

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 AGREEMENT

2 **32021**

3 THIS AGREEMENT is made and entered, in duplicate, as of February 17,
4 2011 for reference purposes only, pursuant to Resolution No. RES-11-0017 adopted by
5 the City Council of the City of Long Beach at its meeting on February 15, 2011, by and
6 between PIPS TECHNOLOGY INC., a Tennessee corporation ("Contractor"), with a
7 place of business located at 804 Innovation Drive, Knoxville, Tennessee 37932, and the
8 CITY OF LONG BEACH ("City"), a municipal corporation.

9 WHEREAS, Section 1802 of the Long Beach City Charter permits the City
10 to make purchases under the purchasing contracts of other governmental agencies when
11 authorized to do so by a resolution; and

12 WHEREAS, the City desires to purchase up to thirty (30) additional Mobile
13 Automated License Plate Recognition ("ALPR") systems and up to twelve (12) fixed
14 ALPR systems; and

15 WHEREAS, PIPS Technology Inc. has a Contract with the County of San
16 Diego Sheriff's Department for the purchase of a Mobile Automated License Plate
17 Reader/Recognition system, County Contract No. 527866 ("County Contract"); and

18 WHEREAS, Resolution No. RES-11-0017 authorizes the City to purchase
19 these ALPR systems by virtue of the County Contract;

20 NOW, THEREFORE, in consideration of the terms and conditions
21 contained in this Agreement, the parties agree as follows:

22 1. The County Contract with Contractor is incorporated by this
23 reference as if fully set forth, and the same terms and conditions contained in the County
24 Contract shall be applicable here except as follows:

25 A. Wherever the County Contract refers to the County of San
26 Diego Sheriff's Department, it shall be deemed to refer to the City of Long Beach;

27 B. Contractor shall sell, furnish and deliver to the City up to thirty
28 (30) additional Mobile ALPR systems and up to twelve (12) fixed ALPR systems of

1 of substantially the same type and kind purchased by the County of San Diego
2 Sheriff's Department on the same terms and conditions offered to the County of
3 San Diego Sheriff's Department, except as modified by Exhibit "A" attached hereto
4 and incorporated in this Agreement, for an amount not to exceed Nine Hundred
5 Thousand Dollars (\$900,000), including tax and shipping, for a period extending
6 until the warranty on the ALPR systems expire. To the extent that the County
7 Contract and this Agreement are inconsistent, the following priority shall govern:
8 (1) this Agreement and (2) the County Contract.

9 C. Payment for the ALPR systems from Contractor by the City
10 shall be made by the City on delivery to and acceptance of the ALPR systems by
11 the City and submittal of an invoice to the City. Payment is due thirty (30) days
12 after the date of the invoice.

13 D. All warranties shall accrue to the City of Long Beach.

14 E. The parties may, by mutual written agreement, amend this
15 Agreement with the approval of the City's City Council and Contractor's authorized
16 representative.

17 2. Neither this Agreement nor any money that becomes due to
18 Contractor under this Agreement may be assigned by Contractor without the prior written
19 consent of the City Manager or his designee.

20 3. Any notice given under this Agreement shall be in writing and
21 personally delivered or deposited in the U.S. Postal Service, return receipt, and shall be
22 delivered or mailed to Contractor at the relevant address first stated above, and to the
23 City at 333 West Ocean Boulevard, Long Beach, California 90802 Attn: City Manager.
24 Notice shall be deemed given three days after deposit in the mail.

25 4. The terms appearing on the County Contract are incorporated in this
26 Agreement.

27 5. Contractor shall cooperate with the City in all matters relating to self-
28 accrual of use tax. Contractor shall contact the City Treasurer for additional information

EXHIBIT “A”

COUNTY CONTRACT 527866
COUNTY OF SAN DIEGO SHERIFF'S DEPARTMENT
MOBILE AUTOMATIC LICENSE PLATE READER SYSTEM

This Agreement (Agreement) is made and entered into on December 19, 2008 (Effective Date) by and between the County of San Diego, a political subdivision of the State of California (County) and PIPS Technology, Inc located at 804 Technology Drive, Knoxville, TN 37932 (Contractor), with reference to the following facts:

RECITALS

- A. Pursuant to Administrative Code section 401, the County's Director of Purchasing and Contracting is authorized to award this Contract for Mobile Automatic License Plate Reader/Recognition System.
- B. Contractor is specially trained and possesses certain skills, experience, education and competency to perform these services.
- C. The Chief Administrative Officer made a determination that Contractor can perform the services more economically and efficiently than the County, pursuant to Section 703.10 of the County Charter
- D. The Agreement shall consist of this pro forma Agreement, Exhibit A Statement of Work, A-1 Contractor's proposal, Exhibit B Insurance Requirements and Exhibit C, Pricing. In the event that any provision of the Pro Forma Agreement or its Exhibits, A, A-1, B or C, conflicts with any other term or condition, precedence shall be: First (1st) the Pro Forma; Second (2nd) Exhibit B; Third (3rd) Exhibit A; Fourth (4th) Exhibit C; and fifth (5th), Exhibit A-1.
- E. County entered into an interim Contract with Contractor, effective December 19, 2008 to initiate this critical work, while the Contract was being negotiated. County and Contractor finalized negotiations, resulting in this Contract, which supersedes the interim Contract.

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

ARTICLE 1
PERFORMANCE OF WORK

- 1.1 **Standard of Performance.** Contractor shall, in good and workmanlike manner and in accordance with the highest professional standards, at its own cost and expense, furnish all of the labor, technical, administrative, professional and all other personnel, all supplies and materials, equipment, printing, transportation, facilities, and all other means whatsoever, except as herein otherwise expressly specified to be furnished by County, necessary or proper to perform and complete the work and provide the services required of Contractor by this Agreement.
- 1.2 **Contractor's Representative.** The person identified on the signature page ("Contractor's Representative") shall ensure that Contractor's duties under this Agreement shall be performed on behalf of the Contractor by qualified personnel; Contractor represents and warrants that (1) Contractor has fulfilled all applicable requirements of the laws of the State of California to perform the services under this Agreement and (2) Contractor's Representative has full authority to act for Contractor hereunder. Contractor and County recognize that the services to be provided by Contractor's Representative pursuant to this Agreement are unique: accordingly, Contractor's Representative shall not be changed during the Term of the Agreement without County's written consent. County reserves the right to terminate this Agreement pursuant to Clause 7.1, below, "Termination for Default", if Contractor's Representative should leave Contractor's employ, or if, in County's judgment, the work hereunder is not being performed by Contractor's Representative.

COUNTY CONTRACT 527866
COUNTY OF SAN DIEGO SHERIFF'S DEPARTMENT
MOBILE AUTOMATIC LICENSE PLATE READER SYSTEM

1.3 Contractor as Independent Contractor. Contractor is, for all purposes of this Agreement, an independent Contractor, and neither Contractor nor Contractor's employees or subcontractors shall be deemed to be employees of the County. Contractor shall perform its obligations under this Agreement according to the Contractor's own means and methods of work which shall be in the exclusive charge and under the control of the Contractor, and which shall not be subject to control or supervision by County except as to the results of the work. Neither Contractor nor Contractor's employees or subcontractors shall be entitled to any benefits to which County employees are entitled, including without limitation, overtime, retirement benefits, workers' compensation benefits and injury leave.

1.4 Contractor's Agents and Employees or Subcontractors. Contractor shall obtain, at Contractor's expense, all agents, employees and subcontractors required for Contractor to perform its duties under this Agreement, and all such services shall be performed by Contractor's Representative, or under Contractor's Representatives' supervision, by persons authorized by law to perform such services. Retention by Contractor of any agent, employee or subcontractor shall be at Contractor's sole cost and expense, and County shall have no obligation to pay Contractor's agents, employees or subcontractors; to support any such person's or entity's claim against the Contractor; or to defend Contractor against any such claim.

Any subcontract which is in excess of five thousand dollars (\$5,000) or a combination of subcontracts to the same individual or firm for the Agreement period must have prior concurrence of the Contracting Officer Technical Representative. Contractor shall provide Contracting Officer Technical Representative with copies of all other subcontracts relating to this Agreement entered into by Contractor within 30 days after the effective date of the subcontract. Such subcontractors of Contractor shall be notified of Contractor's relationship to County. "Subcontractor" means any entity, other than County, that furnishes to Contractor services or supplies relevant to this Agreement other than standard commercial supplies, office space, and printing services.

1.4.1 Contractor Responsibility. In the event any subcontractor is utilized by Contractor for any portion of the project, Contractor retains the prime responsibility for carrying out all the terms of this Agreement, including the responsibility for performance and insuring the availability and retention of records of subcontractors in accordance with this Agreement. No subcontract utilizing funds from this Agreement shall be entered into which has a term extending beyond the ending date of this Agreement.

1.4.2 Mandated Clause. All subcontracts shall include the Standard Terms and Conditions required of Contractor herein.

1.4.3 County Approval. As identified above, all subcontracts under this Agreement shall have prior written approval of the Contracting Officer Technical Representative.

ARTICLE 2
SCOPE OF WORK

2.1 Statement of Work. Contractor shall perform the work described in the "Statement of Work" attached as Exhibit "A" to this Agreement, and by this reference incorporated herein, except for any work therein designated to be performed by County.

2.2 Right To Acquire Equipment and Services. Nothing in this Agreement shall prohibit the County from acquiring the same type or equivalent equipment and/or service from other sources, when deemed by the County to be in its best interest.

2.3 Responsibility For Equipment. For cost reimbursement Agreements, County shall not be responsible nor be held liable for any damage to persons or property consequent upon the use, misuse, or failure

COUNTY CONTRACT 527866
COUNTY OF SAN DIEGO SHERIFF'S DEPARTMENT
MOBILE AUTOMATIC LICENSE PLATE READER SYSTEM

of any equipment used by Contractor or any of Contractor's employees, even though such equipment may be furnished, rented, or loaned to Contractor by County. The acceptance or use of any such equipment by Contractor or Contractor's employees shall be construed to mean that Contractor accepts full responsibility for and agrees to exonerate, indemnify and hold harmless County from and against any and all claims for any damage whatsoever resulting from the use, misuse, or failure of such equipment, whether such damage be to the employee or property of Contractor, other Contractors, County, or other persons. Equipment includes, but is not limited to material, computer hardware and software, tools, or other things.

2.3.1 Contractor shall repair or replace, at Contractor's expense all County equipment or fixed assets that are damaged or lost as a result of Contractor negligence.

2.4 Non-Expendable Property Acquisition. County retains title to all non-expendable property, which Contractor may acquire with funds from this Agreement if payment is on a cost reimbursement basis, including property acquired by lease purchase agreement. Contractor may not expend funds under this Agreement for the acquisition of non-expendable property having a unit cost of \$5,000 or more and a normal life expectancy of more than one year without the prior written approval of Contracting Officer Technical Representative. Contractor shall maintain an inventory of non-expendable equipment, including dates of purchase and disposition. Inventory records on expendable equipment shall be retained, and shall be made available to the County upon request, for at least three years following date of disposition.

