ITEM NO. 5

STAFF REPORT

CITY OF OCEANSIDE

DATE: May 16, 2012

TO: Honorable Mayor and City Councilmembers

FROM: Financial Services Department

SUBJECT: **AMENDMENT 1 IN THE AMOUNT OF $12,000 TO THE AGREEMENT WITH CITATION MANAGEMENT, A DIVISION OF PROFESSIONAL ACCOUNT MANAGEMENT, LLC, A DUNCAN SOLUTIONS COMPANY, FOR THE SCANNING OF ADMINISTRATIVE REVIEWS AND RELATED CORRESPONDENCE AND TO CLARIFY BILLING AND PAYMENT TERMS**

SYNOPSIS

Staff recommends that the City Council approve Amendment 1 in the amount of $12,000 to the Agreement for Parking Citation Processing with Citation Management, a division of Professional Account Management, LLC, a Duncan Solutions Company, adding to the scope of work the scanning of administrative reviews and related correspondence and to clarify billing and payment terms; and authorization for the City Manager to execute the amendment.

BACKGROUND

On June 1, 2011, the City Council approved a three-year Agreement for Parking Citation Processing with Citation Management, a division of Professional Account Management, LLC, a Duncan Solutions Company of Milwaukee, Wisconsin, for the processing of parking citations. These services were initiated in October 2011 and all phases of the transition were implemented by March 2012.

During the implementation period, it was discovered that the language in the approved contract did not reflect the billing and payment terms City staff expected based on verbal agreements. The original agreement proposed deducting fees from the revenue received and remitting a net amount to the City on a monthly basis. City staff and the vendor had verbally agreed that the revenue be remitted based on the gross amount collected and the fees due would be submitted to the City as an invoice. Additionally the City requested payment twice a month.

As part of the budget reduction program, the department anticipated that the vendor would perform some of the initial adjudication processes. While the original contract indicated that the vendor was capable and expected handling processing responsibilities, the responsibilities and costs were not outlined. The City anticipated utilizing the vendor to scan and log first level adjudication documentation.

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ANALYSIS

By amending the billing and payment section of the original contract the City will receive revenue twice a month and without any fee deductions. This has a beneficial effect on the City's cash flow and provides more-frequent revenue recognition. It also allows for recognizing all revenue collected and all expenses being paid independently rather than comingling the two. Also, discrepancies in either the revenue reports or the expense reports can be handled as independent issues.

The second section of the amendment clarifies the adjudication processing services that the vendor will perform and the associated costs. The vendor will scan and log all the disputes submitted by mail or online. They will also scan and log any correspondence associated with the initial review. This service shifts duties form City staff to the vendor as expected in the budget reduction plan.

FISCAL IMPACT

There is no fiscal impact associated with the amendment to the billing and payment terms. The cost of amending the adjudication processing services is estimated at $4,000 annually based on the historic number of disputed citations. The City will be billed on a per-item basis as services are provided. Over the three-year agreement term this would equate to an estimated cost of $12,000, and these costs are budgeted in the Finance Department account 212010101.5305.

COMMISSION/COMMITTEE REPORT

Does not apply.

CITY ATTORNEY'S ANALYSIS

The referenced document has been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

Staff recommends that the City Council approve Amendment 1 in the amount of $12,000 to the Agreement for Parking Citation Processing with Citation Management, a division of Professional Account Management, LLC, a Duncan Solutions Company, adding to the scope of work the scanning of administrative reviews and related correspondence and to clarify billing and payment terms; and authorization for the City Manager to execute the amendment.

PREPARED BY:

Sheri Brown
Financial Service Division Manager

SUBMITTED BY:

Peter A. Weiss
City Manager

REVIEWED BY:

Michelle Skaggs-Lawrence, Deputy City Manager
Teri Ferro, Financial Services Director

Attachments:
Agreement (June 1, 2011)
Amendment 1 (proposed)

AGREEMENT FOR PARKING CITATION PROCESSING

This Service Agreement, hereinafter referred to as the "Agreement", is made by and between Citation Management, a division of **Professional Account Management, LLC,** a Duncan Solutions Company hereinafter referred to as "Contractor" and **The City of Oceanside, CA,** hereinafter referred to as "City" and entered into June 1, 2011 to June 1, 2014. The services provided in this agreement are an upgrade to the existing Duncan Solutions Company software application, currently utilized by the City. The parties intend by this Agreement to provide for the processing of fines, penalties, and forfeiture thereof, in connection with the issuance of citations for parking violations, pursuant to the laws of the State of California and in accordance with the Scope of Work in the furtherance of this purpose, which is attached as Exhibit A to this Agreement, the parties do hereby agree to the following terms and conditions.
The City specifically reserves the right to reduce the Scope of Work and to delete a portion or portions of the services or terminate the Agreement in its sole discretion as determined necessary, by providing a thirty day written notice to Contractor. The City will compensate Contractor by the Agreement termination date for all unpaid services.

ARTICLE I – PROCESSING

1.1 REFERRAL AND RECONCILIATION.
Contractor shall receive and process parking citations, which the City mails, delivers or transmits to it. The City shall deliver, mail, or transmit all parking citations on a daily basis. Contractor will provide a daily reconciliation of the number of citations delivered by the City.

1.2 COMPUTER PROGRAMS AND HARDWARE. Contractor will provide all the computer programs, written procedures and other supporting items used in carrying out the purpose of this Agreement. The Contractor shall be responsible for the warranty and maintenance of all the hardware and software including the AutoCITEs and other computer equipment listed on Exhibit A. The City is responsible for any damage, loss, and/or theft of any/all computer hardware, software, and/or equipment used by the City at the City location.

1.3 BASE PROCESSING. Citations issued by the City (AutoCITE or manual) will be entered onto the Contractor's Service Center Computer System and cleared upon payment or other disposition. Requests for Registered Owner information will be sent to the appropriate Departments of Motor Vehicles (DMV). The Notice of Illegal Parking (NOI) will be generated and mailed by the Contractor to the Registered Owner and the penalty or fine amount requested. Return payments by mail will be made directly to the Contractor. DMV registration liens will be placed on vehicles having unpaid parking fines and fees due against those vehicles according with the California Vehicle Code and other applicable state and local laws. DMV Liens shall be removed through DMV when the registered owner satisfies the entire amount of parking citation fines, fees, and penalties due against the vehicle. Once the citations have been entered into the system, it will be the Contractor's responsibility to complete all the processing required by the Agreement, even after the termination of the Agreement.

1.4 NOTICE GENERATIONS AND MAILING. The Notice of Illegal Parking (NOI) will be generated by Contractor and mailed by the Contractor to the Registered Owner requesting the penalty and/or fine amount due. Postage for the notices will be paid by the Contractor and billed to the City for reimbursement. Return payments by mail will be made directly to the Contractor. The Contractor will complete all collections and banking activity.

1.5 SUSPENSION OF PROCESSING. Contractor shall suspend processing any citation referred to it for processing upon written notice to do so by the City. Contractor shall maintain records indicating any suspension of a citation as a result of City's request. Contractor shall be paid the contractual rate hereinafter provided for processing these suspended citations.

1.6 COMPUTER SYSTEM. Contractor will provide City with Internet inquiry capability at the City location for inquiry into the system for retrieval of parking citation information. This capability will be in the form ten (10) named user licenses installed at the City location. The City will be responsible for all internet connection and/or line costs.

1.7 CONTESTED CITATIONS. In the event a registered vehicle owner disputes the liability for the outstanding parking citation, the Contractor shall advise the registered vehicle owner of his/her right to request a court appearance, or an administrative review or hearing by the City.

1.8 CITATIONS DISPOSED OF BY REVIEW HEARING OR COURT. The Contractor, as a result of an administrative review or hearing, or court action, may be required to reduce, cancel or void, on an individual basis, parking citations, which have been referred to it. Contractor shall be paid the contractual rate hereinafter provided for processing the citation regardless of the outcome of such action. Contractor shall maintain records indicating any reduction or cancellations of parking citations as a result of such action.

1.9 SERVICE OPTIONS. City shall receive, and pay for services as outlined in Attachment "A" (Schedule of Fees). Written and signed direction to provide AutoCITE Computers must be issued by the City before such equipment is provided.

1.10 COLLECTION AND DEPOSIT OF FUNDS. At the direction of the City, the Contractor shall collect and deposit monies received for the payment of parking citation fines and fees into a parking account with a financial institution local to the Contractor. Compensating balances on deposit in the account will offset bank charges. Contractor will receive payments from vehicle owners through the mails.

