

STAFF REPORT*CITY OF OCEANSIDE*

DATE: June 25, 2014

TO: Honorable Mayor and City Councilmembers

FROM: Financial Services Department

SUBJECT: **AMENDMENT 2 TO PROFESSIONAL SERVICES AGREEMENT WITH DUNCAN SOLUTIONS INC., FOR PARKING CITATION PROCESSING**

SYNOPSIS

Staff recommends that the City Council approve Amendment 2 in an amount estimated at \$182,000 to the Professional Services Agreement (PSA) with Duncan Solutions Company for the processing of parking citations, extending the term of the agreement by one year from June 1, 2014, to June 1, 2015; and authorize the City Manager to execute the amendment.

BACKGROUND

In June 2011 the City Council approved a three-year PSA with Duncan Solutions Company for the processing of parking citations with an expiration date of June 1, 2014. By October 2011 Duncan Solutions had begun providing services.

In Amendment 1 to the PSA, approved May 16, 2012, the compensation portion of the agreement was amended to provide for electronic tracking of administrative reviews and clarify billing and payment procedures. These services and procedures were implemented by July 2012.

ANALYSIS

Duncan Solutions has been effectively providing the services as agreed upon during the contract period. In the original agreement, the City utilized the "piggy back" provision in the procurement policy to engage Duncan Solutions' services. This agreement was one of many outsourcing arrangements the Financial Services was entering into from 2009 to 2012.

After June 2014 the Agreement allows for cancellation by either party with a 30-day written notice. It is the intention of the Financial Services Department to issue a Request for Proposal for parking citation processing services by July 2014. Depending upon the outcome of that process, the current proposed extension and original terms will allow the City flexibility in the upcoming selection process. The proposed one-year

extension will allow ample time to either negotiate new terms with the current vendor or select and convert to a new vendor.

FISCAL IMPACT

The cost of Amendment 2 is estimated at \$182,000 for a one-year period from July 1, 2014, to June 30, 2015, based upon historical values. This estimate is dependent upon the number of parking citations issued, the number of administrative reviews received, United States Postal Service rates, and contract provisions. The expense will be funded from existing budget in account 212010101.5305 for FY13/14 and is included in the proposed FY14/15 General Fund budget.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

Staff recommends that the City Council approve Amendment 2 in an amount estimated at \$182,000 to the Professional Services Agreement (PSA) with Duncan Solutions Company for the processing of parking citations, extending the term of the agreement by one year from June 1, 2014, to June 1, 2015; and authorize the City Manager to execute the amendment.

PREPARED BY:



Sheri Brown
Financial Services Division Manager

SUBMITTED BY:

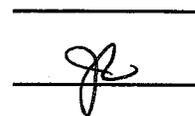


Steven R. Jepsen
City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager

James R. Riley, Financial Services Director



- Attachments: 1) Amendment 2
2) Amendment 1
3) Professional Services Agreement

**CITY OF OCEANSIDE
AMENDMENT 2 TO
PROFESSIONAL SERVICES AGREEMENT**

PROJECT: DUNCAN PARKING CITATION PROCESSING

THIS AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT (hereinafter "Amendment"), dated June 25, 2014 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, a Wisconsin Corporation, hereinafter designated as "CONSULTANT."

RECITALS

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

WHEREAS, City and Consultant are the parties to Amendment 1 of the Professional Services Agreement dated May 16, 2012 wherein Consultant agreed to modify payment and compensation as set for the therein;

AMENDMENT

NOW, THEREFORE, as set forth herein, the parties hereto do mutually agree that the Agreement, Article IV – Term of Agreement, Section 4.1, shall be amended as follows:

1. **PERIOD OF PERFORMANCE**

The term of the agreement is extended by one year from June 1, 2014 to June 1, 2015.

2. Except as expressly set forth in this Amendment, the Agreement and Amendment 1 shall remain in full force and effect and is hereby ratified and reaffirmed.

DUNCAN PARKING CITATION PROCESSING

SIGNATURES. The individuals executing this Amendment represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Amendment on behalf of the respective legal entities of the CONSULTANT and the CITY.

IN WITNESS WHEREOF the parties hereto being duly authorized on behalf of their respective entities to execute this Amendment, do hereby agree to the covenants contained in the Agreement, including this Amendment and have caused this Amendment to be executed by setting hereunto their signatures on the dates set forth below.

Duncan Solutions
By: Norman B. Baker CFO
Name/Title

Date: 6/5/14

By: Samantha L. Clouse, Witness
Name/Title

Date: 6/5/14

39-1956409
Employer ID No.