ARTICLE 3
DISENTANGLEMENT

3.1 General Obligations

Contractor shall accomplish a complete transition of the Services being terminated from Contractor and the Subcontractors to County, or to any replacement provider designated by County, without any interruption of or adverse impact on the Services or any other services provided by third parties (the "Disentanglement"). Contractor shall fully cooperate with County and any new service provider and otherwise promptly take all steps, including, but not limited to providing all requested information, required to assist County in effecting a complete Disentanglement. Contractor shall provide all information regarding the Services or as otherwise needed for Disentanglement, including data conversion, files, interface specifications, training staff assuming responsibility, and related professional services. Contractor shall provide for the prompt and orderly conclusion of all work, as County may direct, including completion or partial completion of projects, documentation of work in process, and other measures to assure an orderly transition to County or the County's designee. All services related to Disentanglement shall be performed by Contractor at no additional cost to County beyond what County would pay for the services absent the performance of the Disentanglement services. Contractor's obligation to provide the Services shall not cease until the Disentanglement is satisfactory to County, including the performance by Contractor of all asset-transfers and other obligations of Contractor provided in this Paragraph, has been completed.

3.2 Disentanglement Process

The Disentanglement process shall begin on any of the following dates: (i) the date County notifies Contractor that no funds or insufficient funds have been appropriated so that the Term shall be terminated pursuant to the Agreement, Paragraph 4.2.3; (ii) the date designated by County not earlier than sixty (60) days prior to the end of any initial or extended term that County has not elected to extend pursuant to the Agreement's, Signature Page, Contract Term; or (iii) the date any Termination Notice is delivered, if County elects to terminate any or all of the Services pursuant to the Agreement, Paragraph 7.1. Subject to Exhibit A Contractor's obligation to perform Services, and County's obligation to pay for Services, shall expire: (A) when funds appropriated for payment

COUNTY CONTRACT 527866
COUNTY OF SAN DIEGO SHERIFF'S DEPARTMENT
MOBILE AUTOMATIC LICENSE PLATE READER SYSTEM

under this Agreement are exhausted, as provided in this Agreement, Paragraphs 7.1 and 7.4; (B) at the end of the initial or extended term set forth in this Agreement's, Signature Page, Contract Term; or (C) on the Termination Date, pursuant to this Agreement, Paragraphs 7.1 and 7.4 (with the applicable date on which Contractor's obligation to perform the Services expires being referred to herein as the "Expiration Date"); provided, however, that Contractor shall remain obligated to provide Disentanglement services for up to twelve (12) months after any such Expiration Date, at rates that are the lower of the applicable rates set forth in Schedule Exhibit C for the applicable Services. Contractor and County shall discuss in good faith a plan for determining the nature and extent of Contractor's Disentanglement obligations and for the transfer of Services in process provided, however, that Contractor's obligation under this Agreement to provide all Services necessary for Disentanglement shall not be lessened in any respect. Contractor shall be required to perform its Disentanglement obligations on an expedited basis, as determined by County, if County terminates the Term pursuant to the Agreement, Paragraphs 7.1 and 7.4.

3.3 Specific Obligations

The Disentanglement shall include the performance of the following specific obligations:

3.3.1 No Interruption or Adverse Impact

Contractor shall cooperate with County and all of the County's other service providers to ensure a smooth transition at the time of Disentanglement, with no interruption of Services, no adverse impact on the provision of Services or County's activities, no interruption of any services provided by third parties, and no adverse impact on the provision of services provided by third parties.

3.3.2 Third-Party Authorizations

Without limiting the obligations of Contractor pursuant to any other clause in Exhibit A herein, Contractor shall, subject to the terms of any third-party contracts, procure at no charge to County any third-party authorizations necessary to grant County the use and benefit of any third-party contracts between Contractor and third-party contractors used to provide the Services, pending their assignment to County.

3.3.3 Return, Transfer and Removal of Assets

3.3.3.1 Contractor shall return to County all County assets in Contractor's possession, pursuant to Paragraph 2.4 of the Agreement.

3.3.3.2 County shall be entitled to purchase at net book value those Contractor assets used for the provision of Services to County, other than those assets expressly identified by the Parties from time to time as Shared Resources, such Contractor assets as County may select. Contractor shall promptly remove from County's premises, or the site of the work being performed by Contractor for County, any Contractor assets that County, or its designee, chooses not to purchase under this provision.

3.3.4 Transfer of Leases, Licenses, and Contracts

Contractor, at its expense, shall convey or assign to County or its designee such leases, licenses, and other contracts used by Contractor, County, or any other Person in connection with the Services, as County may select, when such leases, licenses, and other contracts have no other use by Contractor. Contractor's obligation described herein, shall include Contractor's performance of all obligations under such leases, licenses, and other contracts to be performed by it with respect to periods prior to the date of conveyance or assignment and Contractor shall reimburse County for any Losses resulting from any claim that Contractor did not perform any such obligations.

3.3.5 Delivery of Documentation

COUNTY CONTRACT 527866
COUNTY OF SAN DIEGO SHERIFF'S DEPARTMENT
MOBILE AUTOMATIC LICENSE PLATE READER SYSTEM

Contractor shall deliver to County or its designee, at County's request, all documentation and data related to County, including the County Data, held by Contractor, and Contractor shall destroy all copies thereof not turned over to County, all at no charge to County. Notwithstanding the foregoing, Contractor may retain one (1) copy of the documentation and data, excluding County Data, for archival purposes or warranty support.

ARTICLE 4
COMPENSATION

- 4.1 The Payment/Pricing Schedule is in Exhibit C and the compensation is on the signature page. The County is precluded from making payments prior to receipt of services (advance payments). Invoices are subject to the following requirements:
- 4.2 Fiscal
County will pay Contractor the agreed upon price, pursuant to the Payment/Pricing Schedule in Exhibit C for the work specified in Exhibit A, Statement of Work.
- 4.2.1 Accounting System And Fiscal Monitoring. Contractor shall provide and maintain an accounting and financial support system to monitor and control costs to assure Agreement completion.
- 4.3 Invoices and Payment.
- 4.3.1 Invoices. Payment for the services performed under this Agreement shall be in accordance with the Pricing Exhibit C, unless other payment methodologies are negotiated and agreed to by both Contractor and County. Contractor shall submit approved invoices monthly to the COTR for work performed in the monthly period, accordingly. Contractor's monthly invoices shall include a statement certifying whether it is in compliance with Paragraph 8.9 of this Agreement.
- 4.3.2 Payments. County agrees to pay Contractor in arrears only after receipt and approval by COTR of properly submitted, detailed and itemized original invoice referencing the Agreement number. A copy (or copies) of the invoice shall be submitted to the County Auditor and Controller, Room 166, 1600 Pacific Highway, San Diego, Ca 92101. Each invoice so approved and paid shall constitute full and complete compensation to Contractor for the work product submitted and for all work completed during the billing period pursuant to Exhibit A and Exhibit C. Payment shall be NET 30 days from receipt and approval of invoice unless otherwise stated.
- 4.3.3 Prompt Payment for Vendors and Subcontractors
- 4.3.3.1 Prompt payment for vendors and subcontractors.
- 4.3.3.1.1 Unless otherwise set forth in this Paragraph 4.3.3, Contractor shall promptly pay its vendors and subcontractor(s) for satisfactory performance under its subcontract(s) to this Agreement. Such prompt payment shall be no later than thirty (30) days after Contractor receives payment for such services from County and shall be paid out of such amounts as are paid to Contractor under this Agreement.
- 4.3.3.1.2 Contractor shall include a payment clause conforming to the standards set forth in Paragraph 4.3.3.1.1 of this Agreement in each of its subcontracts, and shall require each of its subcontractors to include such a clause in their subcontracts with each lower-tier subcontractor or supplier.

COUNTY CONTRACT 527866
COUNTY OF SAN DIEGO SHERIFF'S DEPARTMENT
MOBILE AUTOMATIC LICENSE PLATE READER SYSTEM

- 4.3.3.2 If Contractor, after submitting a claim for payment to County but before making a payment to a vendor or subcontractor for the goods or performance covered by the claim, discovers that all or a portion of the payment otherwise due such vendor or subcontractor is subject to withholding from the vendor or subcontractor in accordance with the vendor or subcontract agreement, then the Contractor shall:
- 4.3.3.2.1 Furnish to the vendor or subcontractor and the COTR within three (3) business days of withholding funds from its vendor or subcontractor a notice stating the amount to be withheld, the specific causes for the withholding under the terms of the subcontract or vendor agreement; and the remedial actions to be taken by the vendor or subcontractor in order to receive payment of the amounts withheld.
 - 4.3.3.2.2 Contractor shall reduce the subcontractor's progress payment by an amount not to exceed the amount specified in the notice of withholding furnished under paragraph 4.3.3.2.1 of this Agreement and Contractor may not claim from the County this amount until its subcontractor has cured the cause of Contractor withholding funds;
 - 4.3.3.2.3 Upon the vendor's or subcontractor's cure of the cause of withholding funds, Contractor shall pay the vendor or subcontractor as soon as practicable, and in no circumstances later than ten (10) days after the Contractor claims and receives such funds from County.
- 4.3.3.3 Contractor shall not claim from County all of or that portion of a payment otherwise due to a vendor or subcontractor that Contractor is withholding from the vendor or subcontractor in accordance with the subcontract agreement where Contractor withholds the money before submitting a claim to County. Contractor shall provide its vendor or subcontractor and the COTR with the notice set forth in Paragraph 4.3.3.2.1 of this Agreement and shall follow Paragraph 4.3.3.2.3 of this Agreement when vendor or subcontractor cures the cause of Contractor withholding its vendors or subcontractor's funds.
- 4.3.3.4 Overpayments. If Contractor becomes aware of a duplicate contract financing or invoice payment or that County has otherwise overpaid on a contract financing or invoice payment, Contractor shall immediately notify the COTR and request instructions for disposition of the overpayment.
- 4.4 Full Compensation. Pending any adjustments by the COTR, each invoice approved and paid shall constitute full and complete compensation to the Contractor for all work completed during the billing period pursuant to Exhibit A and Exhibit C. Contractor shall be entitled only to compensation, benefits, reimbursements or ancillary services specified in this Agreement.
- 4.5 Conditions Prerequisite To Payments. County may elect not to make a particular payment if any of the following exists:
- 4.5.1.1 Misrepresentation. Contractor, with or without knowledge, made any misrepresentation of substantial and material nature with respect to any information furnished to County.
 - 4.5.2 Unauthorized Actions by Contractor. Contractor took any action pertaining to this Agreement, which required County approval, without having first received said County approval.
 - 4.5.3 Default. Contractor was in material default of this Agreement.