1.11 COLLECTION DISBURSEMENT. Contractor shall disburse monthly, all monies on deposit from the payment of parking citation fines and fees to the City. Disbursement shall be made after the close of the processing month beginning the month following the Agreement date.

1.12 IVR PAYMENTS. Contractor shall provide the public with the ability to pay parking citations using an accepted credit card via the Contractor provided Interactive Voice Response (IVR) system. The cost for this service, including credit card discount fees, will be recovered by the Contractor in the form of a convenience fee assessed to the violator for each citation paid.

1.13 INTERNET PAYMENTS. The Contractor shall provide the public with the ability to pay parking citations using an accepted credit card via the Contractor provided Internet payment site.
The cost for this service, including credit card discount fees, will be recovered by the Contractor in the form of a convenience fee assessed to the violator for each citation paid.

ARTICLE II - GENERAL

2.1 CONTRACTOR LIMITATIONS. Contractor may not do any of the following, without City's prior approval, in writing:

(a) Take any legal action;
(b) Threaten any legal action; or
(c) Make any communication, oral or written, regarding potential legal action.
(d) Disclose any information regarding driving records or registration information which is in violation of the provisions of the laws of the State of California.

2.2 USE OF APPROVED FORMS. All forms, and correspondence sent by the Contractor must conform to State and local law and City procedures, and be approved by the City.

2.3 TAXES AND FEES. The Contractor will meet any City requirements for a Business License, Local or State Sales or Use Taxes. The Contractor will pay these taxes or fees when required.

ARTICLE III - COMPENSATION

The City shall compensate the Contractor for services according to the Schedule of Fees attached hereto as Attachment "A", and the terms of this Article III. The not to exceed compensation that will be paid to the Contractor for the first year of the agreement is $113,000. Compensation for the second year, which includes an annual CPI-U increase, shall not exceed $115,248. Compensation for the third year, which includes an annual CPI-U increase, shall not exceed $117,748. Compensation does not include collection fees, DMV fees, postage, Internet, IVR or permit processing convenience fees. For the second through the third year of the agreement the not to exceed annual compensation paid to the contractor may include an annual Cost of Living Adjustment based on the San Diego Consumer Price Index for All Urban Consumers (CPI-U). For the second through the third year of the agreement the contractor's compensation does not include collection fees, DMV fees, postage, IVR or permit process convenience fees.

3.1 PROCESSING SERVICES. For performance of the processing services described in Article I, the City will pay the Contractor the rate set forth on the Schedule of Fees, Attachment "A", for each parking citation entered and processed by the Contractor, regardless of the ultimate disposition or process ability of such citation. No extra processing charge shall be made for a citation determined to be un-processable and subsequently corrected and re-entered into the database.

3.2 BILLING AND PAYMENT PROCEDURES. Contractor shall provide the City on a monthly basis with a statement and fee analysis that accurately reflects the fees earned by the Contractor during the preceding period. Contractor will deduct their fee from the monies collected and issue a payment to the City for the balance owed the City. The Contractor will include in the remittance to the City any allowable fees, costs and interests collected other than those due to the Contractor as specified in the Agreement. The City shall either approve or reject the statement and fee analysis. If these documents are rejected by the City, Contractor will be notified, and both parties shall use their best efforts to resolve the disputed items.

3.3 CONTRACT ADJUSTMENTS. All postage costs required for the execution of the work defined in this Agreement will be paid by the Contractor and then itemized on the monthly billing to the City for reimbursement.

3.4 CONSUMER PRICE INDEX ADJUSTMENTS. The Contractor will be entitled to annual Cost of Living Adjustments (COLA) to the Rate Per Citation Issued, specified in Attachment A (Schedule of Fees), beginning on the first anniversary of this Agreement, based on the increase in the U.S .Department of Labor, Bureau of Labor Statistics' Consumer Price Index (CPI-

U) for the San Diego, CA for the most recently published percentage change for the 12-month period preceding the contract anniversary date, which shall be the effective date for calculating a requested COLA. This increase shall be automatic and effective upon the anniversary of each year of the Agreement. Contractor will provide the City thirty (30) days advance notice of any CPI-U increase.

ARTICLE IV - TERM OF AGREEMENT

4.1 PERIOD OF PERFORMANCE. The Period of Performance under this Agreement shall be for three (3) year(s) and shall commence upon the approval as attested by the signing by the City and the Contractor.

4.2 PRICE INCREASES. The Contractor may request other price increases, thirty (30) days prior to the anniversary date of the Agreement. Any increase in price for this Agreement, excepting CPI increases as defined in paragraph 3.4, shall require prior written approval by the City.

4.3 TERMINATION. This Agreement may be terminated in writing, without cause, by either party upon thirty (30) days written notice to the other party, after three (3) year(s) from the date of execution of the Agreement. This Agreement may be terminated upon the failure of either party hereto to fulfill any of its obligations under this Agreement provided that the party aggrieved by such default has given to the other party written notice of such default and, for a period of ninety (90) days from the date of such notice, and the defaulting party has failed or refused to remedy such default.

4.4 FINAL COMPENSATION. Upon termination of this Agreement, Contractor shall be compensated for parking citations processed and collected through the date of termination of the Agreement.

ARTICLE V - CONFIDENTIALITY

5.1 MATERIALS CONFIDENTIAL. All reports, information, data files and tapes furnished or prepared by the Contractor, its sub-contractors, successors or assigns (to the extent hereinafter allowed) for the purpose of transmittal to the City pursuant to this Agreement are confidential.

5.2 CONSENT REQUIRED FOR DISCLOSURE. Reports, information, data files, or tapes furnished or prepared by the Contractor or its sub-contractors, successors or assigns, shall not be made available to any individual or organization without the prior written approval of the City, other than to individuals or organizations who are reasonably necessary to effectuate the terms and conditions of this Agreement or as required by State law.

ARTICLE VI - CLAIMS AND ACTIONS

6.1 REASONABLE ASSISTANCE OF CONTRACTOR. In the event any claim or action is brought against the City relating to Contractor's performance or services rendered under this Agreement, the Contractor shall render any reasonable assistance and cooperation, which the City might require.

6.2 CITY COOPERATION. In the event any claim or action is brought against the Contractor relating to the Contractor's performance of services rendered under this Agreement, the Contractor shall notify the City, in writing, within five (5) days, of said claim or action. City shall render any reasonable assistance and cooperation that the Contractor might require.

6.3 INDEMNIFICATION BY CONTRACTOR. CONTRACTOR shall indemnify and hold harmless the CITY and its officers, agents and employees against all claims for damages to persons or property arising out of the negligent acts, errors or omissions or wrongful acts or conduct of the CONTRACTOR, or its employees, agents, subcontractors, or others in connection with the execution of the work covered by this Agreement, except for those claims arising from the willful misconduct, sole negligence or active negligence of the CITY, its officers, agents, or employees. CONTRACTOR'S indemnification shall include any and all costs, expenses, attorneys' fees, expert fees and liability assessed against or incurred by the CITY, its officers, agents, or employees in defending against such claims or lawsuits, whether the same proceed to judgment or not. Further, CONTRACTOR at its own expense shall, upon written request by the CITY, defend any such suit or action brought against the CITY, its officers, agents, or employees resulting or arising from the conduct, tortious acts or omissions of the CONTRACTOR.

CONTRACTOR'S indemnification of CITY shall not be limited by any prior or subsequent declaration by the CONTRACTOR.

6.4 INSURANCE REQUIREMENTS

WORKERS' COMPENSATION. Pursuant to Labor Code section 1861, the CONTRACTOR hereby certifies that the CONTRACTOR is aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and the CONTRACTOR will comply with such provisions, and provide certification of such compliance as a part of this Agreement.

LIABILITY INSURANCE. CONTRACTOR shall, throughout the duration of this Agreement maintain comprehensive general liability and property damage insurance, or commercial general liability insurance, covering all operations of CONTRACTOR, its agents and

employees, performed in connection with this Agreement including but not limited to premises and automobile.

CONTRACTOR shall maintain liability insurance in the following minimum limits:

Comprehensive General Liability Insurance
(Bodily injury and property damage)

Combined Single Limit Per Occurrence
$ 1,000,000

General Aggregate
$ 2,000,000*

Commercial General Liability Insurance
(bodily injury and property damage)

General limit per occurrence
$ 1,000,000

General limit project specific aggregate
$ 2,000,000

Automobile Liability Insurance
$ 1,000,000

*General aggregate per year, or part thereof, with respect to losses or other acts or omissions of CONTRACTOR under this Agreement.

