified by Customer in writing of the change in law.
- 2.1.9 Customer is responsible for all final jurisdictional issues, including but not limited to as they pertain to issuance of Citations, adjudication of Violations, and intergovernmental authorities.
- 2.1.10 Customer will comply with all applicable federal, state, and local laws, ordinances, regulations and orders (collectively, "Laws"), including without limitation to the extent applicable Criminal Justice Information Services (CJIS) requirements, any Laws relating to data privacy, or any Laws applicable its conduct with respect to the Program.
- 2.1.11 Once a Notice to Proceed is granted to Verra Mobility in writing, Customer shall not issue a stop work order to suspend activity on the implementation process, unless Customer reimburses Verra Mobility for costs incurred up to the date the stop work order is issued.
- 2.1.12 Once a Camera System is installed and certified by Verra Mobility as operational, it shall be immediately put into service.
- 2.1.13 Customer shall not use the Camera Systems or Axis for any purpose not permitted by Law.
- 2.1.14 Customer shall process each Event in accordance with state law and/or municipality ordinances within three (3) business days of its appearance in the law enforcement review queue, using Axis to determine which Events constitute Violations that will be issued as Citations. In the event that Customer fails to process Events within this timeframe, Verra Mobility shall not be liable for failure of the Axis System to allow Customer to issue a notice or Citation within statutory timeframes.
- 2.1.15 In the event that remote access to the Axis System is blocked by Customer network security infrastructure, Customer's Department of Information Technology shall coordinate with Verra Mobility to facilitate appropriate communications while maintaining required security measures.
- 2.1.16 For any data migration where Customer wants its prior vendor's records to be transferred to the Axis System, or any other system provided by Verra Mobility, Customer shall require its

prior vendor to provide such records in a format required by Verra Mobility. Customer shall also require its prior vendor to work as efficiently and effectively as possible with Verra Mobility in any data migration project, and shall require its prior vendor to complete such data migration within ninety (90) days of the Effective Date of this Agreement.

2.2 STREETS AND TRAFFIC DEPARTMENT OPERATIONS

- 2.2.1 If Customer requests that Verra Mobility move a System to a new Approach after initial installation, Customer shall pay for the costs to relocate the System. Customer may not request the relocation of a site within the first year after installation. This subsection 2.2.1 only applies to fixed Systems, such as a Red Light Safety Camera System.
- 2.2.2 If a construction or improvement project requires an installed Camera System to be deactivated or requires a Camera System, including imbedded sensors, to be moved or removed, Customer shall continue to pay the Fee and any costs for moving or removing the System.
- 2.2.3 Prior to the installation of any System, Customer shall provide Verra Mobility information regarding any and all road construction or improvement projects scheduled during the term of this Agreement for any intersection Approach designated for System installation. In addition, within thirty (30) days of becoming aware of anticipated construction that may result in the removal of a System or otherwise impact an Approach during the term of this Agreement, Customer shall notify Verra Mobility of any such construction.
- 2.2.4 Customer will design, fabricate, install and maintain camera warning signs required by law for purposes of operating the Program. If Customer cannot provide such signage, Verra Mobility will do so, and Customer shall reimburse Verra Mobility for such costs.
- 2.2.5 Customer understands that proper operation of the System requires access to traffic signal phase connections. Customer, therefore, shall provide free access to traffic signal phase connections according to approved design. When traffic signal phase connections are not under the jurisdiction of Customer, it shall be Customer's responsibility to negotiate agreements with the owner or maintaining agency of the traffic signal controller and infrastructure in order to provide the required access to said phase connections and infrastructure.
- 2.2.6 Customer understands that proper operation of the System sometimes requires attachment of certain items of detection equipment to existing signal masts, mast arms and/or other street furniture. Customer, therefore, shall provide free access to Verra Mobility to attach certain items of detection equipment to existing signal masts, mast arms and / or other street furniture for the proper operation of the System.
- 2.2.7 Customer shall require its prior vendor to make all power sources, pull boxes and conduit available at each location to Verra Mobility at no charge. Customer agrees to facilitate access to traffic signal phase connections to a pull box, pole base, or controller cabinet nearest to each System within Customer's jurisdiction. Verra Mobility may agree to cover these upfront costs and bill Customer. If the costs of accessing power or running conduit at any location is cost-prohibitive as determined by Verra Mobility, the parties shall in good faith look for an alternative location.
- 2.2.8 Unless required by law, Customer shall not require Verra Mobility to provide installation drawings stamped by a licensed civil engineer. However, to the extent applicable, Verra Mobility work product and drawings shall be overseen and approved by a licensed professional engineer and such deliverables shall conform to applicable engineering norms and reflect the details of installation work to be completed.