COUNTY CONTRACT 527866
COUNTY OF SAN DIEGO SHERIFF'S DEPARTMENT
MOBILE AUTOMATIC LICENSE PLATE READER SYSTEM

- 4.6 County Approval: As identified above, all subcontracts under this Agreement shall have prior written approval of the Contracting Officer Technical Representative. County may withhold payment until reports, data, audits or other information required for Agreement administration or to meet County or State reporting or auditing requirements are received and approved by COTR or designee. The County may also withhold payment if, in the County's opinion, Contractor is in material non-compliance with this Agreement. Withholding of payment will occur only after the contractor has been provided timely notice and an opportunity to cure such non-compliance.
- 4.7 Availability of Funding. The County's obligation for payment of any Agreement beyond the current fiscal year is contingent upon the availability of funding from which payment can be made. No legal liability on the part of the County shall arise for payment beyond June 30 of the calendar year unless funds are designated by the County and are made available for such performance.
- County shall have the right to terminate this Agreement or reduce compensation and service levels proportionately upon thirty (30) days' written notice to Contractor in the event that Federal, State or County funding for this Agreement ceases or is reduced prior to the ordinary expiration of the term of this Agreement. In the event of reduction of funding for the Agreement, County and Contractor shall meet within ten (10) days of written notice to renegotiate this Agreement based upon the modified level of funding. In this case if no agreement is reached between County and Contractor within 10 days of the first meeting, either party shall have the right to terminate this Agreement within ten (10) days written notice of termination.
- In the event of termination of this Agreement in accordance with the terms of this Section, Contractor shall be entitled to retain all sums paid as of the effective date of such termination, subject to any payment offset to which County may be entitled, for damages or otherwise, under the terms of this Agreement. In the event of termination of this Agreement pursuant to this Section, in no event shall Contractor be entitled to any loss of profits on the portion of this Agreement so terminated, or to other compensation, benefits, reimbursements or ancillary services other than as herein expressly provided.
- 4.8 Disallowance. In the event the Contractor receives payment for services under this Agreement which is later disallowed by the County, Contractor shall promptly refund the disallowed amount to County on request, or at its option, County may offset the amount disallowed from any payment due or to become due to Contractor under any Agreement with the County.
- 4.9 Maximum Price. During the performance period of this Agreement, the maximum price for the items, e.g. the same units, volume of units and purchase terms, and/or services shall not exceed the lowest price at which Contractor then offers the items and/or services to its most favored customer.

ARTICLE 5
AGREEMENT ADMINISTRATION

- 5.1 County's Agreement Administrator. The Director of Purchasing and Contracting is designated as the Contracting officer ("Contracting Officer") and is the only County official authorized to make any Changes to this Agreement. The County has designated the individual identified on the signature page as the Contracting Officer's Technical Representative ("COTR")
- 5.1.1 County's COTR will chair Contractor progress meetings and will coordinate County's Agreement administrative functions. The COTR is designated to receive and approve Contractor invoices for payment, audit and inspect records, inspect Contractor services, and provide other technical guidance as required. The COTR is not authorized to change any terms and conditions of this Agreement. Only the Contracting Officer, by issuing a properly executed amendment to this Agreement, may make changes to the scope of work or total price.

COUNTY CONTRACT 527866
COUNTY OF SAN DIEGO SHERIFF'S DEPARTMENT
MOBILE AUTOMATIC LICENSE PLATE READER SYSTEM

5.1.2 Notwithstanding any provision of this Agreement to the contrary, County's COTR may make Administrative Adjustments ("AA") to the Agreement, such as line item budget changes or adjustments to the service requirements, which do not change the purpose or intent of the Statement of Work, the Terms and Conditions, the Agreement period or the total Agreement price. Each AA shall be in writing and signed by COTR and Contractor. All inquiries about such AA will be referred directly to the COTR.

5.2 Agreement Progress Meeting. The COTR and other County personnel, as appropriate, will meet periodically with the Contractor to review the Agreement performance. At these meetings the COTR will apprise the Contractor of how the County views the Contractor's performance and the Contractor will apprise the County of problems, if any, being experienced. The Contractor shall also notify the Contracting Officer (in writing) of any work being performed, if any, that the Contractor considers being over and above the requirements of the Agreement. Appropriate action shall be taken to resolve outstanding issues. The minutes of these meetings will be reduced to writing and signed by the COTR and the Contractor. Should the Contractor not concur with the minutes, the Contractor shall set out in writing any area of disagreement. Appropriate action will be taken to resolve any areas of disagreement.

ARTICLE 6
CHANGES

6.1 Contracting Officer. The Contracting Officer may at any time, by a written order, make changes ("Changes"), within the general scope of this Agreement, in the definition of services to be performed, and the time (i.e.) hours of the day, days of the week, etc.) and place of performance thereof. If any such Change causes an increase or decrease in the cost of, or the time required for, the performance of any part of the work under this Agreement, whether changed or not changed by an such order, an equitable adjustment shall be made in the Agreement price or delivery schedule, or both, and the Agreement shall be modified in writing accordingly

6.2 Claims. Contractor must assert any claim for adjustment under this clause within 30 days from the date of receipt by the Contractor of the notification of Change; provided, however, that the Contracting Officer, if he decides that the facts justify such action, may receive and act upon any such claim asserted at any time prior to final payment under this Agreement. Where the cost of property made obsolete or excess as a result of a change is included in the Contractor's claim for adjustment, the Contracting Officer shall have the right to prescribe the manner of disposition of such property. Failure to agree to any adjustment shall be a dispute concerning a question of fact within the meaning of the clause of this Agreement entitled "Disputes" (Article 15). However, nothing in this clause shall excuse the Contractor from proceeding with this Agreement as changed.

ARTICLE 7
TERMINATION

7.1 Termination For Default. Upon Contractor's breach of this Agreement, County shall have the right to terminate this Agreement, in whole or part. Prior to termination for default, County will send Contractor written notice specifying the cause. The notice will give Contractor 10 days from the date the notice is issued to cure the default or make progress satisfactory to County in curing the default, unless a different time is given in the notice. If County determines that the default contributes to the curtailment of an essential service or poses an immediate threat to life, health or property, County may terminate this Agreement immediately upon issuing oral or written notice to the Contractor without any prior notice or opportunity to cure. In the event of termination under this Article, all finished or unfinished documents,

COUNTY CONTRACT 527866
COUNTY OF SAN DIEGO SHERIFF'S DEPARTMENT
MOBILE AUTOMATIC LICENSE PLATE READER SYSTEM

and other materials, prepared by Contractor under this Agreement shall become the sole and exclusive property of County.

In the event of such termination, the County may purchase or obtain the supplies or services elsewhere, and Contractor shall be liable for the difference between the prices set forth in the terminated order and the actual cost thereof to the County. The prevailing market price shall be considered the fair repurchase price. Notwithstanding the above, Contractor shall not be relieved of liability to County for damages sustained by County by virtue of any breach of this Agreement by Contractor, and County may withhold any reimbursement to Contractor for the purpose of off-setting until such time as the exact amount of damages due County from Contractor is determined.

If, after notice of termination of this Agreement under the provisions of this clause, it is determined for any reason that the Contractor was not in default under the provisions of this clause, the rights and obligations of the parties shall, if this Agreement contains a clause providing for termination for convenience of the County, be the same as if the notice of termination had been issued pursuant to such clause.

7.2 Termination For Convenience. The County may, by written notice stating the extent and effective date terminate this Agreement for convenience in whole or in part, at any time. The County shall pay the Contractor as full compensation for work performed in accordance with the terms of this Contract until such termination:

7.2.1 The unit or pro rata price for any delivered and accepted portion of the work.

7.2.2 A reasonable amount, as costs of termination, not otherwise recoverable from other sources by the Contractor as approved by the County, with respect to the undelivered or unaccepted portion of the order, provided compensation hereunder shall in no event exceed the total price.

7.2.3 In no event shall the County be liable for any loss of profits on the resulting order or portion thereof so terminated.

7.2.4 County's termination of this Agreement for convenience shall not preclude County from taking any action in law or equity against Contractor for:

7.2.4.1 Improperly submitted claims, or

7.2.4.2 Any failure to perform the work in accordance with the Statement of Work, or

7.2.4.3 Any breach of any term or condition of the Agreement, or

7.2.4.4 Any actions under any warranty, express or implied, or

7.2.4.5 Any claim of professional negligence, or

7.2.4.6 Any other matter arising from or related to this Agreement, whether known, knowable or unknown before, during or after the date of termination.

7.3 Remedies Not Exclusive. The rights and remedies of County provided in this article shall not be exclusive and are in addition to any other rights and remedies provided by law or under resulting order.

ARTICLE 8
COMPLIANCE WITH LAWS AND REGULATIONS

8.1 Compliance with Laws and Regulations. Contractor shall at all times perform its obligations hereunder in compliance with all applicable federal, State, and County laws and regulations.

8.2 Contractor Permits and License. Contractor certifies that it possesses and shall continue to maintain or shall cause to be obtained and maintained, at no cost to the County, all approvals, permissions,

COUNTY CONTRACT 527866
COUNTY OF SAN DIEGO SHERIFF'S DEPARTMENT
MOBILE AUTOMATIC LICENSE PLATE READER SYSTEM

permits, licenses, and other forms of documentation required for it and its employees to comply with all existing foreign or domestic statutes, ordinances, and regulations, or other laws, that may be applicable to performance of services hereunder. The County reserves the right to reasonably request and review all such applications, permits, and licenses prior to the commencement of any services hereunder.

- 8.3 **Equal Opportunity.** Contractor shall comply with the provisions of Title VII of the Civil Rights Act of 1964 in that it will not discriminate against any individual with respect to his or her compensation, terms, conditions, or privileges of employment nor shall Contractor discriminate in any way that would deprive or intend to deprive any individual of employment opportunities or otherwise adversely affect his or her status as an employee because of such individual's race, color, religion, sex, national origin, age, handicap, medical condition, sexual orientation or marital status.
- 8.4 **Affirmative Action.** Each Contractor of services and supplies employing fifteen (15) or more full-time permanent employees, shall comply with the Affirmative Action Program for Vendors as set forth in Article IIIk (commencing at Section 84) of the San Diego County Administrative Code, which program is incorporated herein by reference. A copy of this Affirmative Action Program will be furnished upon request by COTR or from the County of San Diego Internet web-site (www.co.san-diego.ca.us).
- 8.5 **Drug and Alcohol-Free Workplace.** The County of San Diego, in recognition of individual rights to work in a safe, healthful and productive work place, has adopted a requirement for a drug and alcohol free work place, County of San Diego Drug and Alcohol Use Policy C-25. This policy provides that all County-employed Contractors and Contractor employees shall assist in meeting this requirement.
- 8.5.1 As a material condition of this Agreement, the Contractor agrees that the Contractor and the Contractor employees, while performing service for the County, on County property, or while using County equipment:
- 8.5.1.1 Shall not be in any way impaired because of being under the influence of alcohol or a drug.
- 8.5.1.2 Shall not possess an open container of alcohol or consume alcohol or possess or be under the influence of an illegal drug.
- 8.5.1.3 Shall not sell, offer, or provide alcohol or a drug to another person; provided, however, that the foregoing restriction shall not be applicable to a Contractor or Contractor employee who as part of the performance of normal job duties and responsibilities prescribes or administers medically prescribed drugs.
- 8.5.2 Contractor shall inform all employees who are performing service for the County on County property or using County equipment of the County objective of a safe, healthful and productive work place and the prohibition of drug or alcohol use or impairment from same while performing such service for the County.
- 8.5.3 The County may terminate for default or breach this Agreement, and any other Agreement the Contractor has with the County, if the Contractor, or Contractor employees are determined by the Contracting Officer not to be in compliance with the conditions listed herein.
- 8.6 **Board of Supervisors' Policies.** Contractor represents that it is familiar, and shall use its best efforts to comply, with the following policies of the Board of Supervisors:
Board Policy B-67, which encourages the County's Contractors to offer products made with recycled materials, reusable products, and products designed to be recycled to the County in response to the County's requirements; and

COUNTY CONTRACT 527866
COUNTY OF SAN DIEGO SHERIFF'S DEPARTMENT
MOBILE AUTOMATIC LICENSE PLATE READER SYSTEM

Board Policies B-53 and B-39a, which encourage the participation of small and disabled veterans' business enterprises in County procurements.

