

AGREEMENT

34652

THIS AGREEMENT is made and entered, in duplicate, as of May 24, 2017, for reference purposes only, pursuant to Resolution No. RES-17-0052, adopted by the City Council of the City of Long Beach at its meeting on May 23, 2017, by and between ZONAR SYSTEMS, INC, a Washington corporation ("Contractor"), with a place of business at 18200 Cascade Ave. S #200, Seattle, WA 98188, and the CITY OF LONG BEACH, a municipal corporation ("City").

WHEREAS, the City currently has 583 active units in the City's fleet in need of Zonar electronic vehicle inspection and tracking components as well as monthly monitoring services; and

WHEREAS, City did by Resolution No. RES-17-0052 determine that the City's need to purchase Zonar electronic vehicle inspection and tracking components including monitoring services could only be met by Contractor and, by reason of the foregoing, no useful purpose would be served by advertising for bids to purchase Zonar electronic vehicle inspection and tracking components including monitoring services, and to do so would constitute an idle and useless act and an unnecessary expenditure of public funds; and

WHEREAS, City has selected Contractor in accordance with City's administrative procedures and City has determined that Contractor and its employees are qualified, licensed, if so required, and experienced in performing these specialized services; and

WHEREAS, City desires to have Contractor perform these specialized services, and Contractor is willing and able to do so on the terms and conditions in this Agreement;

NOW, THEREFORE, in consideration of the mutual terms, covenants, and conditions in this Agreement, the parties agree as follows:

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OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 1. Contractor shall sell, furnish and deliver to City Zonar electronic
2 vehicle inspection and tracking components including monitoring services as authorized
3 by Resolution No. RES-17-0052 and as described in Exhibit "A" attached to this Contract
4 and incorporated herein by this reference.

5 2. City shall pay Contractor in due course of payments, following
6 receipt of an invoice from Contractor and upon acceptance from City, for these Zonar
7 electronic vehicle inspection and tracking components including monitoring services at
8 the prices shown in Exhibit "A", a sum not to exceed Two Hundred Fifty Thousand Dollars
9 (\$250,000) annually, including tax.

10 3. The term of this Contract shall commence at midnight on July 22,
11 2017, and shall terminate on July 21, 2019 unless sooner terminated as provided herein.
12 The City has the option to extend the contract for two (2) additional periods of one (1) year
13 each at the discretion of the City Manager, and may terminate this Contract by giving thirty
14 (30) days prior notice of termination to Contractor.

15 4. Neither this Contract nor any of the moneys that may become due
16 Contractor hereunder may be assigned without the prior written consent of City; however,
17 Contractor may assign this Contract to any current or future affiliate in connection with a
18 merger or sale of all or substantially all of Contractor's assets used in performing its
19 obligations under this Contract without prior written consent.

20 5. Any notices required hereunder or desired to be given by either party
21 shall be in writing and personally delivered or deposited in the U.S. Postal Service, first
22 class postage prepaid, addressed to Contractor at the address stated herein, and to City
23 at 333 West Ocean Boulevard, Long Beach, California 90802 Attn: City Manager. Notice
24 shall be deemed given on the date personal delivery is made or on the date of deposit in
25 the mail, whichever first occurs.

26 6. City shall have the benefit of any warranty from the manufacturer on
27 the products supplied and Contractor warrants that the products are in good working order
28 and free from defect at the time of delivery.

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IN WITNESS WHEREOF, the parties have caused this document to be duly executed with all formalities required by law as of the date first stated above.

ZONAR SYSTEMS, INC, a Washington corporation
By [Signature]
Name MICHAEL KIRO
Title General Counsel

June 22, 2017

By [Signature]
Name Jules Dowd
Title Corporate Counsel

June 22, 2017

"Contractor"

CITY OF LONG BEACH, a municipal corporation

EXECUTED PURSUANT TO SECTION 301 OF THE CITY CHARTER.

July 3, 2017

By [Signature]
City Manager
Tom Modica
"City" Assistant City Manager

This Agreement is approved as to form on June 27, 2017.