If coverage is provided through a Commercial General Liability Insurance policy, a minimum of 50% of each of the aggregate limits shall remain available at all times. If over 50% of any aggregate limit has been paid or reserved, the CITY may require additional coverage to be purchased by the CONTRACTOR to restore the required limits. The CONTRACTOR shall also notify the CITY'S Project Manager promptly of all losses or claims over $25,000 resulting from work performed under this contract, or any loss or claim against the CONTRACTOR resulting from any of the CONTRACTOR'S work.

All insurance companies affording coverage to the CONTRACTOR for the purposes of this Section shall add the City of Oceanside as "additional insured" under the designated insurance policy for all work performed under this agreement. Insurance coverage provided to the City as additional insured shall be primary insurance and other insurance maintained by the City of Oceanside, its officers, agents, and employees shall be excess only and not contributing with insurance provided pursuant to this Section.

All insurance companies affording coverage to the CONTRACTOR pursuant to this agreement shall be insurance organizations admitted by the Insurance Commissioner of the State of California to transact business of insurance in the state or be rated as A-X or higher by A.M. Best.

All insurance companies affording coverage shall provide thirty (30) days written notice to the CITY should the policy be cancelled before the expiration date. For the purposes of this notice requirement, any material change in the policy prior to the expiration shall be considered a cancellation.

CONTRACTOR shall provide evidence of compliance with the insurance requirements listed above by providing a Certificate of Insurance and applicable endorsements, in a form satisfactory to the City Attorney, concurrently with the submittal of this Agreement.

CONTRACTOR shall provide a substitute Certificate of Insurance no later than thirty (30) days prior to the policy expiration date. Failure by the CONTRACTOR to provide such a substitution and extend the policy expiration date shall be considered a default by CONTRACTOR and may subject the CONTRACTOR to a suspension or termination of work under the Agreement.

Maintenance of insurance by the CONTRACTOR as specified in this Agreement shall in no way be interpreted as relieving the CONTRACTOR of any responsibility whatsoever and the CONTRACTOR may carry, at its own expense, such additional insurance as it deems necessary.

PROFESSIONAL ERRORS AND OMISSIONS INSURANCE. Throughout the duration of this Agreement and four (4) years thereafter, the CONTRACTOR shall maintain professional errors and omissions insurance for work performed in connection with this Agreement in the minimum amount of One Million Dollars ($1,000,000.00).

CONTRACTOR shall provide evidence of compliance with these insurance requirements by providing a Certificate of Insurance.

ARTICLE VII - SUB-CONTRACTING AND ASSIGNMENTS

7.1 SUB-CONTRACTING. Contractor is authorized to engage sub-contractors at the Contractor's expense. Contractor shall notify City of the name, address, and other personal information reasonably requested by City regarding any proposed sub-contractor, within 24 hours after Contractor retains said services. If City disapproves of the use of such sub-contractor, Contractor shall immediately cease to use same on City's account. This approval by the City may not be unreasonably withheld.
All sub-contractor employees must have their work status E-Verified if required by City.

7.2 ASSIGNMENTS. This Agreement may not be assigned without the prior written consent of the City.

ARTICLE VIII - INDEPENDENT CONTRACTOR

8.1 CONTRACTOR'S RELATIONSHIP.
CONTRACTOR'S relationship to the CITY shall be that of

an independent contractor. CONTRACTOR shall have no authority, express or implied, to act on behalf of the CITY as an agent, or to bind the CITY to any obligation whatsoever, unless specifically authorized in writing by the Chief Information Officer. The CONTRACTOR shall not be authorized to communicate directly with, nor in any way direct the actions of, any bidder or the construction contractor for this project without the prior written authorization by the Chief Information Officer. CONTRACTOR shall be solely responsible for the performance of any of its employees, agents, or subcontractors under this Agreement.

8.2 EQUAL OPPORTUNITY EMPLOYER. Contractor is an Equal Opportunity Employer and does not discriminate in the hiring, firing, or other employment practices engaged in by it.

ARTICLE IX - ENTIRE AGREEMENT

9.1 INTEGRATED AGREEMENT. This contract is intended by the parties as a final expression of their Agreement and also as a complete and exclusive statement of the terms thereof, any prior oral or written Agreement regarding the same subject matter notwithstanding. This Agreement may not be modified or terminated orally, and no modification or any claim of waiver of any of the provisions shall be effective unless in writing and signed by both parties.

9.2 COMPLIANCE WITH APPLICABLE LAWS. Contractor agrees to comply with all laws within the State of California governing the conduct of business, including but not related to laws pertaining to licenses, taxes, corporate regulations, and collection practices.

9.3 INTERPRETATION OF THE AGREEMENT. The interpretation, validity and enforcement of the Agreement shall be governed by and construed under the laws of the State of California. The Agreement does not limit any other rights or remedies available to CITY.

The CONTRACTOR shall be responsible for complying with all local, state, and federal laws whether or not said laws are expressly stated or referred to herein.

Should any provision herein be found or deemed to be invalid, the Agreement shall be construed as not containing such provision, and all other provisions, which are otherwise lawful, shall remain in full force and effect, and to this end the provisions of this Agreement are severable.

APPROVED AS TO FORM
OCEANSIDE CITY ATTORNEY
John P Mullen
JOHN P. MULLEN
City Attorney

9.4 NOTICES TO PARTIES. Any notice required under this Agreement to be given to either party may be given by depositing in the United States mail, postage paid, first-class, a notice addressed to the following:

Contractor:
Professional Acct. Mgt. LLC
633 W. Wisconsin Ave
Suite 1600
Milwaukee, WI 53203

City:
City of Oceanside
300 N. Coast Highway
Oceanside, CA 92054

WHEREFORE the parties hereto have entered into the Agreement on the day and year first hereinabove written. The agreement is to be prepared in duplicate and after acceptance by the City; a duplicate copy shall be forwarded to the Contractor.

Citation Management a Division of Professional Account Management LLC., A Duncan Solutions Company:

By: _____

Name: Gary Smith Title: President

City of Oceanside:

By: Peter Weiss

Name: Peter Weiss Title: City Manager

By: For T. Ferro

Name: Teri Ferro Title: Director of Finance

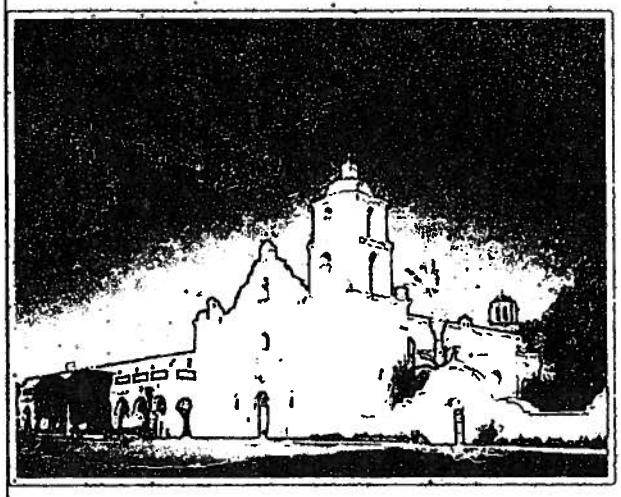
By: _____

Name: Michael Lee Sherwood Title: Chief Information Officer

Document No. 11-D0432-1

EXHIBIT A (Scope of Work)

The City of Oceanside California



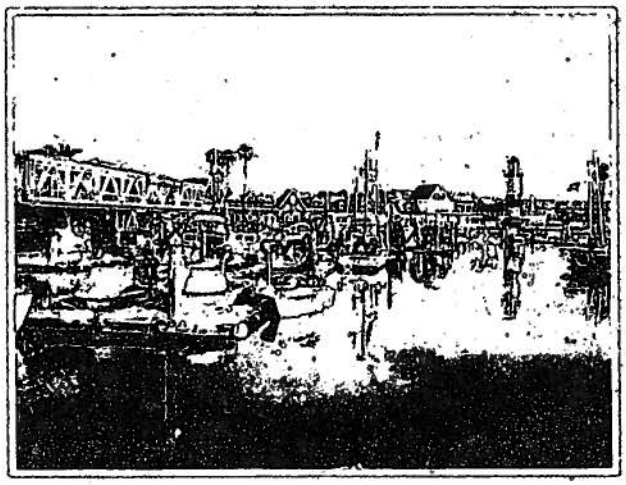


EXHIBIT A – SCOPE OF WORK

CITY OF OCEANSIDE AND CITATION MANAGEMENT A DIVISION OF PROFESSIONAL ACCOUNT MANAGEMENT, LLC, A DUNCAN SOLUTIONS COMPANY

An Enhanced Parking Citation Issuance, Processing and Collection Solution

Duncan Solutions Company
633 W. Wisconsin Ave. Suite 1600
Milwaukee, WI53203

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1. Executive Summary

Duncan is pleased to offer the City of Oceanside fully integrated and industry leading solution for parking citation issuance, processing, and delinquent collections through a simplified procurement process.