- 8.7 Cartwright Act. Following receipt of final payment under the Agreement, Contractor assigns to the County all rights, title and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright act (Chapter 1) (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the Contractor for sale to the County under this Agreement.
- 8.8 Hazardous Materials. Contractor shall comply with all Environmental Laws and all other laws, rules, regulations, and requirements regarding Hazardous Materials, health and safety, notices, and training. Contractor agrees that it will not store any Hazardous Materials at any County Facility for periods in excess of ninety (90) days or in violation of the applicable site storage limitations imposed by Environmental Law. Contractor agrees to take, at its expense, all actions necessary to protect third parties, including, without limitation, employees and agents of the County, from any exposure to Hazardous Materials generated or utilized in its performance under this Agreement. Contractor agrees to report to the appropriate governmental agencies all discharges, releases, and spills of Hazardous Materials that are required to be reported by any Environmental Law and to immediately notify the County of it. Contractor shall not be liable to the County for the County's failure to comply with, or violation of, any Environmental Law. As used in this section, the term "Environmental Laws" means any and all federal, state or local laws or ordinances, rules, decrees, orders, regulations or court decisions (including the so-called "common law"), including, but not limited to, the Resource Conservation and Recovery Act, relating to hazardous substances, hazardous materials, hazardous waste, toxic substances, environmental conditions or other similar substances or conditions. As used in this section the term "Hazardous Materials" means any chemical, compound, material, substance or other matter that: (a) is a flammable, explosive, asbestos, radioactive nuclear medicine, vaccine, bacteria, virus, hazardous waste, toxic, overtly injurious or potentially injurious material, whether injurious or potentially injurious by itself or in combination with other materials; (b) is controlled, referred to, designated in or governed by any Environmental Laws; (c) gives rise to any reporting, notice or publication requirements under any Environmental Laws, or (d) is any other material or substance giving rise to any liability, responsibility or duty upon the County or Lessee with respect to any third person under any Environmental Laws.
- 8.9 Debarment And Suspension. As a sub-grantee of federal funds under this Agreement, Contractor certifies that it, its principals, its employees and its subcontractors:
- 8.9.1 Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal Department or agency.
- 8.9.2 Have not within a 3-year period preceding this Agreement been convicted of or had a civil judgment rendered against them for the commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction; violation of Federal or State anti-trust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- 8.9.3 Are not presently indicted or otherwise criminally or civilly charged by a government entity (Federal, State, or local) with commission of any of the offenses enumerated in the paragraph above; and
- 8.9.4 Have not within a 3-year period preceding this Agreement had one or more public transaction (Federal, State, or local) terminated for cause or default.

COUNTY CONTRACT 527866
COUNTY OF SAN DIEGO SHERIFF'S DEPARTMENT
MOBILE AUTOMATIC LICENSE PLATE READER SYSTEM

ARTICLE 9
CONFLICTS OF INTEREST; CONTRACTOR'S CONDUCT

- 9.1 Conflicts of Interest. Contractor presently has no interest, including but not limited to other projects or independent Agreements, and shall not acquire any such interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. The Contractor shall not employ any person having any such interest in the performance of this Agreement.
- 9.2 Conduct of Contractor; Privileged Information.
- 9.2.1 Contractor shall inform the County of all the Contractor's interests, if any, which are or which the Contractor believes to be incompatible with any interests of the County.
- 9.2.2 The Contractor shall not, under circumstances that might reasonably be interpreted as an attempt to influence the recipient in the conduct of his duties, accept any gratuity or special favor from individuals or organizations with whom the Contractor is doing business or proposing to do business, in accomplishing the work under this Agreement.
- 9.2.3 Contractor shall not use for personal gain or make other improper use of privileged information, which is acquired in connection with his employment. In this connection, the term "privileged information" includes, but is not limited to, unpublished information relating to technological and scientific development; medical, personnel, or security records of the individuals; anticipated materials requirements or pricing actions; and knowledge of selections of Contractors or subcontractors in advance of official announcement.
- 9.2.4 The Contractor, or employees thereof, shall not offer directly or indirectly gifts, gratuity, favors, entertainment, or other items of monetary value to an employee or official of the County.
- 9.3 Prohibited Agreements. As required by Section 67 of the San Diego County Administrative Code, Contractor certifies that it is not in violation of the provisions of Section 67, and that Contractor is not, and will not subcontract with, any of the following:
- 9.3.1. Persons employed by County or of public agencies for which the Board of Supervisors is the governing body.
- 9.3.2 Profit-making firms or businesses in which employees described in sub-section 9.3.1, above, serve as officers, principals, partners, or major shareholders;
- 9.3.3 Persons who, within the immediately preceding twelve (12) months came within the provisions of the above sub-sections and who (1) were employed in positions of substantial responsibility in the area of service to be performed by the Agreement, or (2) participated in any way in developing the Agreement or its service specifications; and
- 9.3.4 Profit-making firms or businesses in which the former employees described in sub-section 9.3.3 above, serve as officers, principals, partners, or major shareholders.

ARTICLE 10
INDEMNITY AND INSURANCE

- 10.1 Indemnity. County shall not be liable for, and Contractor shall defend and indemnify County and the employees and agents of County (collectively "County Parties"), against any and all claims, demands, liability, judgments, awards, fines, mechanics' liens or other liens, labor disputes, losses, damages, expenses, charges or costs of any kind or character, including attorneys' fees and court costs (hereinafter collectively referred to as "Claims"), related to this Agreement and

COUNTY CONTRACT 527866
COUNTY OF SAN DIEGO SHERIFF'S DEPARTMENT
MOBILE AUTOMATIC LICENSE PLATE READER SYSTEM

arising either directly or indirectly from any act, error, omission or negligence of Contractor or its Contractors, licensees, agents, servants or employees, including, without limitation, Claims caused by the concurrent negligent act, error or omission, whether active or passive, of County Parties. Contractor shall have no obligation, however, to defend or indemnify County Parties from a Claim if it is determined by a court of competent jurisdiction that such Claim was caused by the sole negligence or willful misconduct of County Parties.

- 10.2 Insurance. Prior to execution of this Agreement, Contractor must obtain at its own cost and expense, and keep in force and effect during the term of this Agreement, including all extensions, the insurance specified in Exhibit "B," "Insurance Requirements," attached hereto.

ARTICLE 11
AUDIT AND INSPECTION OF RECORDS

The County shall have the audit and inspection rights described in this section.

- 11.1 Cost or Pricing Data. If the Contractor submitted cost or pricing data in connection with the pricing of this Agreement or any change or modification thereto, unless such pricing was based on adequate price competition, established catalog or market prices of commercial items sold in substantial quantities of the general public, or prices set by law or regulation, the Contracting Officer or his representatives who are employees of the County or its agent shall have the right to examine all books, records, documents and other data of the Contractor related to the negotiation pricing or performance of such Agreement, change or modification, for the purpose of evaluating the accuracy, completeness and currency of the cost or pricing data submitted.
- 11.2 Availability. The materials described above shall be made available at the office of the Contractor, at all reasonable times, for inspection, audit or reproduction, until the expiration of three (3) years from the date of final payment under this Agreement, or by section 11.2.1 and 11.2.2, below:
- 11.2.1 If this Agreement is completely or partially terminated, the records relating to the work terminated shall be made available for a period of three (3) years from the date of any resulting final settlement.
- 11.2.2 Record which relate to appeals under the "Disputes" clause of this Agreement, or litigation or the settlement of claims arising out of the performance of this Agreement, shall be made available until such appeals, litigation, or claims have been disposed of, or three years after Agreement completion, whichever is longer.
- County shall keep the materials described above confidential unless otherwise required by law.
- 11.3 Subcontracts. The Contractor shall insert a clause containing all the provisions of this Article 11 in all subcontracts hereunder except altered as necessary for proper identification of the Contracting parties and the Contracting officer under the County's prime Agreement.

ARTICLE 12
INSPECTION OF SERVICE

- 12.1 Subject to Inspection All performance (including services, materials, supplies and equipment furnished or utilized in the performance of this Agreement, and workmanship in the performance of services) shall be subject to inspection and test by the County at all times during the term of this Agreement. Contractor shall cooperate with any inspector assigned by the County to permit the inspector to determine whether Contractor's performance conforms to the requirements of this

COUNTY CONTRACT 527866
COUNTY OF SAN DIEGO SHERIFF'S DEPARTMENT
MOBILE AUTOMATIC LICENSE PLATE READER SYSTEM

Agreement. County shall perform such inspection in a manner as not to unduly interfere with Contractor's performance.

- 12.2 Specification and Requirements. If any services performed by Contractor do not conform to the specifications and requirements of this Agreement, County may require Contractor to re-perform the services until they conform to said specifications and requirements, at no additional cost, and County may withhold payment for such services until Contractor correctly performs them. When the services to be performed are of such a nature that Contractor's cannot correct its performance, the County shall have the right to (1) require the Contractor to immediately take all necessary steps to ensure future performance of services conforms to the requirements of this Agreement, and (2) reduce the Agreement price to reflect the reduced value of the services received by County. In the event Contractor fails to promptly re-perform the services or to take necessary steps to ensure that future performance of the service conforms to the specifications and requirements of this Agreement, the County shall have the right to either (1) without terminating this Agreement, have the services performed, by Agreement or otherwise, in conformance with the specifications of this Agreement, and charge Contractor, and/or withhold from payments due to Contractor, any costs incurred by County that are directly related to the performance of such services, or (2) terminate this Agreement for default.

ARTICLE 13
USE OF DOCUMENTS AND REPORTS

- 13.1 Findings Confidential. Any reports, information, data, etc., given to or prepared or assembled by Contractor under this Agreement which the County requests to be kept as confidential shall not be made available to any individual or organization by the Contractor without the prior written approval of the County.
- 13.2 Publication, Reproduction or Use of Materials. No material produced, in whole or in part, under this Agreement shall be subject to copyright in the United States or in any other country. The County shall have unrestricted authority to publish, disclose, distribute and otherwise use, in whole or in part, any reports, data or other materials prepared under this Agreement. All reports, data and other materials prepared under this Agreement shall be the property of the County upon completion of this Agreement.

ARTICLE 14
RESERVED

ARTICLE 15
DISPUTES

- 15.1 Notwithstanding any provision of this Agreement to the contrary, the Contracting Officer shall decide any dispute concerning a question of fact arising out of this Agreement that is not otherwise disposed of by the parties within a reasonable period of time. The decision of the Contracting Officer shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, capricious, arbitrary or so grossly erroneous as necessarily to imply bad faith. Contractor shall proceed diligently with its performance hereunder pending resolution by the Contracting Officer of any such dispute. Nothing herein shall be construed as granting the Contracting Officer or any other administrative official, representative or board authority to decide questions of law.