CHARLES PARKIN, City Attorney
By [Signature]
Deputy

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Lona Beach, CA 90802-4664

EXHIBIT "A"



To Whom It May Concern:

April 12, 2017

Re: Certification of Sole Source Supply for Verified Inspection Products (EVIR®)

This letter will certify that Zonar Systems, Inc. is the sole supplier of the Electronic Vehicle Inspection Report(s) (EVIR®) System. Zonar's EVIR system uses RFID technology to verify that drivers are actually getting out of their vehicles and moving to different predefined zones about the vehicle while completing their required inspections. This patented system is used to capture, transmit and record vehicle inspection, compliance and maintenance data. Required pre- and post-trip inspections are automated and verified using Zonar's patented technology. Zonar has eliminated the errors, inefficiencies and risks inherent in all other approaches. The design and engineering of this product was invented by Zonar's founders and has been solely marketed by Zonar since its inception in 2001. EVIR is protected under the following U.S. Patents: Patent No. 6,671,646, Patent No. 6,804,626, Patent No. 7,117,121; Patent No. 7,362,229; Patent No. 7,557,696; Patent No. 7,808,369; and Patent No. 7,944,345. These patents are valid and enforceable through at least September 11, 2021.

Zonar has approval from the Federal Motor Carrier Safety Administration for use of this patented electronic inspection system of motor vehicles that require pre- and post-trip safety inspections in accordance with Title 49, CFR, Parts 396.11 and 396.13. Each state has also accepted this electronic inspection system for interstate and intrastate motor vehicles and trailers. Zonar has worked closely with both Federal and State transportation officials, participated at regional and national Transportation trade shows, and has certified with other agencies that Zonar is the only vendor to supply this product. Zonar maintains strict control over the distribution of this product, ensuring no other organization is able to provide a telematics solution integrated with our proprietary EVIR System.

Our integrated solution of Zonar's products, EVIR®, V-Series HD GPS (GPS and vehicle diagnostics) and the web enabled Ground Traffic Control™ software portal, provide a complete telematics suite.

In addition to our own patent portfolio, we have acquired licenses to over 80 patents from multiple patent owners related to GPS technology, routing technology, vehicle inspection technology, and collecting data from vehicles, so that we may offer our products and services to our customers.

We hope that this information may be of value to your organization in evaluating responses from vendors offering GPS tracking and/or vehicle inspection services.

Very truly yours,

Michael C. King
General Counsel
Zonar Systems, Inc.



**Sales Quote Only.
This is Not an
Invoice.**

QUOTATION

Quote Number:
Q156975 - 1

Quote Date:
06/01/17

Page:
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18200 Cascade Ave S
Seattle, WA 98188
www.zonarsystems.com
Voice: 206.878.2459
Fax: 206.878.3082

Quoted To:
Long Beach Fleet Serv Bureau Attn: Juan Mercado 2600 Temple Ave Long Beach, CA 90806-2209 USA

Quoted Ship To:
Long Beach Fleet Serv Bureau Attn: Juan Mercado 2600 Temple Ave Long Beach, CA 90806-2209 USA

Customer ID	Good Thru	Payment Terms	SalesPerson
LON0493	07/01/17	Net 30 Days	Jesse Heisler

Order Qty	Item	Description	Unit Price	Total
		Hardware Only		
1	V3001-H	V3 GPS Kit	224.95	224.95
1	EVIR001-H	EVIR CSA Inspection Kit	199.95	199.95
1	20001	2010 Handheld	199.95	199.95
1	20009	Round Black Asset Tag	6.45	6.45
1	20055	Operator/Driver Card	5.45	5.45
1	80013	2010(A) Battery Pack (Blue)	26.95	26.95
1	81321	Zones 1-11 Marigold Tag Kit	70.95	70.95
1	HSANT01	GPS Antenna Kit	29.95	29.95
1	80059	5 Pin Data I/O Cable	19.95	19.95
1	81529	9 & 6 Pin Cable 500K	39.95	39.95
	S&H	Shipping and Handling - TBD		

Subtotal:	824.50
Total Sales Tax:	80.40
Invoice Discount:	0.00
Total:	USD 904.90

No Hardware or Services identified in this quotation will be provided by Zonar until the parties have executed a Service Agreement, a copy of which will be provided upon request and before acceptance of a customer purchase order. The Service Agreement has been omitted from this Quote for simplicity's sake. The rates and quantities on this quote are based on initial discussions about your fleet, and may change slightly if a detailed asset list provided by your fleet indicates that additional Hardware or Services are required based on your unique asset list.