As a premier enforcement management industry products and services provider, Contractor is well aware of the complexities and the necessity of providing a well-run, citizen-oriented parking citation management program. There are few things like it in the world—where the cross-over between "customers," "violators," "residents," "citizens," "taxpayers," and "constituents" make it a daily challenge to provide effective policy control, fair enforcement, friendly service, and taxpayer value.

To meet these challenges, we—like the City of Oceanside—rely on our own good people to use good judgment, but we also rely heavily on a proven, state-of-the-art set of systems and tools that make the task before us more manageable.

The Agreement will provide an enhanced solution for the City of Oceanside for its parking management program. The solution will be fully hosted by Contractor. This relieves the City of all associated infrastructure challenges while relying on an industry expert to provide a world class solution including premier products and experienced-based services.

Contractor has provided shared use of our premier citation processing system, AutoPROCESS, and outsourced program related services to many government agencies for more than 25 years. These services will provide an upgrade to the existing Contractor application currently utilized by the City. The City will be able to select from a menu of goods and services in addition to using our fully integrated solutions, including parking citation processing and delinquent notices.

Our approach is built on state-of-the-art solution components fully supported by Contractor. Our AutoPROCESS citation processing system and our AutoCOLLECT solutions, together with an array of customized program services; serve as the foundation of the processes provided in the Agreement.

The customized services included in the Agreement include, but are not limited to: data conversion of all existing historical customer data (legacy data),data entry of manual citations, document imaging and retrieval, acquisition of registered owner information, on-line access to the CA DMV, receipt and processing of mail payments, provision of Web and phone credit card payment services, establishment of timing and style of notices to customers, customization of notices, printing and mailing of notices, establishment of customer service policies, online administrative reviews, management of the CA DMV lien process, and filing of FTB tax intercept liens.

2. Technology Leadership

Contractor is a global leader in the parking industry, delivering integrated solutions to address public sector parking and transportation management challenges. Contractor was formed as the world's first and only fully integrated on-street parking solutions company. Its vision was that cities could partner with a single company whose sole focus was addressing the challenges faced by parking management agencies—including space regulation and management; parking meters, meter management systems, meter collections and maintenance; enforcement and citation issuance technology; ticket processing, DMV data acquisition, and adjudication support; debt collections; and systems that integrate with and support every manner of innovative technology available—from Mobile License Plate Recognition (MLPR) to advanced boot and tow applications and devices.

Contractor offers meters that communicate with handhelds wirelessly and in real time; handhelds that can query the ticket processing system for updates to "hot lists" in real time; and consolidated reporting capabilities across the broad spectrum of the parking program that break down silos across the enterprise and tell the true story of the parking program's performance, challenges, and opportunities. Contractor also offers one of the largest and most resource-rich sources of technical and subject matter expertise in the parking industry, with more than 300 staff across 10 North American locations.

Duncan Operational Statistics	
Items Handled Using AutoPROCESS	**Annual Totals**
Tickets Processed through AutoPROCESS	7,000,000
Lockbox Payments Processed (Transactions)	2,000,000
IVR Calls	420,000
CSR Calls	240,000
Notices Sent	2,640,000
Hearings Scheduled	100,000
Boot and/or Tow Transactions	54,000
Permits Processed	350,000
Registered Owner Acquisition	2,400,000

Today, Contractor has a significant footprint as a service provider to the parking industry. Each year Contractor collectively processes more than 7 million parking citations tickets and more than 3.5 million payments totaling some $150 million in revenue for our clients. Since initiating our citation processing services, Contractor has emerged as an attractive and cost-effective alternative to the traditional mainframe-based solution providers.

2.1 Processing Solution Overview

Our solution includes Contractor's comprehensive processing services are anchored by our AutoPROCESS system running as a true Windows application on Windows-based servers. AutoPROCESS is routinely used to process millions of parking tickets and hundreds of millions of online transactions each year. The latest generation AutoPROCESS system is packed with technical innovations. AutoPROCESS is a Windows based application with point and click menu options, drop down menus, streamlined work flow and additional functionality. AutoPROCESS includes all of the functionality enjoyed by the City today and includes the following enhanced capabilities integrated cashiering, advanced reporting, permit issuance and management, installment payment plans, , document imaging and review capabilities.

AutoPROCESS runs on Windows-based servers located in our processing centers as a true Windows application. The City benefits from the responsiveness and uptime of an application hosted and maintained by Contractor and securely accessed by the City over the Internet. The AutoPROCESS deployment model allows us to ensure data security while leveraging the power of our AutoPROCESS system and Oracle to provide a cost-effective, state-of-the-art solution configuration.

Our AutoPROCESS system uses a hosted, ASP-model that ensures full scalability, high security, high availability, rapid response time and rapid disaster recovery. AutoPROCESS has all the functionality required by the City and has proven to be very robust - processing millions of parking tickets (and hundreds of millions of online transactions) each year including 500,000 tickets annually for the City of San Diego. As our clients have learned, a ticket processing program with our AutoPROCESS system as its foundation, offers clients a more flexible, cost-effective solution that generates higher net ticket revenues.

Document imaging for manual citations, correspondence, notices and citation photos as noted below, including our Multi-Media Solution which enables the City to query document images in support of such activities as citation analysis and adjudication services.

3. Overview of Solution Offering

Contractor is providing a variety of industry leading products and services for the City of Oceanside. Included in this section are descriptions of Contractor solution components.

Products and Services

Contractor will provide the following parking citation management and delinquent collection solution and services:

- Hosted AutoPROCESS citation management system and related services, including:
  - Access to citation processing system for up to ten (10) named users
  - Data import from handheld citation issuance devices
  - Data conversion of all existing historical customer data (legacy data)
  - Manual citation data entry services
  - Export and import of scofflaw, permit, stolen files, as well as violations, street names, and officers, between handhelds and back office software
  - Automated citation processing
  - In-state and out-of-state DMV registered owner data acquisition
  - Processing of DMV Lien/release transactions
  - Notice printing and mailing services
  - Correspondence receipt and forwarding to the City
  - Return mail and Lease/Rental vehicle handling
  - Payment processing services, such as:
    - Lockbox payment processing services
    - NSF check handling
    - Interactive Voice Response (IVR) integrated telephone customer service system with inquiry, response and payment processing capabilities utilizing touch tone and voice recognition technology
    - Internet payment processing services
  - Interface to/from City's cashiering system (Active) for outbound open citations and inbound payments
  - Access to administrative reviews, hearing scheduling and disposition reporting
  - Level-1 admin review online citizen request
  - Access to standard and ad-hoc management reporting
  - Permit issuance and management support
  - In-person technical support during normal business hours (California time).
  - Off-hour technical support provided via e-mail communication.
  - No additional cost for system annual maintenance or technical support.

Information relating to each of the services is included in the balance of this section.

3.1. Citation Processing Solution

AutoPROCESS is Contractor's fully integrated proven, comprehensive and hosted citation processing solution. It is a Windows-based, menu-driven, account-centric citation processing system which has been designed specifically for processing parking, traffic, and municipal ordinance citations. AutoPROCESS has been in use since 1986 in municipalities across the country and is continually being enhanced to meet the evolving needs of our clients. We believe AutoPROCESS is simply the best citation processing system available today and that Contractor's corporate commitment to quality and continuous improvement will ensure its premier standing in the future.

Contractor provides a structured and managed transition approach to each client by applying experienced project management personnel and a transition process that has proven effective over time. As the City is current a user of a prior release of AutoPROCESS, we anticipate the conversion effort will be smooth and timely.

3.1.1 Online Access and Citation Processing

Contractor will provide the City with ten (10) named user licenses for access to our hosted citation processing system. These authorized users will have the ability to inquire on individual citations by numerous criteria, including ticket number, license number, VIN, registered owner name/address, etc. Additionally, any other distinct data field can be indexed and used as an access criterion at client's request. Searches for records can also be initiated using partial data such as the first or last characters of a last name or a partial license plate number. Citation records can be grouped by user selected options for online display by various categories such as all tickets for a given license plate, all tickets for a specific responsible party, etc.