COUNTY CONTRACT 527866
COUNTY OF SAN DIEGO SHERIFF'S DEPARTMENT
MOBILE AUTOMATIC LICENSE PLATE READER SYSTEM

ARTICLE 16
GENERAL PROVISIONS

- 16.1 **Assignment and Subcontracting.** Contractor shall not assign any interest in this Agreement, and shall not transfer any interest in the same (whether by assignment or novation), without the prior written consent of the County; County's consent shall not be unreasonably withheld. The Contractor shall make no Agreement with any party for furnishing any of the work or services herein contained without the prior written prior concurrence of the COTR, pursuant to Paragraph 1.4.
- 16.2 **Contingency.** This Agreement shall bind the County only following its approval by the Board of Supervisors or when signed by the Purchasing and Contracting Director.
- 16.3 **Entire Agreement.** This Agreement, together with all Sections attached hereto and other agreements expressly referred to herein, constitute the entire agreement between the parties with respect to the subject matter contained herein. All prior or contemporaneous agreements, understandings, representations, warranties and statements, oral or written, including any proposals from Contractor and requests for proposals from County, are superseded.
- 16.4 **Sections and Exhibits:** All sections and exhibits referred to herein are attached hereto and incorporated by reference.
- 16.5 **Further Assurances:** Parties agree to perform such further acts and to execute and deliver such additional documents and instruments as may be reasonably required in order to carry out the provisions of this Agreement and the intentions of the parties.
- 16.6 **Governing Law:** This Agreement shall be governed, interpreted, construed and enforced in accordance with the laws of the State of California.
- 16.7 **Headings:** The Article captions, Clause and Section headings used in this Agreement are inserted for convenience of reference only and are not intended to define, limit or affect the construction or interpretation of any term or provision hereof.
- 16.8 **Modification; Waiver** Except as otherwise provided in Article 6, "Changes," above, no modification, waiver, amendment or discharge of this Agreement shall be valid unless the same is in writing and signed by both parties.
- 16.9 **Neither Party Considered Drafter.** Despite the possibility that one party may have prepared the initial draft of this Agreement or played the greater role in the physical preparation of subsequent drafts, neither party shall be deemed the drafter of this Agreement and that, in construing this Agreement in case of any claim that any provision hereof may be ambiguous, no such provision shall be construed in favor of one party on the ground that such provision was drafted by the other.
- 16.10 **No Other Inducement:** The making, execution and delivery of this Agreement by the parties hereto has been induced by no representations, statements, warranties or agreements other than those expressed herein.
- 16.11 **Notices.** Notice to either party shall be in writing and either personally delivered or sent by certified mail, postage prepaid, return receipt requested, addressed to the party to be notified at the address specified herein. Any such notice shall be deemed received on the date of personal delivery to the party (or such party's authorized representative) or three (3) business days after deposit in the U.S. Mail, as the case may be to the COTR and Contractor's Representative identified on the signature page..

COUNTY CONTRACT 527866
COUNTY OF SAN DIEGO SHERIFF'S DEPARTMENT
MOBILE AUTOMATIC LICENSE PLATE READER SYSTEM

- 16.12 Severability. If any term, provision, covenant or condition of this Agreement is held to be invalid, void or otherwise unenforceable, to any extent, by any court of competent jurisdiction, the remainder of this Agreement shall not be affected thereby, and each term, provision, covenant or condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.
- 16.13 Successors. Subject to the limitations on assignment set forth in Clause 16.1 above, all terms of this Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties hereto and their respective heirs, legal representatives, successors, and assigns.
- 16.14 Time. Time is of the essence of each provision of this Agreement.
- 16.15 Time Period Computation. All periods of time referred to in this Agreement shall include all Saturdays, Sundays and state or national holidays, unless the period of time specifies business days, provided that if the date or last date to perform any act or give any notice or approval shall fall on a Saturday, Sunday or State or national holiday, such act or notice may be timely performed or given on the next succeeding day which is not a Saturday, Sunday or State or national holiday.
- 16.16 Waiver. The waiver by one party of the performance of any term, provision, covenant or condition shall not invalidate this Agreement, nor shall it be considered as a waiver by such party of any other term, provision, covenant or condition. Delay by any party in pursuing any remedy or in insisting upon full performance for any breach or failure of any term, provision, covenant or condition shall not prevent such party from later pursuing remedies or insisting upon full performance for the same or any similar breach or failure.

/

/

/

/

**COUNTY CONTRACT 527866
COUNTY OF SAN DIEGO SHERIFF'S DEPARTMENT
MOBILE AUTOMATIC LICENSE PLATE READER SYSTEM**

SIGNATURE PAGE

AGREEMENT TERM. This Agreement shall be effective on December 19, 2008 ("Effective Date") and end on December 18, 2009 ("Initial Term").

OPTION TO EXTEND. The County's option to extend is for Four (4) increments of One (1) year each for a total of Four (4) years beyond the expiration of the Initial Term, not to exceed December 18, 2013, pursuant to Exhibit C Payment Schedule. Unless County notifies Contractor in writing, not less than 30 days prior to the expiration date that they do not intend to renew the Agreement, the Agreement will be automatically renewed for another year.

Options To Extend For One To Six Additional Months At End Of Agreement. County shall also have the option to extend the term of this Agreement in one or more increments for a total of no less than NONE (0) and no more than NONE (0) calendar months at the discretion of the County Purchasing and Contracting Director. Each extension shall be effected by written Agreement amendment delivered to Contractor no less than N/A (n/a) calendar days prior to expiration of any Agreement term.

The rates set forth in Article 4, Exhibit C, or other pricing section of this Agreement shall apply to any option exercised pursuant to this option clause unless provision for appropriate price adjustment has been made elsewhere in this Agreement or by Agreement amendment. All payments are subject to "Availability of Funds."

COMPENSATION: Pursuant to Exhibit C, County agrees to pay Contractor a sum not to exceed Two Hundred thousand (\$200,000) for the initial term of this Agreement. Compensation for additional option years is according to the pricing schedule in Exhibit C.

COTR. The County has designated the following individual as the Contracting Officer's Technical Representative ("COTR")

Ashish Kakkad, Sr. IT Engineer
5555 Overland Ave, Suite 1211
San Diego, CA 92123
Ph: 858-692-9089 Fax: 858-694-2325
Email: ashish.kakkad@sdsheriff.org

CONTRACTOR'S REPRESENTATIVE. The Contractor has designated the following individual as the Contractor's Representative.

Kris Robinson, Regional Sales Manager
c/o PIPS Technology, Inc.
1108 E. Raymond Street
Anaheim, CA 92801
Ph: 714-278-0481 Fax: 865-392-5599
Email: krobinson@pipstechnology.com

IN WITNESS WHEREOF, County and Contractor have executed this Agreement effective as of the date first set forth above

**COUNTY CONTRACT 527866
COUNTY OF SAN DIEGO SHERIFF'S DEPARTMENT
MOBILE AUTOMATIC LICENSE PLATE READER SYSTEM**

COUNTY OF SAN DIEGO

PIPS TECHNOLOGY, INC.

By: _____
WINSTON F. McCOLL, Director
Department of Purchasing and Contracting

By: _____
CRAIG CANTRELL
Vice President and General Manager

Date: _____

Date: _____

APPROVED AS TO FORM AND LEGALITY

By: _____ Date: _____
Senior Deputy County Counsel

**COUNTY CONTRACT 527866
COUNTY OF SAN DIEGO, SHERIFF'S DEPARTMENT
MOBILE AUTOMATIC LICENSE PLATE READER SYSTEM
EXHIBIT C – PRICING**

**SYSTEM PRICING – BASE YEAR (INITIAL CONTRACT TERM) – INCLUDES:
System Hardware, Application Software, Installation, Training, and Documentation**

Description	Price	Tax	Total Price
System Hardware – one complete system (Includes two year Warranty)	\$24,948.00	\$1,933.47	\$26,881.47
Application Software (Includes two year Warranty)	\$3,061.80	\$237.29	\$3,299.09
Hardware Installation per System	\$1,200.00		\$1,200.00
Technical Training* (system operation, maintenance, troubleshooting)	Included	Included	Included
User Training* (law enforcement)	Included	Included	Included
Documentation*	Included	Included	Included
<i>*if not included in system price</i>			
TOTAL PRICE	\$29,209.80	\$2,170.76	\$30,180.56

(Remainder of this page left blank)

**COUNTY CONTRACT 527866
COUNTY OF SAN DIEGO, SHERIFF'S DEPARTMENT
MOBILE AUTOMATIC LICENSE PLATE READER SYSTEM
EXHIBIT C – PRICING**

**SYSTEM PRICING – 2ND YEAR (FIRST OPTION PERIOD) – INCLUDES:
System Hardware, Application Software, Installation, Training, and Documentation**

Description	Price	Tax	Total Price
System Hardware – one complete system (Includes two year Warranty)	\$24,948.00	\$1,933.47	\$26,881.47
Application Software (Includes two year Warranty)	\$3,061.80	\$237.29	\$3,299.09
Hardware Installation per System	\$1,200.00		\$1,200.00
Technical Training* (system operation, maintenance, troubleshooting)	Included	Included	Included
User Training* (law enforcement)	Included	Included	Included
Documentation*	Included	Included	Included
<i>*if not included in system price</i>			

TOTAL PRICE

\$29,209.80 \$2,170.76 \$30,180.56

**SYSTEM PRICING – 3RD YEAR (SECOND OPTION PERIOD) – INCLUDES:
System Hardware, Application Software, Installation, Training, and Documentation**

Description	Price	Tax	Total Price
System Hardware – one complete system (Includes two year Warranty)	\$24,948.00	\$1,933.47	\$26,881.47
Application Software (Includes two year Warranty)	\$3,061.80	\$237.29	\$3,299.09
Hardware Installation per System	\$1,200.00		\$1,200.00
Technical Training* (system operation, maintenance, troubleshooting)	Included	Included	Included
User Training* (law enforcement)	Included	Included	Included
Documentation*	Included	Included	Included
<i>*if not included in system price</i>			

TOTAL PRICE

\$29,209.80 \$2,170.76 \$30,180.56

**COUNTY CONTRACT 527866
COUNTY OF SAN DIEGO, SHERIFF'S DEPARTMENT
MOBILE AUTOMATIC LICENSE PLATE READER SYSTEM
EXHIBIT C - PRICING**

**SYSTEM PRICING - 4TH YEAR (THIRD OPTION PERIOD) - INCLUDES:
System Hardware, Application Software, Installation, Training, and Documentation**

Description	Price	Tax	Total Price
System Hardware - one complete system (Includes two year Warranty)	\$24,948.00	\$1,933.47	\$26,881.47
Application Software (Includes two year Warranty)	\$3,061.80	\$237.29	\$3,299.09
Hardware Installation per System	\$1,200.00		\$1,200.00
Technical Training* (system operation, maintenance, troubleshooting)	Included	Included	Included
User Training* (law enforcement)	Included	Included	Included
Documentation*	Included	Included	Included
<i>*if not included in system price</i>			
TOTAL PRICE	\$29,209.80	\$2,170.76	\$30,180.56

**SYSTEM PRICING - 5TH YEAR (FOURTH OPTION PERIOD) - INCLUDES:
System Hardware, Application Software, Installation, Training, and Documentation**

Description	Price	Tax	Total Price
System Hardware - one complete system (Includes two year Warranty)	\$24,948.00	\$1,933.47	\$26,881.47
Application Software (Includes two year Warranty)	\$3,061.80	\$237.29	\$3,299.09
Hardware Installation per System	\$1,200.00		\$1,200.00
Technical Training* (system operation, maintenance, troubleshooting)	Included	Included	Included
User Training* (law enforcement)	Included	Included	Included
Documentation*	Included	Included	Included
<i>*if not included in system price</i>			
TOTAL PRICE	\$29,209.80	\$2,170.76	\$30,180.56

**COUNTY CONTRACT 527866
COUNTY OF SAN DIEGO, SHERIFF'S DEPARTMENT
MOBILE AUTOMATIC LICENSE PLATE READER SYSTEM
EXHIBIT C - PRICING**

**Post Warranty Hardware Support/Technical Support/Application Software Maintenance
(After the expiration of the TWO YEAR WARRANTY)**

Service Description	Price Year 1	Price Year 2	Price Year 3	Total Price
HARDWARE SUPPORT (or extended warranty)	Negotiable per section 2.9.2 of Exhibit A.	Negotiable per section 2.9.2 of Exhibit A.	Negotiable per section 2.9.2 of Exhibit A.	
TECHNICAL SUPPORT	Included	Included	Included	
SOFTWARE MAINTENANCE	Negotiable per section 2.9.2 of Exhibit A.	Negotiable per section 2.9.2 of Exhibit A.	Negotiable per section 2.9.2 of Exhibit A.	