- 2.2.9 Customer shall approve or reject Verra Mobility submitted plans within seven (7) business days of receipt and shall limit iterations to a total of one revision beyond the initially submitted plans. Total plan approval duration shall not exceed ten (10) business days. Customer shall provide its best efforts in providing aid in achieving these timeframes for plan approvals when plans are being reviewed and permitted by any state, local, and/or county agencies.
- 2.2.10 Customer, or any department of Customer, shall not charge Verra Mobility or its subcontractor(s) for building, construction, electrical, street use and/or pole attachment permits, including any fee for traffic control services and permits during installation or maintenance of a System. Customer shall also apply for, when in Customer's name, and fund any and all needed state, local, and/or county permits, including any traffic control permits.
- 2.2.11 Customer understands and agrees that time is of the essence and that public safety is at issue and shall issue all needed permits to Verra Mobility and its subcontractor(s) within three (3) business days of plan approval. Customer shall provide its best efforts to aid in achieving these timeframes for permit issuance when permitted by any state, local, and/or county agency.
- 2.2.12 If required by the submitted design for proper operation, Customer shall allow Verra Mobility to install vehicle detection sensors in the pavement of roadways within Customer's jurisdiction, as permitted. Customer shall provide its best efforts to aid in acquiring any and all required permission and permits when the roadway is under the jurisdiction of the state or county.
- 2.2.13 Customer shall allow Verra Mobility to build needed infrastructure into any existing Customer-owned easement.
- 2.2.14 If use of private property right-of-way is needed, Customer shall assist Verra Mobility in acquiring permission to build in existing utility easements as necessary. Any costs for private property right-of-way lease/rental costs shall be borne by Customer as it is expressly excluded from the base fee structure identified in the fee schedule.
- 2.2.15 Law enforcement officers shall comply with all laws related to the use of the Camera System, including performing procedures or following any processes required to ensure that the evidence captured by the Camera System is admissible in court.

2.3 COURTS OPERATIONS

- 2.3.1 Customer shall provide a judge or hearing officer and court facilities to schedule and hear disputed Citations. Verra Mobility shall bear the overtime costs accrued by the Police Department related to citation review, citation issuance, and court appearances related to the citations.
- 2.3.2 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 the Camera System technology and processes to websites and/or toll free telephone numbers provided by Verra Mobility for that purpose.
- 2.2.1 Verra Mobility shall provide one (1) online adjudication processing module, which will enable the adjudication function to review cases, related images, and other related information required to adjudicate the disputed Violation. If instead of online adjudication processing, Customer desires to integrate Verra Mobility data into its adjudication system, subject to feasibility, Verra Mobility shall provide a court interface. Customer shall be responsible for the cost of development of any such interface. The system will also enable

the court staff to accept and account for payments. Any costs charged by a third party vendor related to the provision of Verra Mobility data to the adjudication system are the responsibility of the Customer.

DRAFT

Attachment: Draft red-light camera contract (Photo Enforcement Contract)

EXHIBIT C
FORM OF NOTICE TO PROCEED

Reference is made to the Standard Professional Services Agreement by and between American Traffic Solutions, Inc., doing business as Verra Mobility (“Verra Mobility”) and the City of Capitola, California (“Customer”), dated as of _____[date] (the “Agreement”). Capitalized terms used in this Notice to Proceed shall have the meaning given to such term in the Agreement.

Customer hereby designates this [first] phase implementation of cameras at designated intersections. Verra Mobility shall make its best efforts to install a Camera System within thirty (30) days of permits being granted and power delivered for each agreed-upon Approach, providing that Customer has received permission for all implementations in writing from any third-party sources.

Below is a list of Approaches provided by Customer, which have been analyzed based on traffic volumes, road geometry, and existing infrastructure and are believed to be locations at which a Camera System would increase public safety.

Execution of this Notice to Proceed by Customer shall serve as authorization for the installation of Camera Systems for all Approaches designated as follows:

- 1) _____
- 2) _____

Customer understands that implementation and installation of any Approach is subject to Site Selection Analysis and engineering results.

Customer recognizes the substantial upfront costs Verra Mobility will incur to construct and install the Systems for the above listed intersection Approaches. Customer agrees that the Systems authorized by this Notice to Proceed for the above-listed Approaches shall remain installed and operational for the duration of the current term of the Agreement. Verra Mobility reserves the right to bill Customer for any upfront costs associated with the intersection approaches listed above in the event Customer elects to cancel or suspend the installation.

IN WITNESS WHEREOF, Customer has executed this Notice to Proceed as of the date written below.