When a new citation is entered into AutoPROCESS, an individual citation record is created. Upon creation, each citation record includes all the data from the original citation (i.e. citation number, issuing officer, issuance date, violation, location, meter number, vehicle, license plate, plate state, fine, due date etc.). As actions are taken on the record via either entries or updates by individual users or system applied activities such as late fee assessment or notice generation, the individual citation record is updated and the new data is immediately stored on the record. Additionally, an audit record of the change is created showing the data as it existed prior to the entry or update, the date and time of the change, and the system user that initiated the change. Authorized users have direct online access to the full audit trail of all activity for a given record in the database.

3.1.2 DATA CONVERSION

Contractor will be responsible for extracting existing records (Legacy Data) from the City's existing AutoPROCESS system and loading the Legacy Data to Contractor's hosted AutoPROCESS system. The City will cooperate with Contractor in this work by providing Contractor a full copy of the City's existing AutoPROCESS system data for testing and an additional full copy of the City's existing AutoPROCESS system data for the production conversion. The Legacy Data will consist of all open or unpaid parking citations and additionally, all closed parking citations where the parking citation issue date is greater than December 31, 2007.

3.1.3 Database Access

As indicated earlier, AutoPROCESS is an account-centric citation processing system. Accounts are the central item for relating various data records within AutoPROCESS. An account is a violator (person or entity) with a unique identity. Typically an account has a name, address, and several other pieces of qualifying information included such as social security number (SSN), fleet account number (FAN), driver's license number (DL#), or date of birth (DOB). Data records are related to accounts by one or several relationships. A data record is any issued item such as citations (parking, traffic, ordinance violation, etc.), permits, and boot/tow records in AutoPROCESS that has a group of fields that provide information pertinent to the purpose on that record. For example, a parking citation has a citation number, issue date, issue time, make of vehicle, etc. A data record can be related with multiple accounts by different relationships and accounts can be related to multiple data records through various relationships.

Accounts can be created manually in AutoPROCESS, but generally accounts are created automatically as a by-product of the creation of data record or account relevant information (i.e. the relationship) being entered for an existing data record. Examples of these are: a parking ticket being entered and the registered owner information being added for a parking ticket respectively.

An authorized user has the ability to inquire on an account using criteria such as responsible party name or address, SSN, company name, etc. Searches may also be initiated using partial data such as the first or last characters of a name, and a user may also access an account directly from any individual data record related to that account. When an account is selected in "Account Inquiry", all relationships to all data records are summarized and displayed in the folders in the top panel of the "View Account Information" screen. Selecting any item and clicking on "View Item" will display that item through the appropriate "Inquiry Result" screen. This allows the user to see summary data such as the total amount owed by the account, all vehicles related to the account, or all payments made on the account, and then drill down to record specific data such as the date of the last late fee for a specific citation related to the account, scheduled hearing information, adjudication history, online contact history, etc. Users may also add an unlimited number of notes entries to the account for future reference.

The account-based nature of AutoPROCESS allows the system user to rapidly and accurately identify all citations for a specific violator and ascertain the total amount owed by the violator. The account structure and screen layouts make it easy for the user to research customer service inquires and seamlessly moves from record to record within an account reviewing data at a high level or drilling down to the smallest detail. The account structure is also the basic building block for our Fleet Citation Management and Lease/Rental Citation Management modules.

Authorized users may also have the ability to inquire on individual tickets by numerous criteria, including state/plate, ticket number, name, driver's license number, VIN, etc. Additionally, other distinct data fields can be indexed and used as an access criterion at the City's request. Searches for records can also be initiated using partial data such as the first or last characters of a last name or a partial license plate number. Ticket records can be grouped by user-selected options for online display by various categories such as all tickets for a given license plate, all tickets for a specific responsible party, etc.

3.1.4 Data Quality

Data integrity and accuracy within the AutoPROCESS database is maintained by numerous internal check routines and edit controls. Strict rules are enforced when data is edited either via user interaction or system generated activities. Data integrity is vital to smooth and accurate processing of citations and internal check routines and cannot be compromised. Special care is taken when importing data from other

systems such as Department of Motor Vehicle (DMV) databases to help ensure that the data being imported meets the required standards and is fully edited prior to import.

3.1.5 Late Fee & NSF Fee Calculation

The AutoPROCESS system will assess late fees as required by the City. Late fee assessment is controlled and easily adjusted by parameters and rules tables and are normally independent from the noticing process. Therefore, late fees can be assessed prior to the obtaining of registered owner information. If desired, the system can be programmed to relate late fee assessment to the issuance of a notice. However, this is not recommended unless specifically required by local ordinance or statute.

Several activities within the system can affect late fee assessment. For example, if an authorized user enters a review or court date request on a citation record, the system can automatically forestall any late fees until the review has been completed or the court date has passed. If a check is returned as NSF and the payment is reversed or if the original posting of the payment caused late fees not to be assessed on schedule, the system can automatically assess the appropriate late fees when the NSF transaction is entered. Conversely, if the posting of a payment has been delayed, the effective date of the payment can be adjusted, and if any late fees were assessed in error, the system can automatically reverse those fees.

3.1.6 Electronic Citation Capture

AutoPROCESS has the demonstrated ability to import electronic citations issued by issuance devices including our AutoCITE handheld citation writers. The only requirement is that the citation file import format meet a mutually agreed upon design.

Electronic citations from any properly formatted source will be loaded to the processing system each day through an automated process. All validation editing is performed at the time of issuance; therefore, the content of the data is assumed to be valid.

3.1.7 Manual Citation Data Entry

Manual citations will be sent by the City to Contractor for imaging, data entry and document storage. The City is responsible for mailing the manual tickets to Contractor on a timely basis. Citation data is then batched and entered into AutoPROCESS. Batch entry processes are used to facilitate an accurate daily reconciliation of all manual citations received and entered.

Configurable, detailed, and sophisticated edit checks are used to reduce data entry errors and ensure the accuracy of the data entered into AutoPROCESS. Field specific data edit routines are used to verify that the data entered meets the field-specific, data type requirements (i.e. the entry of an alpha character in the Issuance Date field would trigger an error message). Where possible the data entered is also validated against agency-specific tables to prevent entry of invalid data (i.e. the entry of a violation that is not found on the ICMS Violation table would trigger an error message). All data entered must pass the data entry edits and any applicable table edits before a citation can be posted to the system.

Updates to the citation database are processed and posted after the data entry and edit verification process is completed. This prevents citations with data entry or table edit errors from being posted to the system, then having to be identified and corrected at a later date.

Separate batch edit reports (pre-posting) and batch posted reports (post-posting) are available for each batch of entered citations and are used by supervision to ensure that the number of citations entered

matches the number of citations posted to the system and that all errors are identified and corrected prior to posting.

Contractor will provide all required entry batch forms and provide daily reconciliation reports of manual and automated citations entered to the system. Manual citation source documents are maintained by Contractor for at least sixty (60) days before being destroyed. The City may request that Contractor send the citations to a secure off-site storage facility if they wish to store the paper records locally. New electronic document storage and retrieval will be provided for the manual tickets imaged by Contractor. Contractor's staff will work with the City to identify any needed changes to the information and format of their current manual tickets and envelopes (if applicable). This includes updating the toll-free customer service phone numbers, website information, and IVR phone number for credit card payments via telephone.

3.1.8 Manual Citation Screening

In general, unreadable or incomplete manual citations cannot be entered to the AutoPROCESS database and are typically separated for resolution prior to entry. Manual citations that are missing required data elements such as violation, date/time of issuance, etc. are identified by the automatic edit checks in the data entry process and can be pulled from the batch. A supervisor can review each unworkable item to determine if the required element is actually missing or is present but illegible and can be deciphered. If the required data is missing or completely illegible the citation can be logged as "un-entered" and the client agency must facilitate clarification. If the citation is subsequently corrected or clarified, it can then be entered to the system and noted on the log as "returned and entered".

3.1.9 Payment Processing

We realize the importance of comprehensive and convenient payment services to a well-run, parking citation management program. We have worked with our existing clients to customize the payment services provided in each of their operations to meet their specialized requirements and the needs of their citizens. Experience shows that a key factor in reaching and maintaining an acceptable citation payment rate is to provide violators with as many convenient and simple payment options as possible. We are committed to working with the City to economically provide its citizens with the payment options that best suit their needs.