TOTAL PRICE

\$ _____ \$ _____ \$ _____

OTHER OPTION PRICING

Description	One-Time Price	Tax	Total Price
Additional Recommended Hardware/Software/Services (Please List)			

TOTAL PRICE

\$ _____ \$ _____ \$ _____

**COUNTY OF SAN DIEGO, SHERIFF'S DEPARTMENT
REQUEST FOR PROPOSAL (RFP) 2950
MOBILE AUTOMATIC LICENSE PLATE READER SYSTEM
EXHIBIT A - STATEMENT OF WORK**

1. OVERVIEW.

The San Diego County Sheriff's Department (herein after referred to as "Sheriff's Department") is seeking equipment and services for a Mobile Automatic License Plate Reader/Recognition (ALPR) system for use in Sheriff's patrol vehicles. For the purpose of this Request for Proposals (RFP), a "mobile" system is defined as a system installed in/affixed to a designated patrol vehicle for long term use (a permanent type installation). The Department does not desire a "portable" system (a system that can be easily moved from vehicle to vehicle) at this time.

For each item below where a question is asked regarding meeting the requirement, check/fill in the appropriate block. Any block checked/filled by the "YES" answer must be supported by an explanation. Answering "NO" to requirement questions 2.1.1 and/or 2.1.2 will disqualify a proposal. Answering "NO" to any other questions will not automatically disqualify a proposal. The Offeror may propose and the County will consider alternatives to any specification answered "NO". Any question which has both or neither blocks checked/filled out will be treated as a "NO" answer.

Check the "YES" or "NO" block for each question in this section and then provide a written answer to the question on a separate sheet of paper. Please number each response with the corresponding question number (e.g., 2.1.1 etc.).

2. SPECIFIC REQUIREMENTS.

2.1 Vendor Qualifications.

2.1.1 Shall be an established vendor of Mobile Automatic License Plate Reader/Recognition Systems.

Q: Does your company meet this requirement?

Yes No

If yes, explain how.

See attached company overview in the front of our proposal copy.

2.1.2 Shall have an existing, functional Mobile ALPR System already in use with a public law enforcement agency.

Q: Does your company meet this requirement?

Yes No

If yes, list agency/agencies and number of mobile systems in use by each agency.

See attached confidential customer list in the proposal copy.

2.2 Quantity.

The Sheriff's Department intends to initially purchase three (3) systems. The Sheriff's Department MAY have a requirement for additional units in the future. The Sheriff's Department is not obligated to purchase any specific quantity as a result of this RFP.

2.3 ALPR System Capabilities.

2.3.1 The ALPR camera system shall be a permanent mount vehicle system.

Q: Is your company capable of meeting this requirement?

Yes No

If yes, explain how.

**COUNTY OF SAN DIEGO, SHERIFF'S DEPARTMENT
REQUEST FOR PROPOSAL (RFP) 2950
MOBILE AUTOMATIC LICENSE PLATE READER SYSTEM
EXHIBIT A - STATEMENT OF WORK**

PIPS Technology has several different installation options for light bars available to meet the needs of the department. Two that may be of interest are shown below:

To maintain a low profile, the cameras can be mounted near the roof line, with an optional Federal Signal steady red take down light installed inside the vehicle near the rear view mirror as is shown below with the Los Angeles Sheriff's Department.



A second configuration can be such that the cameras are mounted directly over the top of the light bar as was done with the Riverside County Sheriff's Department (below). This configuration completely eliminates the blockage of any light dispersment.



**COUNTY OF SAN DIEGO, SHERIFF'S DEPARTMENT
REQUEST FOR PROPOSAL (RFP) 2950
MOBILE AUTOMATIC LICENSE PLATE READER SYSTEM
EXHIBIT A – STATEMENT OF WORK**

2.3.2 The ALPR system shall read and capture vehicle license plates, match the license plate data to the onboard databases and alert the operator when a match occurs.

Q: Is your company capable of meeting this requirement? Yes No
If yes, explain how.

On the infrared channel, when a license plate comes into the camera's field of view and is illuminated with sufficient light, focus and contrast, our patented plate finder algorithm will seek out the plate, send a signal to the color camera to capture an overview, digitize and convert the plate's characters to text and compare it to on board databases. When a plate is read, converted, and compared successfully with an on board database, the hit event passes from our processor to the MDT alerting the officer – all within about 3 milliseconds.

2.3.3 The ALPR system shall have a proven minimum 85% accuracy rating when reading a license plate at a closing speed (oncoming differential speed) of 110MPH, in both daylight and darkness.

Q: Is your company capable of meeting this requirement? Yes No
If yes, explain how.

See attached CHP test results in our proposal.

2.3.4 License plate databases shall be downloaded from a central server by USB or 802.11 wireless network connections.

Q: Is your company capable of meeting this requirement? Yes No
If yes, explain how.

Our processor has been successfully tested with a Cisco compatible USB-based LAN – See attached spec sheet in our proposal. This device is standard on all PIPS supplied systems with the Los Angeles Sheriff's Department. We install USB connections in all of our system installations as a back up to wireless communications. **This device has been included in the pricing of our bid response.**

2.3.5 The ALPR database system shall be capable of obtaining incremental updates via the Internet, or alternatively, via an automatically deployed package.

Q: Is your company capable of meeting this requirement? Yes No
If yes, explain how.

Our software updates entire hotlists. Incremental updates are supported in the next release (estimated July 2008) and covered by our 12 month warranty.

2.3.6 The ALPR system shall have the capability to receive manual keyboard updates and allow manual override to correct misread license plate numbers.

Q: Is your company capable of meeting this requirement? Yes No
If yes, explain how.

The vehicle's application software has a manual entry interface and a misread button to correct misread plates.

COUNTY OF SAN DIEGO, SHERIFF'S DEPARTMENT
REQUEST FOR PROPOSAL (RFP) 2950
MOBILE AUTOMATIC LICENSE PLATE READER SYSTEM
EXHIBIT A - STATEMENT OF WORK

2.3.7 The on board system shall retain all captured information on a hard drive. The hard drive shall be of sufficient size to store a minimum of six license plate databases (approximately 12Mb each) and a minimum of 100,000 individual captured license plate records with images. The maximum size and location of captured information (in megabytes) shall be configurable via a locally-stored configuration file.

Q: Is your company capable of meeting this requirement? Yes No
If yes, explain how.

The on-board processor has a 20GB hard drive for data and hot list storage.

2.3.8 The ALPR software shall have an option button (menu option) for uploading all information collected since the last upload to a central repository.

Q: Is your company capable of meeting this requirement? Yes No
If yes, explain how.

The on board application software has an end shift button for manually synchronizing the data from the client (vehicle) to the Back Office Software (repository). A wireless interface will provide this feature automatically when the client (vehicle) is in range of the station's hotspot.

2.3.9 ALPR system shall be ruggedized to handle shock, vibration, temperature and other environmental conditions in and on a patrol vehicle and in the patrol vehicle trunk.

Q: Is your company capable of meeting this requirement? Yes No
If yes, explain how.

Our system has been tested to the following standards:

- A temperature range of -4° F to +140° F;
- To meet "eye safe" certification standards;
- Sealed to IP67 Standards;
- To military standards for shock, crash, hazard and solar radiation;
- For mechanical shock, electrostatic discharge, and inductive transient;
- and meets the UL-94 requirements for product flammability.

2.3.10 The ALPR software shall be tested and verified to work on Windows XP Service Pack 2 or later version when deployed by the Department.

Q: Is your company capable of meeting this requirement? Yes No
If yes, explain how.

We are compliant as all of our software is Windows based. We will comply with future Windows releases.

2.3.11 Captured information from the ALPR system shall be exportable to a comma-separated or delimited format (CSV) for archival and data mining purposes.

Q: Is your company capable of meeting this requirement? Yes No
If yes, explain how.

CSV is our on board database format.

2.3.12 With the exception of black-box components such as camera hardware, all software and data transfer mechanism for the ALPR system shall be Windows-based.

Q: Is your company capable of meeting this requirement? Yes No
If yes, explain how.

We comply - see comments on 2.3.10.

**COUNTY OF SAN DIEGO, SHERIFF'S DEPARTMENT
REQUEST FOR PROPOSAL (RFP) 2950
MOBILE AUTOMATIC LICENSE PLATE READER SYSTEM
EXHIBIT A – STATEMENT OF WORK**

- 2.3.13 The ALPR system software shall be compatible for use on a fixed computer/server away from the vehicle to store license plate image records and to facilitate data queries and reports on the stored data.

Q: Is your company capable of meeting this requirement? Yes No

If yes, explain how.

Our Superex processor is separate from the MDT computer and communicates via an Ethernet cross over cable.

2.4 ALPR System Operation.

- 2.4.1 The ALPR system shall be capable of alerting the operator visually and audibly when a match occurs.

Q: Is your company capable of meeting this requirement? Yes No

If yes, explain how.

We comply. See explanation in 2.4.2.

- 2.4.2 The ALPR software shall be capable of running in the background and audio and visual alert capability shall be configurable using a graphical user interface.

Q: Is your company capable of meeting this requirement? Yes No

If yes, explain how.

We comply. Our system has an audible tone that tells the officer our system is working while his dispatch/CAD/RMS screen is "front and center". In the event of an LPR hit, our system would override the MDT screen and display a color image of the vehicle, IR plate patch, time, date, GPS coordinates, and database from which the hit came from. To return to the dispatch/CAD/RMS screen, the officer simply hits the escape button and our screen will revert to a background mode.

- 2.4.3 The ALPR system shall provide the operator a visual color image of the matched plate for verification.

Q: Is your company capable of meeting this requirement? Yes No

If yes, explain how.

Color overview images are standard on our system. We have never offered anything less since color is part of any vehicle crime.

- 2.4.4 The ALPR operation system shall allow for a minimum of six (6) databases to match vehicle license plates against. (Examples include Department of Justice databases: Stolen Vehicles, Lost and Stolen License Plates, Felony Wants, and Sheriff's department custom databases.)