CITY OF OCEANSIDE
By: Steven R. Jepsen, City Manager

Date: _____

APPROVED AS TO FORM:

John R. [Signature]
City Attorney

NOTARY ACKNOWLEDGMENTS OF CONSULTANT MUST BE ATTACHED

State of Wisconsin

County of Milwaukee

This instrument was acknowledgement before me on the 5 day of June, 2014

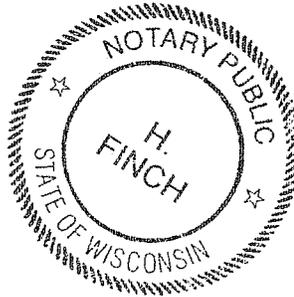
by Norman Brooks who represented him/herself

as Chief Financial Officer of Professional Account Management, LLC

(SEAL)

H. Finch

Wisconsin Notary Public



H. Finch

My Commission Expires:

July 31, 2016

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:

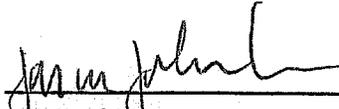
WHEREAS, City and Contractor desire to amend the Agreement modifying the payment method contained in ARTICLE III – COMPENSATION, Section 3.2 BILLING AND PAYMENT PROCEDURES:

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

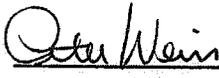
collected, bank fees and wire transfer fees for the preceding month, and any other fees associated with, and authorized under the execution of the agreement. The City shall either approve or reject the invoice, statement and fee analysis. If these documents are rejected by the City, Contractor will be 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.

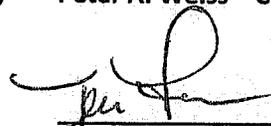
All other terms and conditions of the original agreement dated June 1, 2011 between the City of Oceanside and Citation Management, a division of Professional Account Management, LLC a Duncan Solutions Company shall remain unchanged.

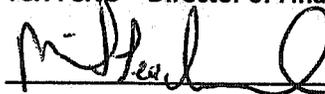
DUNCAN SOLUTIONS


Date: 4/17/12
Jason Johnston, President - Citation Management,
A division of Professional Account
Management, LLC a Duncan Solutions
Company
EIN: 39-1956409

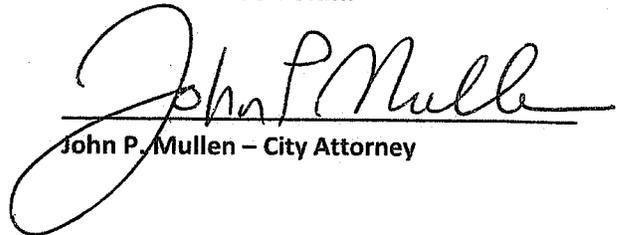
CITY OF OCEANSIDE


Date: 6-12-12
Peter A. Weiss - City Manager


Date: 6-11-12
Teri Ferro - Director of Finance


Date: 6/11/2012
Michael Lee Sherwood - Chief Information
Officer

APPROVED AS TO FORM:


John P. Mullen - City Attorney

ACKNOWLEDGMENT

Wisconsin
State of ~~California~~
County of MILWAUKEE

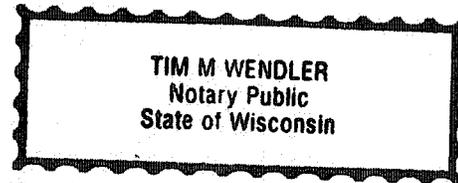
On April 17, 2012 before me, JASON JOHNSON, PRESIDENT
(insert name and title of the officer)

personally appeared at 633 W Wisconsin Ave Ste 1600 Milwaukee WI 53203
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 ^{Wisconsin} ~~California~~ that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature 



(Seal)

my commission expires January 11, 2015

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.

AGREEMENT FOR PARKING CITATION PROCESSING

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-

AGREEMENT FOR PARKING CITATION PROCESSING

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

AGREEMENT FOR PARKING CITATION PROCESSING

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

AGREEMENT FOR PARKING CITATION PROCESSING

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.

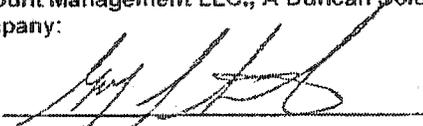
9.4 NOTICES TO PARTIES. Any notice required under this Agreement to be given to either party may be given by depositing in the United States mail, postage paid, first-class, a notice addressed to the following:

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

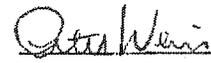
City:
City of Oceanside
300 N. Coast Highway
Oceanside, CA 92054

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.

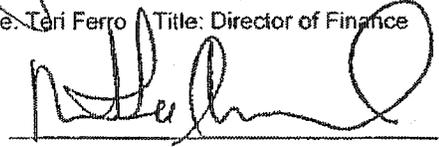
Citation Management a Division of Professional Account Management LLC., A Duncan Solutions Company:

By: 
Name: Gary Smith Title: President

City of Oceanside:

By: 
Name: Peter Weiss Title: City Manager

By: 
Name: Teri Ferro Title: Director of Finance

By: 
Name: Michael Lee Sherwood Title: Chief Information Officer

APPROVED AS TO FORM
OCEANSIDE CITY ATTORNEY



JOHN P. MULLEN
City Attorney