3.1.10 Lockbox/Mail Payment Processing

Contractor will provide Lockbox/Mail Payment Processing services for payments received by mail. Contractor will provide a PO Box and sweep that PO Box on a daily basis for delivery to our processing center. Once received in our secured lockbox facility, correspondence materials are separated and payments are batched for subsequent processing.

Batches are forwarded for data entry with each batch total being verified. A batch edit listing is prepared showing the batch total is printed. If any errors are found, the batch can be reopened, corrected, and a new batch edit listing produced. When the batch edit list is verified as correct, the payment batch can be posted to the system and a batch-posted list produced showing the payments posted. The payment batch along with the edit list and the posted list can then bundled together for storage. Each payment batch is uniquely numbered, and the batch number for each mail or drop box payment posted is permanently stored on the AutoPROCESS system for each citation paid.

A full accounting will be made to the City at the end of each month. Records of daily deposits, management reports and statistical summaries of activity for the period, together with supporting detail,

will be delivered according to the specific requirements of the client. Credit cards are accepted upon approval of each client.

3.1.11 Real-Time Web Services Interface to the City's Cashiering System

Contractor will provide a Web Services Solution that will provide a real-time interface between the AutoPROCESS citation processing system and the City's active financial system for managing online cashiering related transactions.

3.1.12 Web/Online Payment Processing

We will provide for credit card, debit card and check payments to be accepted and processed via our Internet payment engine. This system allows citizens to obtain information about outstanding citations via the Internet 24 hours a day 7 days a week. Internet payments are processed through a merchant services account provided by us and are then transferred to the City on an agreed upon schedule. All Internet payments are transmitted over secure links. Regularly scheduled management reports are used for the reconciling of IVR and Internet payments and deposits. The cost of this operation will be funded by a user convenience fee per transaction.

3.1.13 Phone/IVR Payment Processing

We will provide for credit card, debit card and check payments via telephone and processed by an Interactive Voice Response (IVR) system. The IVR system allows callers to obtain information about outstanding citations via a touch tone telephone. The cost of this operation will be funded by a user convenience fee per transaction.

3.1.14 Interface to the City's Active Financial System

Contractor has extensive experience in providing interface service with our client's information systems. For the City of Oceanside, Contractor will provide an interface to the City Active financial system based on City requirements. At this point, we assume this will include a daily outbound file of open citations with their respective balances. In turn, we anticipate the City will provide an inbound file with pertinent data reflecting the payment for selected citations. Contractor will work closely with the City of Oceanside to agree on the file format, content and timing for this interface,

3.1.15 Registered Owner Data Acquisition

Contractor has been obtaining registered owner information for its parking clients for all states and the Canadian provinces (where/when legal) since the early 1980s. Because we understand the importance of obtaining accurate registered owner information on a timely basis we have continuously fine-tuned our efforts in this area. We believe our hit rates exceed industry standards and we are constantly working to improve them. We use our proven methods and expertise to obtain and update registered owner information on behalf of the ICMS clients. AutoPROCESS will provide integrated, online access to the California DMV from within the application to improve efficiency. Contractor will obtain registered owner data from all states where legal and available for this Agreement.

3.1.16 Online Access to California DMV

Contractor will provide direct, online access to the California DMV database for real-time access to registered owner and lien-holder information. This online access is currently extended to the over 200 Contractor instate California clients and remains unparalleled throughout the industry. No other vendor can match the California client base serviced by Contractor.

3.1.17 DMV Lien Related Updates

AutoPROCESS provides the ability to place and report on DMV Liens in accordance with rules defined by the City. As part of its ongoing process Contractor will keep the citation database updated with all DMV Lien placements, DMV payment transaction and related DMV Releases.

3.1.18 Noticing

We will automatically generate and mail letter notices of delinquent parking citations using the AutoPROCESS system according to criteria specified by the City. These notices are typically mailed first class return service requested. Letter notices will include a return envelope for payments back to the appropriate location. Our experience shows that the small price for the return envelope is more than justified by increased revenue recovery rates.

In general, additional specialized notices can easily be created at the City's request to support targeted enforcement efforts. Pre-formatted notices can also be automatically output from the Review/Hearing process. All letter mail notices generated from AutoPROCESS are laser printed to ensure legibility. Notice files are created nightly or on a predetermined schedule and printed and mailed the next business day. The mail date and the name and address of the party to whom the notice was mailed are recorded as a permanent entry to the citation record in AutoPROCESS.

3.1.19 Correspondence Management

As correspondence may be comingled with mail payment from time to time, Contractor will bundle these correspondence and forward to the City's customer service staff for processing within their Customer Service department. Should the City desire Contractor can also scan correspondence items and forward the images to the City or, as an option, process inbound correspondence per the City's instructions.

3.1.20 Postage Handling

Our practice of using a professional bulk mail service provider allows Contractor to obtain the best possible postage rates for mailing of standard notices. The City will reimburse Contractor for all postage fees associated with pre-collection citation notices and correspondence.

3.1.21 Return Mail Handling

AutoPROCESS provides the ability to record address corrections and support generation and mailing of corrected notices. Contractor will provide returned mail processing. As described above, Contractor uses the NCOA database to identify and updated invalid or changed addresses. While this process delivers significantly better results than not using the NCOA, envelopes are still returned.

3.1.22. Lease/Rental Vehicle Handling

Contractor will prove the support of our Lease/Rental Management module which is designed to simplify the process of obtaining responsible party information from Lease/Rental companies that provide that

information, thus, enabling us to pursue the lessee (driver) at the time the violation was issued. The basic function of the Lease/Rental Management module is to provide a standardized listing, typically electronic, to the Lease/Rental companies for all violations issued to their vehicles where responsible owner information is required. The lease/rental company then can have a configurable number of days in which to return a file, preferably in electronic format, containing the responsible party information (name, address, phone, etc.) for each violation.

Appropriate notices will be sent to the renters' name/address when the when the rental company provides vehicle operator information. Normal violation processing activities will be initiated to recover the fines and fees owed from the responsible party.

3.1.23 Adjudication Support

Contractor will provide the City access to our Administrative Adjudication process. Contractor has significant experience processing and scheduling adjudication requests for California clients. We are extremely familiar with the Adjudication process as prescribed by California law. The AutoPROCESS Administrative Adjudication module manages the adjudication process across from the capture of adjudication data from the initial request to the Adjudication decision and disposition process. The application has been customized to fully comply with California law regarding adjudication procedures for other California clients. We look forward to applying this experience to the City's program and coordinating the review process in accordance with the timelines and processes prescribed by the laws of the State of California.

3.1.24 Administrative Reviews (Appeal Level 1)

AutoPROCESS currently supplies all the functionality we believe will be required by the City for support of Administrative Reviews (Level 1) where the support service is provided by the City's Customer Service agents. We anticipate requests for an Administrative Review may be submitted by the public via the web, or by mail.

3.1.25 Web Requests (Online Appeals)

Our solution will enable citizens to request an Administrative Review via the web as well as the uploading of files, such as photos and other documents relevant documentation, in support of their request. Details of the final solution for the City will be configured during implementation to meet the City's exact requirements and the California regulations regarding parking citation Administrative Reviews.

3.1.26 Mail Requests

For review requests received by mail, Contractor will forward requests to the City's Customer Service department for processing. Contractor can also scan mail requests and forward the images to the City.

3.1.27 Process Management

AutoPROCESS provides a series of management reports as well as supporting inquiry and maintenance screens to help manage the Administrative Review and outcome recording process. Contractor will work with the City to define a process that best meets the needs of the City. We assume the City will be responsible for handling all requests and subsequent actions for Administrative Reviews. Depending on the method received, AutoPROCESS can generate either an automated correspondence giving confirmation that the review request was received. Additionally, the system can produce automated

notices once the Administrative Review process has been completed and the customer's request has been fulfilled.

3.1.28 Scheduling Administrative Hearing Requests (Appeal Level 2)

Contractor will provide the City with a comprehensive solution for Administrative Hearing (Level 2) scheduling, rescheduling, reporting and disposition posting. Our Adjudication Scheduling module fully supports the on-line scheduling of hearings, the display of hearing schedules and dockets, adjustments to these schedules and subsequent posting of hearing decisions. We assume the City will be responsible for handling all requests and subsequent actions for Administrative Hearing Requests and disposition posting.

Contractor will work with the City to create a centralized hearing calendar which supports the scheduling of citations. As an initial approach, hearings may be requested and scheduled via requests made by mail or directly with a City authorized Customer Service agent.

3.1.29 Disposition Posting

Hearing dispositions can be entered real-time online into AutoPROCESS by authorized City users. The system is normally configured so that an authorized user must select a valid disposition reason code from a pre-determined list of disposition reason codes. The system provides the flexibility to define and accept the type of dispositions and statuses that may be requested by the City.