Q: Is your company capable of meeting this requirement? Yes No

If yes, explain how.

Our system allows for unlimited databases.

- 2.4.5 The ALPR system shall store all records and data in an unalterable format.

Q: Is your company capable of meeting this requirement? Yes No

If yes, explain how.

Our system has FIPS 97, 256 bit encryption and has an audit trail feature – anything an officer does, our software logs and keeps a record of and transmits it back to the back office software for reporting.

COUNTY OF SAN DIEGO, SHERIFF'S DEPARTMENT
REQUEST FOR PROPOSAL (RFP) 2950
MOBILE AUTOMATIC LICENSE PLATE READER SYSTEM
EXHIBIT A - STATEMENT OF WORK

2.4.6 The ALPR operation system shall provide for multilevel administrator rights for system configuration and database prioritization.

Q: Is your company capable of meeting this requirement? Yes No

If yes, explain how.

Our software currently allows three levels of administrative rights. The next release will allow greater options and flexibility to allow administrators to add users, allow certain people to add hot lists, search data by vehicle or fixed LPR sites, etc. This release is set for July and the update would be covered under our 12 month warranty.

2.4.7 The ALPR operation system shall allow manual-keying of plate numbers to test for matches against the downloaded database(s).

Q: Is your company capable of meeting this requirement? Yes No

If yes, explain how.

There is a search/entry button in our vehicle application software that allows for this.

2.5 ALPR Processor (Mounted in Vehicle).

2.5.1 The ALPR system shall include a stand alone image processor and storage drive which powers and interfaces with license plate camera capturing devices.

Q: Is your company capable of meeting this requirement? Yes No

If yes, explain how.

Our Superex processor accomplishes this.

2.5.2 The ALPR image processor shall integrate with the San Diego Sheriff's Department's mobile data computer (MDC) via USB 2.0 port with an "A-type" plug.

Q: Is your company capable of meeting this requirement? Yes No

If yes, explain how.

Our system typically requires an Ethernet connection to pass data seamlessly to the MDC. If an Ethernet port is used by another device, we would suggest the use of an Ethernet hub. If an Ethernet hub is unacceptable, we suggest a USB 2.0 Type A to Ethernet adapter as an alternative. The latter not recommended due to heavy vibration in a patrol car environment. If neither Ethernet adapters or USB adapters are available, we suggest installing a separate touch screen monitor. This cost has not been factored into our proposal and can range from \$1,000-\$4,000 depending on the quality and manufacturer (excluding installation costs). We have included the price of a USB 2.0 Type A to Ethernet adapter in the pricing of our bid response.

2.5.3 The ALPR image processor and camera capturing devices combined shall not use a total of more than eight (8) amps of power.

Q: Is your company capable of meeting this requirement? Yes No

If yes, explain how.

Our processor uses 4 amps, and each camera uses 1 amp. With 4 cameras, our system is compliant.

**COUNTY OF SAN DIEGO, SHERIFF'S DEPARTMENT
REQUEST FOR PROPOSAL (RFP) 2950
MOBILE AUTOMATIC LICENSE PLATE READER SYSTEM
EXHIBIT A – STATEMENT OF WORK**

- 2.5.4 The ALPR processor shall be able to be mounted either horizontally or vertically in the trunk of the patrol vehicle. Sheriff's patrol vehicles are Ford Crown Victorias and Ford Expeditions. The processor shall be small enough to fit and be secured without removing any existing equipment or requiring any significant modifications to trunk configuration. (A standard patrol vehicle will be available for potential offerors to view at the pre-proposal conference.)

Q: Is your company capable of meeting this requirement? Yes No

If yes, explain how.

Based on the SDSD vehicle at the pre-conference proposal, we can install in either configuration in the Crown Vics. Please be advised that taller profile vehicles can change the accuracy of LPR cameras (I realize this has nothing to do with processors, but thought you'd want to know).

- 2.5.5 The ALPR image processor shall include and use its own Global Positioning System (GPS).

Q: Is your company capable of meeting this requirement? Yes No

If yes, explain how.

We use a separate well known GPS manufacturer's device.

2.6 ALPR System Software.

- 2.6.1 The ALPR client software shall be capable of operating on the MDC.

Q: Is your company capable of meeting this requirement? Yes No

If yes, explain how.

Our system operates independently and connects to the MDC via Ethernet crossover cable.

- 2.6.2 The ALPR client software shall be capable of running under non-administrative user accounts.

Q: Is your company capable of meeting this requirement? Yes No

If yes, explain how.

There are two levels of administration for the vehicle – administrator and non-administrator. Non-administrator mode restricts the officer to basic upload/download and search capabilities.

- 2.6.3 The ALPR system software shall be provide for individual accounts for each user.

Q: Is your company capable of meeting this requirement? Yes No

If yes, explain how.

Each user has their own log in credentials with a user name and password. The back office software utilizes Microsoft's Active Directory for authentication.

- 2.6.4 The ALPR system software shall keep a record of the user who was logged in to the system at the time of each license plate image capture.

Q: Is your company capable of meeting this requirement? Yes No

If yes, explain how.

Our vehicle software stamps the officers log on credentials as a part of every license plate capture.

**COUNTY OF SAN DIEGO, SHERIFF'S DEPARTMENT
REQUEST FOR PROPOSAL (RFP) 2950
MOBILE AUTOMATIC LICENSE PLATE READER SYSTEM
EXHIBIT A - STATEMENT OF WORK**

2.6.5 The ALPR system shall collect the following data for each captured image: license plate number, address location, date, time and latitude/longitude location.

Q: Is your company capable of meeting this requirement? Yes No
If yes, explain how.

We comply; however, a specific address location is a feature in the back office application and is a function of the GPS.

2.6.6 The ALPR system shall be capable of processing queries by license plate number, address location, date, time and latitude/longitude location. This capability shall be available on the system installed in the patrol vehicle and on a central storage server that may be in use as a data repository.

Q: Is your company capable of meeting this requirement? Yes No
If yes, explain how.

We comply; however, a specific address location is a feature in the back office application and is a function of the GPS. The specific address location feature does not apply to the mobile application unless the vehicle has Microsoft Streets and Maps (only compliant software tested by PIPS).

2.6.7 The ALPR system software shall be capable of providing notifications of matched license plates via SMS (Short Message Service), e-mail, and text when wireless internet connectivity is available to the patrol vehicle.

Q: Is your company capable of meeting this requirement? Yes No
If yes, explain how.

We comply. The vehicle must be connected wirelessly to our back office software in real time to provide this service.

2.6.8 The ALPR system shall capture and display latitude and longitude information using the system's own GPS.

Q: Is your company capable of meeting this requirement? Yes No
If yes, explain how.

We comply.

2.6.9 The ALPR system software shall be based on MS-SQL Server System.

Q: Is your company capable of meeting this requirement? Yes No
If yes, explain how.

We comply. Our database format is based on MS-SQL.

**COUNTY OF SAN DIEGO, SHERIFF'S DEPARTMENT
REQUEST FOR PROPOSAL (RFP) 2950
MOBILE AUTOMATIC LICENSE PLATE READER SYSTEM
EXHIBIT A - STATEMENT OF WORK**

2.6.10 The ALPR system software shall have the ability to provide reports of the data entered and stored. This ability shall include, at a minimum: the number of license plate matches; the number of partial license plate matches; the date, time and location (GIS format) of the matches; and number of total license plates read during defined dates and times.

Q: Is your company capable of meeting this requirement? Yes No
If yes, explain how.

We comply with all of your requirements. The next release of our back office software will expand search capabilities well beyond these requirements and if we are selected as a finalist, we would be pleased to share this information with you.

2.7 Vehicle Cameras.

2.7.1 The ALPR camera system shall contain both infrared and color imaging with infrared light source integrated in the camera housing unit.

Q: Is your company capable of meeting this requirement? Yes No
If yes, explain how.

We comply. Our infrared illuminators exhibit no visible light. Other vendors use a different infrared wavelength which emit visible red light. This could bring unwanted attention to a patrol car in dark areas on patrol, or possibly be misconstrued by the public in some manner.

2.7.2 The ALPR camera system shall be externally mounted in a cohesive configuration with the Sheriff's Department's emergency vehicle's lightbar system. The Sheriff's Department currently utilizes the Federal Signal Argent SL lightbar system. The ALPR camera system, once installed with the Federal Argent SL lightbar system, must remain compliant with the California Code of Regulations, Title 13, Division 2, Chapter 5 Article 3, and Special Requirements 1122.

Q: Is your company capable of meeting this requirement? Yes No
If yes, explain how.

We comply. The department has their choice as to how to mount the system per the images provided to question 2.3.1. Being owned by Federal Signal, the maker of the Argent light bar, we have designed a universal mounting brackets for the Argent light bar - low profile and "over the top" design.

2.7.3 The ALPR camera system shall have 180 degree capturing capability from the driver side door of the patrol vehicle to the passenger side door.

Q: Is your company capable of meeting this requirement? Yes No
If yes, explain how.

No ALPR company provides true "180 degree coverage" in a four camera configuration as you are proposing due to the cameras limited field of view which is approximately a 5-7' "box". Each forward facing traffic camera is set up for the adjacent lanes to capture cars coming and going by a patrol vehicle. This leaves a gap of coverage directly in front of the patrol vehicle slightly larger than the lane it is in. Also each side facing camera is aimed generally 90 degrees to the patrol vehicles path of travel which leaves a gap between it and the forward facing traffic cameras. Don't be fooled by vendor product brochures that try to depict "full coverage".

**COUNTY OF SAN DIEGO, SHERIFF'S DEPARTMENT
REQUEST FOR PROPOSAL (RFP) 2950
MOBILE AUTOMATIC LICENSE PLATE READER SYSTEM
EXHIBIT A – STATEMENT OF WORK**

2.7.4 The ALPR camera system shall consist of a maximum of four (4) cameras capable of capturing (reading) license plates from oncoming traffic and passing traffic and parked vehicles from both the passenger side and driver side of the patrol vehicle. All cameras shall be able to capture images simultaneously and communicate independently to the processor.

Q: Is your company capable of meeting this requirement? Yes No
If yes, explain how.

We comply. The application software can be set up to scan two, three or four cameras simultaneously or in any other combination (right side, left side, fronts only, rears only, etc.).

2.8 Installation.

2.8.1 ALPR client software that will reside and operate on the MDC shall be loaded onto the MDC by personnel from the Sheriff's Department's Data Services Division. This is fine; however, for the purposes of "commissioning" the software to communicate from our box to your MDC, our technician may be required to assist in the process and have rights to perform software installation or changes appropriate settings with administrative rights and with departmental supervision.

2.8.2 The ALPR vendor shall provide an installation pricing option for each system inclusive of all material and parts required for complete hardware mounting and installation in the patrol vehicle (installation shall include pricing for *everything* except loading software on the MDC).

2.8.3 Installation pricing shall be included in offerors' Pricing Proposal which shall be submitted under separate cover.

2.9 Warranty and Service.

2.9.1 The offeror shall include a two year warranty for all units in their proposal. All parts, labor, environmental fees and shipping fees are to be included in the warranty. The warranty period shall begin upon completion of system installation.

Q: Is your company capable of meeting this requirement? Yes No
If yes, explain how.

We comply per our pricing proposal.