CITY OF CAPITOLA, CALIFORNIA

By: _____
Name: _____ Date _____
Title: _____

ACKNOWLEDGED AND AGREED TO BY:

AMERICAN TRAFFIC SOLUTIONS, INC.

By: _____
Name: _____ Date _____
Title: _____

Attachment: Draft red-light camera contract (Photo Enforcement Contract)

EXHIBIT D
DMV SERVICES SUBSCRIBER AUTHORIZATION

Agency ORI: _____

DATE

NLETS

1918 W. Whispering Wind Dr.
Phoenix, AZ 85085

Attn: Steven E. Correll, Executive Director

Re: Authorization for American Traffic Solutions, Inc. to Perform MVD Inquiry

Dear Mr. Correll:

Please accept this letter of acknowledgement that an Agreement between the City of Capitola, California and American Traffic Solutions, Inc., doing business as Verra Mobility (“Verra Mobility”) regarding automated enforcement camera systems is, or will be, enacted and will be, or is, in force. As a requirement of and in performance of that Agreement between the City of Capitola, California and Verra Mobility, it will be necessary for Verra Mobility to access NLETS motor vehicle data.

Please accept this letter as authorization from the Capitola Police Department for Verra Mobility to run motor vehicle inquiries. This authorization is and will be in effect until further notification from the City.

This authorization will automatically expire upon the termination of the Agreement between the City of Capitola, California and Verra Mobility. Such authorization is limited to violations detected by the automated enforcement camera systems. By completing the information below and signing this letter, I am stating that I am a member of the Capitola Police Department and have the authority to empower Verra Mobility to use ORI AGENCY ORI for this function.

SUBSCRIBER INFORMATION

Subscriber Agency/Name _____

NLETS Agency ORI _____

Name/Title of Authorized Representative _____

Mailing Address _____

Telephone _____ **Fax** _____

Email _____

Signature of Authorized Representative _____

Date Signed _____

Attachment: Draft red-light camera contract (Photo Enforcement Contract)

EXHIBIT E
RETENTION SCHEDULE

| Type of Record | Minimum Verra Mobility Retention Period*** |
|---|---|
| Violation Images* (including video clips and related metadata) | 36 months from payment or final adjudication |
| Non-Violation Images (including video clips and related metadata)** | 45 days from Event capture date |
| Individually Identifiable Violation Records* | 36 months from payment or final adjudication |
| Individually Identifiable Non-Violation Records** | 45 days from Event capture date |
| Audio recording from contact center | 90 days from call |
| Written correspondence with citizens regarding Violations (scanned electronic copy) | 1 year from date of correspondence or disposition of Violation |
| Annual Camera System Calibration/Certification Records | 36 months from payment or final adjudication of an applicable Violation |
| Maintenance Records | 36 months from payment or final adjudication of an applicable Violation |
| Other Program Records | 36 months from termination of the Agreement. |

- * Violation Image: an image of a Violation issued as a Citation.
Individually Identifiable Violation Records: a record containing individually identifiable information pertaining to a Violation issued as a Citation.
- ** Non-Violation Image: an image of an Event not issued as a Citation.
Individually Identifiable Non-Violation Records: a record containing individually identifiable information pertaining to an Event not issued as a Citation.
- *** Retention period is not applicable upon termination of the Agreement and the data is provided to Customer pursuant to Section 17 of the Agreement.

This records retention schedule does not apply to any Event data captured by the Camera System, but not uploaded into Axis. For the avoidance of doubt, this records retention schedule does not apply to any records related to any Pilot Data.

**CAPITOLA CITY COUNCIL
REGULAR MEETING MINUTES
THURSDAY, JANUARY 23, 2020**

REGULAR MEETING OF THE CAPITOLA CITY COUNCIL - 7:00 PM

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Council Member Jacques Bertrand: Present, Council Member Sam Storey: Present, Mayor Kristen Petersen: Present, Vice Mayor Yvette Brooks: Present, Council Member Ed Bottorff: Absent.

2. ADDITIONAL MATERIALS - None

3. ADDITIONS AND DELETIONS TO AGENDA - None

4. PUBLIC COMMENTS

Pam Greeninger from the Capitola Museum Board invited the Council and the public to a screening of the movie, "The Testing Block" on January 26.

Monica McGuire invited the Council and the public to a question and answer session for the election of County Supervisor, 2nd District, on January 29. There will be an information night held on all the ballot issues on January 25.

Marilyn Garrett discussed Smart Meters.

Kassandra Flores, 211 Coordinator for non-profits from OES, talked about the 211 program.