3.1.30 Process Management

AutoPROCESS provides a series of management reports as well as supporting inquiry and maintenance screens to help manage the Administrative Hearing and disposition recording process. Contractor will work with the City to define a process that best meets the needs of the City. We assume the City will be responsible for handling all requests, scheduling and subsequent actions for Administrative Hearings. Depending on the method received, AutoPROCESS can generate either an automated correspondence giving confirmation that the review request was received. Additionally, the system can produce automated notices once the Administrative Hearing process has been completed and the customer's request has been fulfilled.

3.1.31 Reporting Capabilities

The citation issuance and processing system provides a full set of parking management reports. These reports are normally run according to client specific needs. These reports include listing citations in the system by citation number, license plate, registered owner, and many other fields. Specific reports address a myriad of system activities and report in both summary and detail on payments received, fees assessed, citations cleared, etc.

For most reports, the system allows the user to select the time period for the report (i.e. today, week to date, last full month etc.). Drop down calendars are used to set the beginning and ending dates for a specific report. Where applicable other filters are available online giving the user the opportunity to further define the data to be selected. For example, the Citations Issued Reports can be run for all issuing agencies or just for a single agency such as the Police Department or Parking Enforcement.

Exception reports are used to identify exception situations such as citations without registered owner information, citations without notices, etc. A complete package of enforcement and management reports is included with the system. All standard reports can be run and printed locally and the user has the ability to request reports for specific time periods.

3.1.32 Management Dashboard

Contractor will provide 'management dashboard' functionality which presents executive level users with the ability to view summary level program information and determine program status at a glance. Management information is typically presented in graphical format can be based on KPIs mutually agreed upon with the City.

We will work with the City during the initial implementation period to finalize the report structure for the system. We suggest that we allow at least ninety (90) days for users to gain familiarity with the standard reports before any change requests are generated. Simple report changes are commonly done at no cost. More complex changes or requests for totally new reports (which are infrequent, given our comprehensive report set) are typically treated as billable System Enhancement Requests.

3.1.33 Permit Issuance and Management

The AutoPROCESS Permit Issuance and Management module will provide the City the ability to issue / reissue parking permits, manage their validity and facilitate management reporting based on permit program rules that may apply to a given municipality. The system provides for event driven capture of information directly into the AutoPROCESS database including integration with payment functionality that creates and relieves fees associated with the permit issuance and management operation

In addition, Contractor will provide the ability for patrons to apply for or request permits online. The online permit solution will allow citizens to access the City website, enter specific information and purchase permit(s) without the requirement of appearing in person at the City. The City has identified 3 specific permits that would be eligible for purchase via the online medium; those include Beach Permit, Residential Beach Permit and the Residential Neighborhood Permit.

It is anticipated that the online permit process will be a two stage process. 1st stage is for validation of the documents submitted by the Citizen via the web. For the beach permit, no validation is performed other than a visual inspection of the registration. The other two permits require accessing third party databases (which the City will be responsible for) for validation: i.e. lease agreement and property tax documentation.

The citizen will receive a temporary permit number which they use once the validation process is confirmed. The temporary permit number will be uploaded to the permit cross-reference list in that AutoCITE handhelds for enforcement support. After a prescribed time period the temporary permit will expire if payment is not made. It is anticipated that the City will mail or email a verification letter to the citizen notifying them of the approval of the permit documents.

The second stage will be for the citizen to access the URL for payment of the permit. Present the temporary permit number their credit card information and submit. The City will then, through a workflow process, fulfill the permit (print, data enter, fold, stuff and mail the permit to the Citizen).

With this solution, the City will be responsible for the validation, fulfillment, permit stock, labor, 2 letters plus postage or 1 letter plus postage and 1 email.

Contractor will be responsible for the creation of the verification site, permit payment site, creation of the letter templates to be used for both stages, support and maintenance for the duration of the contract.

3.2. Ongoing Support

Contractor will provide maintenance and support for the hosted AutoPROCESS processing system for the life of this Agreement. Technical support will be provided through the Contractor Help Desk which will be manned from Monday thru Friday, 6:30AM to 7:00PM CST and available to the City via a toll free telephone number provided by the Contractor. Off-hours requests will be submitted by the City using an email address provided by the Contractor. Contractor will install periodic software upgrades subject to review and approval by the City.

The City will benefit from installation of periodic version upgrades of AutoPROCESS System as they are released. Version upgrades typically occur from a quarterly to semi-annual basis. There are no annual maintenance costs.

4 Public Facing Photo Review Web Site

A Public Facing Photo Review Web Site for citation photo review is another option of our suite of expanded suite of capabilities for consideration the City. This tool uses the power of the internet to improve customer service, enhance program revenue, and even improves program operational efficiency.

This process starts with the capture of digital images during the citation issuance process using an enforcement handheld equipped with an integrated camera, such as the Contractor AutoCITE X3. Then, during the handheld synchronization process, all citation data along with appended images, is uploaded and stored in AutoPROCESS for viewing in both the multi-media tabs in AutoPROCESS and in a Public Facing Photo Review Web Site.

Contractor has taken care in the design of all of the customer facing applications to address information security concerns. All of these applications require entry of a valid citation number and related plate/state or VIN and none of them display any personal information such as name or address.

5 Citation Processing Solution Options

Included below are descriptions of a number of our key citation processing options that may be of interest to the City.

5.1 Fully Integrated Cashiering System

Contractor can provide the City with our proven, comprehensive and fully integrated cashiering solution including our Online Cashiering Subsystem, a turnkey hardware solution or potential integration with your current equipment for complete point-of-sale cashiering solution.

5.2 Ticket Book Inventory Control

As an option, the AutoPROCESS Ticket Control and Inventory module provides the tools that the client agency may use to maintain an inventory of manual citations (citation books) and reconcile issued and un-issued tickets. If desired, as books of manual citations are issued to Parking Enforcement Officers (PEOs) or sworn Police Officers, the issuing authority can record the number range of each issued book, the officer to which the book was issued, and the date the book was issued. The issuing agency can then provide this information for entry to AutoPROCESS. The AutoPROCESS system then internally tracks the issuance of tickets from the assigned books and periodic reports can be run to identify missing tickets

or incomplete books. Completed books can be removed from the database or maintained indefinitely at the client's discretion.

5.3 Multi-Media Digital Data Capture and Access

Contractor can provide a service to capture as well as query (access) digital data for some or all of the following:

- Manual citations (included)
- Electronically issued citations
- Outbound notices
- Inbound/outbound correspondence
- Inbound mail payments (included)
- Other digital citation data such as photos and voice files.

Digital files can be made available to authorized users through our multi-media function within our AutoPROCESS citation processing system.

6 Pricing

Contractor is fully prepared to include any of the optional products and services described throughout this proposal. Based on our initially understanding of the City's requirements, our preliminary pricing for the proposed solution described in Proposal Section 5.1–Citation Processing Services as well as several optional considerations are presented below.

Item	Unit Price
6.1 Rate Per Citation Processed Inclusions 1. Ten (10) named User Licenses to AutoPROCESS 2. Configuration of the hosted AutoPROCESS system to conform with the City's business rules 3. Interface with the City's existing AutoISSUE citation issuance system for import of citations to AutoPROCESS and export of required files to AutoISSUE 4. Management Dashboard 5. Manual Citation Data Entry 6. Lockbox Mail Payment Processing 7. Web and IVR Payment Options 8. Correspondence Routing to City 9. Notice Generation & Mailing 10. Adjudication Support 11. Online Appeals (Level 1) 12. Implementation (including data transition) 13. Ongoing AutoPROCESS Maintenance and Support 14. Ongoing Account Management	$1.88 per citation issued

6.2 Rate Per Citation Issued

$1.88 will be the initial processing fee subject to CPI-U increases as described in Section 3 of the Agreement. Fee is applicable for parking citations generated by handheld computers and/or electronically transferred to the Contractor's Processing Center, and for manual parking citations processed by the Contractor into the citation master file. The acquisition of registered owner information from the California DMV and other state DMV's where available, are included in this price.

6.3 Internet and IVR Convenience Fees

The convenience fee assessed to the user/violator for payments made via the Contractor's Internet and IVR payment systems will be $2.95 for each citation paid or 5% of any payment in excess of $100 and shall be fixed for the three (3) years of the Agreement.

6.4 Online Permit Purchase Web Convenience Fees

A convenience fee will be assessed to the user for payments made via the Contractor's Internet payment system. This fee will be $2.95 for each permit purchased and shall be fixed for the three (3) years of the Agreement.

6.5 Additional Fees

All Notices after the 1st Notice and 2nd Notice (Notices sent to lessees, renters, second registered owners and second addresses, or any other Notice or Letter deemed necessary) will be an additional fee of $.25 per item. An additional fee of $.25 will be charged for any hand processing associated with any notice, letter or correspondence. Postage for all notices will be paid by the Contractor and billed to the City for reimbursement. The Contractor will retain fees collected for the processing of NSF checks.

6.6 Three Year Pricing Estimates

Description	Unit Cost	Postage	Estimated Annual Quantity	1st Year Citation Management Annual Cost	Annual Postage and Delivery	[1]
Citations Processed	**$1.88**	**0**	60,000	$113,000.00	$0.00	
Delinquent Notices	**$0.00**	**$0.380**	51,000	$0.00	$19,380.00	[3]
Correspondence	**$0.25**	**$0.345**	8,000	$2,000.00	$2,760.00	[2]
SubTotals			**119,000**	**$115,000.00**	**$22,140.00**	
Total Annual Cost					**$137,140.00**	

[1] Postage is based on the new first class rates, effective on April 17th, 2011. The postage rate is variable based on the concentration of mail going to the same zip code and the size of the batches.

[2] To estimate the annual postage cost an estimated average rate of $0.345 was used for the Utility Bills (majority of mail pieces will have the 5-Digit rate).

[3] An estimated average rate of $0.38 was used for the Delinquent Notices (majority of mail pieces will have the MIXED AADC rate). Foreign destinations have higher postage rates.

	Description		Unit Cost		Postage	Estimated Annual Quantity		2nd Year Citation Management Annual Cost	Annual Postage and Delivery	1, 4
	Citations Processed		**$1.92**		**0**	60,000		$115,248.00	$0.00	
	Delinquent Notices		**$0.00**		**$0.380**	51,000		$0.00	$19,380.00	3
	Correspondence		**$0.25**		**$0.345**	8,000		$2,000.00	$2,760.00	2
	SubTotals					**119,000**		**$117,248.00**	**$22,140.00**	
	Total Annual Cost								**$139,388.00**	
1	Postage is based on the new first class rates, effective on April 17th, 2011. The postage rate is variable based on the concentration of mail going to the same zip code and the size of the batches.									
2	To estimate the annual postage cost an estimated average rate of $0.345 was used for the Utility Bills (majority of mail pieces will have the 5-Digit rate).									
3	An estimated average rate of $0.38 was used for the Delinquent Notices (majority of mail pieces will have the MIXED AADC rate). Foreign destinations have higher postage rates.									
4	CPI-U annual increase = 2.17% (based on historical CPI-U information for a period of 4 years)									

	Description		Unit Cost		Postage	Estimated Annual Quantity		3rd Year Citation Management Annual Cost	Annual Postage and Delivery	1, 4
	Citations Processed		**$1.96**		**0**	60,000		$117,748.00	$0.00	
	Delinquent Notices		**$0.00**		**$0.380**	51,000		$0.00	$19,380.00	3
	Correspondence		**$0.25**		**$0.345**	8,000		$2,000.00	$2,760.00	2
	SubTotals					**122,000**		**$194,748.00**	**$22,140.00**	
	Total Annual Cost								**$216,888.00**	
1	Postage is based on the new first class rates, effective on April 17th, 2011. The postage rate is variable based on the concentration of mail going to the same zip code and the size of the batches.									
2	To estimate the annual postage cost an estimated average rate of $0.345 was used for the Utility Bills (majority of mail pieces will have the 5-Digit rate).									
3	An estimated average rate of $0.38 was used for the Delinquent Notices (majority of mail pieces will have the MIXED AADC rate). Foreign destinations have higher postage rates.									
4	CPI-U annual increase = 2.17% (based on historical CPI-U information for a period of 4 years).									

Category	Total
Citation Management Services (Years 2-3)	$232,996.00
Delinquent Notices (Years 1-3)	$0.00
Correspondence (Years 1-3)	$6,000.00
Postage and Delivery (Years 1-3)	$66,420.00
Total	**$305,416.00**
1st Year Citation Management Services	$113,000.00
Grand Total	**$418,416.00**

7 System Enhancements

System enhancement or customization requests will be billed at the rate of $150 per hour.

8 Key Assumptions

- Minimum of 60,000 citations issued annually.
- Up to two (2) late notices per issued citation.
- A convenience fee will be assessed to the user for payments made via the Contractor's Internet payment system. This fee will be $2.95 for each permit purchased and shall be fixed for the three (3) years of the Agreement.
- Annual rate adjustments for CPI-U changes apply after the first contract year.
- The City will reimburse Contractor actual postage costs for pre-collections notices and correspondence.
- Contractor will assume responsibility for placement of DMV liens and reimburse the City for the $3.00 per item fee assessed by the DMV for newly placed liens.
- Contractor will assume all costs related to FTB filings.

CITY OF OCEANSIDE

AMENDMENT NO. 1 TO

AGREEMENT FOR PARKING CITATION PROCESSING

PROJECT: OUTSOURCED PARKING CITATION PROCESSING

This amendment to the Agreement (hereinafter "Amendment") dated March 30th, 2012 for identification purposes, is made and entered into by and between the City of Oceanside, a municipal corporation, hereinafter designated as "City" and Citation Management, a division of Professional Account Management, LLC a Duncan Solutions Company hereinafter referred to as "Contractor".

RECITALS

WHEREAS, City and Contractor are the parties to that Agreement dated June 1, 2011, hereinafter referred to as the "Agreement", wherein Contractor agreed to provide certain services to the City as set forth therein:

WHEREAS, City and Contractor desire to amend the Agreement modifying the payment method contained in ARTICLE III – COMPENSATION, Section 3.2 BILLING AND PAYMENT PROCEDURES:

1. The Agreement shall be amended by changing Section 3 and 3.2 to read as follows:
    a. 3. COMPENSATION. City will pay Contractor $0.35 per document (not per page) to scan all Administrative Review requests into the DocuPeak workflow system and place all associated citations on a stop processing status. Administrative Review requests will then be directed electronically through DocuPeak to the City for an administrative review. City staff will access the DocuPeak system, enter the review decision and notify the citizen of the decision. All correspondence documents associated with a citation or Administrative Review request will also be scanned into the DocuPeak system. The City will pay $0.35 per correspondence document (not per page). Correspondence documents will not trigger a stop process status. Correspondence document will be directed electronically through DocuPeak to the City for review.
    b. 3.2 BILLING AND PAYMENT PROCEDURES. Contractor shall provide the City on a monthly basis, an invoice for the number of citations processed, delinquent notices processed and correspondence mailed during the preceding month. The invoice will be accompanied by a statement and fee analysis that accurately reflects the number of citations processed, the number of delinquent notices mailed, number of correspondence mailed, interest earned on citation fees

collected, bank fees and wire transfer fees for the preceding month, and any other fees associated with, and authorized under the execution of the agreement. The City shall either approve or reject the invoice, statement and fee analysis. If these documents are rejected by the City, Contractor will be notified, and both parties shall use their best efforts to resolve the disputed items. If the invoice, statement and fee analysis is approved the City will issue a check within 30 days from the date of the invoice.

All other terms and conditions of the original agreement dated June 1, 2011 between the City of Oceanside and Citation Management, a division of Professional Account Management, LLC a Duncan Solutions Company shall remain unchanged.

DUNCAN SOLUTIONS

_____ **Date:** 4/17/12

Jason Johnston , President - Citation Management, A division of Professional Account Management, LLC a Duncan Solutions Company

CITY OF OCEANSIDE

_____ **Date:**_____

Peter A. Weiss – City Manager

_____ **Date:**_____

Teri Ferro – Director of Finance

_____ **Date:**_____

Michael Lee Sherwood – Chief Information Officer

APPROVED AS TO FORM:

_____

John P. Mullen – City Attorney

ACKNOWLEDGMENT

State of ~~California~~ Wisconsin
County of MILWAUKEE)

On APRIL 17, 2015 before me, JASON JOHNSTON - PRESIDENT OF CITATION MANAGEMENT
(insert name and title of the officer)

personally appeared IN MY OFFICE LOCATED IN MILWAUKEE, WI,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of ~~California~~ Wisconsin that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ **(Seal)**

MY COMMISSION EXPIRES JANUARY 11, 2015

TIM M WENDLER
Notary Public
State of Wisconsin