5. CITY COUNCIL / STAFF COMMENTS

Public Works Director Steve Jesberg made an announcement on the progress of Capitola Wharf repairs.

Council Member Bertrand talked about efficient building techniques and energy efficiency.

Vice Mayor Brooks requested an item for a future meeting regarding the plastics ordinance.

Council Member Bertrand requested an item for a future meeting regarding an Area Agency on Aging advisory board.

Mayor Petersen announced the next sip and stroll is coming up on February 8. She discussed the Governor's budget and master plan on aging, health and well-being for youth.

6. BOARDS, COMMISSIONS AND COMMITTEES APPOINTMENTS

A. Consider Appointments to the Finance Advisory Committee

RECOMMENDED ACTION: Council appointment of the business representative and determination of whether to make an individual appointment or extend recruitment.

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES
January 23, 2020

City Manager Jamie Goldstein presented the staff report. Pete Cullen has been recommended to fill the Business Representative position.

Council Member Bertrand's appointment will be continued to the next City Council Meeting of February 13, 2020.

| | |
|------------------|---|
| MOTION: | APPOINT PETE CULLEN AS BUSINESS REPRESENTATIVE |
| RESULT: | ADOPTED [UNANIMOUS] |
| MOVER: | Jacques Bertrand, Council Member |
| SECONDER: | Sam Storey, Council Member |
| AYES: | Jacques Bertrand, Sam Storey, Kristen Petersen, Yvette Brooks |

7. CONSENT CALENDAR

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| MOTION: | APPROVE AS RECOMMENDED |
| RESULT: | ADOPTED [UNANIMOUS] |
| MOVER: | Sam Storey, Council Member |
| SECONDER: | Jacques Bertrand, Council Member |
| AYES: | Jacques Bertrand, Sam Storey, Kristen Petersen, Yvette Brooks |

- A. Consider the January 9, 2020, City Council Regular Meeting Minutes
RECOMMENDED ACTION: Approve minutes.
- B. Approval of City Check Registers Dated December 6, December 13, December 20 and December 27, 2019
RECOMMENDED ACTION: Approve check registers.
- C. Consider the Budget Calendar for the 2020/21 Fiscal Year [330-05]
RECOMMENDED ACTION: Approve the Budget Calendar.

8. GENERAL GOVERNMENT / PUBLIC HEARINGS

- A. Overview of New State Requirements for Accessory Dwelling Units
RECOMMENDED ACTION: Accept staff presentation and provide general direction to the Planning Commission on the preferred approach for the new ordinance.

Associate Planner Matt Orbach presented the staff report.

Council provided direction to bring the municipal code into compliance with the state regulation and not to incorporate any regulations that are more permissive than the state. In general, the Council acknowledged the new state regulations are far more permissive than the local existing ordinance and the impacts of the changes should be observed.

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| RESULT: | RECEIVE REPORT |
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- B. Consider a New Photo Traffic Enforcement Contract
RECOMMENDED ACTION: Enter into a five-year contract with Verra Mobility, formerly American Traffic Solutions, for red light photo enforcement services and authorize the City Manager or designee to sign the agreement.

Captain Andrew Dally presented the staff report.

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES

January 23, 2020

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| MOTION: | ENTER INTO A FIVE-YEAR CONTRACT AS RECOMMENDED |
| RESULT: | ADOPTED [UNANIMOUS] |
| MOVER: | Jacques Bertrand, Council Member |
| SECONDER: | Sam Storey, Council Member |
| AYES: | Jacques Bertrand, Sam Storey, Kristen Petersen, Yvette Brooks |

C. Discuss Developing a Code of Conduct

RECOMMENDED ACTION: Form a City Council ad hoc subcommittee to work with staff to create a draft Code of Conduct policy for review by the full City Council.

City Manager Jamie Goldstein presented the staff report.

Vice Mayor Brooks stated that she would like to be on the ad hoc committee along with Council Member Storey.

Council Member Storey accepted the nomination.

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| MOTION: | FORM A CITY COUNCIL AD HOC SUBCOMMITTEE WITH VICE MAYOR BROOKS AND COUNCIL MEMBER STOREY |
| RESULT: | ADOPTED [UNANIMOUS] |
| MOVER: | Yvette Brooks, Vice Mayor |
| SECONDER: | Sam Storey, Council Member |
| AYES: | Jacques Bertrand, Sam Storey, Kristen Petersen, Yvette Brooks |

9. ADJOURNMENT

The meeting adjourned at 8:35 p.m.

Kristen Petersen, Mayor

ATTEST:

Liz Nichols, Deputy City Clerk

MINUTES APPROVED FEBRUARY 13, 2020