2.9.2 The warranty shall be extendable at the Sheriff's Department's option for additional years. Pricing for the additional years will be negotiated before contract signing.

Q: Is your company capable of meeting this requirement? Yes No
If yes, explain how (do not include pricing information in this section).

We will be pleased to discuss the level (years) of extension of warrantee that your department is willing to undertake.

**COUNTY OF SAN DIEGO, SHERIFF'S DEPARTMENT
REQUEST FOR PROPOSAL (RFP) 2950
MOBILE AUTOMATIC LICENSE PLATE READER SYSTEM
EXHIBIT A - STATEMENT OF WORK**

- 2.9.3 The offeror shall provide a maximum two calendar week turnaround on products sent in for repair or replacement under the warranty. The offeror shall provide loaner units for all warranty repairs requiring more than two calendar weeks. Loaner units shall be fully compatible with the existing system and require no modifications to system configuration to be fully operable.

Q: Is your company capable of meeting this requirement? Yes No
If yes, explain how.

We will comply.

- 2.9.4 The offeror shall cover all shipping costs related with the return and receipt of repair items under warranty.

2.9.5 *Q: Is your company capable of meeting this requirement?* Yes No
If yes, explain how.

We will offer this during the first two years of the warranty period only.

- 2.9.6 The offeror shall provide phone support for first level problem resolution. This support shall be available Monday through Friday between the hours of 8:00 AM and 4:00 PM Pacific Time.

Q: Is your company capable of meeting this requirement? Yes No
If yes, explain how.

We will provide telephone support Monday through Friday from 5am to 5pm PST.

2.10 Post Warranty Software Upgrades and Support.

- 2.10.1 The offeror shall provide pricing for annual software support agreements (post warranty) to include software upgrades.

Q: Is your company capable of meeting this requirement? Yes No
If yes, include this information in Pricing Proposal which is to be submitted under separate cover.

We comply per our attached proposal.

2.11 Training.

- 2.11.1 The offeror shall train up to four Sheriff's staff on the operation, maintenance, and troubleshooting of the system and components.

Q: Is your company capable of meeting this requirement? Yes No
If yes, explain how.

Detailed training will be provided for maintenance and trouble shooting at no charge via our facility in Knoxville, TN. Travel and living expenses are not included. Operational training will be provided at no charge on-site.

- 2.11.2 The offeror shall train two users (operator training) for each system procured.

Q: Is your company capable of meeting this requirement? Yes No
If yes, explain how.

We will comply with on-site training.

**COUNTY OF SAN DIEGO, SHERIFF'S DEPARTMENT
REQUEST FOR PROPOSAL (RFP) 2950
MOBILE AUTOMATIC LICENSE PLATE READER SYSTEM
EXHIBIT A - STATEMENT OF WORK**

2.12 Documentation.

2.12.1 The offeror shall provide system user manual (CD-Rom format), technical drawings, detailed diagrams and instructions for installation and diagnostics of systems upon delivery of systems.

Q: Is your company capable of meeting this requirement? Yes No
If yes, explain how.

Documentation can be provided electronically or via downloadable versions from the customer support section of our website.

2.13 Demonstration.

2.13.1 As part of the RFP process, offerors may be required to provide a no cost on-site demonstration including in-vehicle operation. The purpose of this demonstration is to ensure that the system meets the requirements of the Statement of Work. Neither the Sheriff's Department nor the County of San Diego shall bear any expense associated with this requirement. Offerors are fully responsible for all costs associated with a demonstration. The Sheriff's Department will make a patrol vehicle available to be used in the demonstration if offeror so requests. (Site demonstration, if required, will be conducted in the County of San Diego and offerors will be notified of date, time, and location.)

Q: Is your company capable of meeting this requirement within 10 business days of being notified? Yes No
If yes, explain how.

We can use our 4-camera demo vehicle for this request. If the department requests an extended demo utilizing this vehicle, a liability waiver document must be signed.

2.14 Delivery Schedule.

2.14.1 The offeror shall be able to deliver and install three units within the first 45 days after a purchase order is issued.

Q: Is your company capable of meeting this requirement? Yes No
If yes, explain how.

We will comply with this request. We have an agreement with a local installation firm - Thunderworks - to perform our installations.

2.14.2 The offeror shall be able to deliver units within 60 days from purchase on all future orders.

Q: Is your company capable of meeting this requirement? Yes No
If yes, explain how.

We can deliver within 45 days.

2.15 Contractor Background Checks.

2.15.1 Background checks will be required of all personnel who perform services at any Sheriff's facility or have access to Sheriff's Department vehicles and/or data. The Department will be responsible for conducting required checks and tests.

**COUNTY OF SAN DIEGO, SHERIFF'S DEPARTMENT
REQUEST FOR PROPOSAL (RFP) 2950
MOBILE AUTOMATIC LICENSE PLATE READER SYSTEM
EXHIBIT A - STATEMENT OF WORK**

2.15.2 Individuals who do not pass a Sheriff's background check will not be allowed to access Sheriff's facilities, vehicles, or data. The decision of the Sheriff's Department is final.

3. PUBLIC AGENCY

It is intended that any other public agency (i.e., city, district, public authority, public agency, municipality and other political sub-division or public corporation of California) located in San Diego County shall have the option to participate in any award made as a result of this solicitation at the same prices and FOB destination, terms and conditions. The County shall incur no financial responsibility in connection with purchase orders issued by another public agency. The public agency shall accept sole responsibility for placing order or payments to the company. Option shall not be considered in evaluation.

State whether said option is granted:

Yes No

MAINTENANCE AND SUPPORT AGREEMENT

This Maintenance and Agreement ("Agreement") is entered into as of _____, 2010 ("Effective Date") by and between PIPS Technology, Inc., a Tennessee corporation with its principal place of business at 804 Innovation Drive, Knoxville, Tennessee 37932 ("PIPS") and _____, a [] with its principal place of business at _____ ("Licensee").

Licensee purchased certain equipment and/or software licenses from Licensor. Such software licenses are governed by that certain PIPS Technology Software License Agreement, Version 1.01 ("License Agreement"). The terms of this Agreement are in addition to the terms contained in the License Agreement and in the event of a conflict or inconsistency between the terms of this Agreement and the License Agreement, the terms of this Agreement shall govern with respect to the subject matter herein.

Licensee desires to obtain certain maintenance and support services for the Software and/or the Hardware (both terms as defined herein) and PIPS desires to provide Licensee with such maintenance and support services, all in accordance with and subject to the terms and conditions of this Agreement.

1. Definitions.

"Software" means the software licensed by Licensee pursuant to the License Agreement, as well as all Versions and Releases thereof.

"Hardware" means the equipment purchased by Licensee pursuant to the PIPS standard terms and conditions of sale.

"Release" means a subsequent version of the Software than that currently licensed by Licensee pursuant to the License Agreement.

2. Maintenance and Support Services. Provided that the applicable Fees are paid and Licensee is not in breach of this Agreement or the License Agreement, PIPS shall provide the following maintenance and support services (collectively "Services"):

a. Software Support Services. If elected by Licensee pursuant to Exhibit A hereof, PIPS shall provide the following support for the Software ("Software Support Services"):

i. extension of the warranty for the Software, as specified in Section 3 of the License Agreement, throughout the Term;

ii. copies and licenses to all Releases that are generally released to the Licensee base of PIPS during the Term, without charge to Licensee; and

iii. free telephone technical support for the Software during normal business hours (8 a.m. to 5 p.m. EST, Monday through Friday).

b. Hardware Support Services. If elected by Licensee pursuant to Exhibit A hereof, PIPS shall provide the following support service for the Hardware ("Hardware Support Services"):

i. extension of the warranty for the Hardware throughout the Term; and

ii. free telephone technical support for the Hardware during normal business hours (8 a.m. to 5 p.m. EST, Monday through Friday).

3. Licensee Responsibilities.

a. Licensee shall designate a support contact to be the primary interface with PIPS for the provision of the Services. The support contact shall initiate all requests for support and must be trained, qualified and authorized to: (i) communicate all necessary information; and (ii) perform diagnostic testing under the direction of the PIPS.

b. Licensee agrees to: (i) install all Releases to the Software; and (ii) install and test recommended patches or bug fixes in order to resolve outstanding issues.

c. Licensee accepts sole responsibility for any compatibility problems between the Software and: (i) any software or hardware not provided by PIPS; or (ii) any software provided by PIPS but is not the then most current Release of the Software.

d. Licensee accepts sole responsibility for any problems between the Hardware and any software or hardware not provided by PIPS.

4. Term of Agreement. This Agreement shall have an initial term ("Initial Term") that commences on the Effective Date and continues for a period of one (1) year thereafter. Thereafter, this Agreement shall automatically renew for additional one (1) year periods (each a "Renewal Term") unless Licensee terminates this Agreement by providing written notice thereof to PIPS at least sixty (60) days from the expiration of the Initial Term or then-current Renewal Term, as applicable. The Initial Term and all Renewal Terms shall be collectively referred to herein as the "Term".

5. Pricing. The fees for the Services (collectively, "Fees") shall be charged to Licensee at PIPS's then-current rates which, as of the Effective Date, are specified on Exhibit A.

6. Payment and Taxes. Licensee shall pay PIPS the Fees, without set-off, within thirty (30) days of the date of invoice, and payment shall be sent to the address specified by PIPS. All Fees are non-refundable and payable annually in advance. Charges for a partial month's service based upon the term of this Agreement shall be prorated on the basis of the actual number of days per month. Any invoices not paid when due shall be subject to a late charge of one and one-half percent (1 1/2 %) per month on the unpaid balance or the maximum rate allowed by law, whichever is less. PIPS may terminate this Agreement immediately if Licensee is more than thirty (30) days late with any payments due hereunder and PIPS shall not be liable for any damages, costs, fees, charges or losses which may occur as a result of such termination. PIPS shall be entitled to receive from Licensee its court costs and reasonable attorneys' fees (in addition to any other damages and amounts awarded to it) incurred in connection with any action to enforce the terms and conditions of this Agreement.

7. Support Material License. All right, title and interest in and the Software (including, without limitation all Releases) and all other material and information (collectively, "Support Material"), both tangible and intangible, as well as all intellectual property rights embodied therein, that is provided under this Agreement by PIPS is and shall remain the exclusive property of PIPS. During the term of this Agreement, PIPS grants Licensee a revocable, non-exclusive, non-transferable license to use the Support Material solely in conjunction with its use of the Software only to the extent such use of the Software is permitted pursuant to the License Agreement.

8. Cessation of Service. As PIPS releases new Releases of the Software, PIPS reserves the right to discontinue the Software Support Services for all non-current Releases. PIPS shall provide at least ninety (90) days notice of such discontinuance of the Services; provided, however, that PIPS will continue to support the Release immediately preceding the then-current Release of the Software for a period of twelve (12) months from the release of the then-current Version or Release, as applicable.

9. Warranty. PIPS warrants that all Support Material provided hereunder by PIPS to Licensee shall perform as warranted in the License Agreement.

10. Limitation of Liability. The total liability of PIPS for all claims of any kind, whether in contract, tort (including negligence), strict liability or otherwise, arising out of, connected with, or resulting from the performance or breach of this Agreement or the Services provided hereunder shall, in no event, exceed the total amount paid by Licensee under this Agreement for the one (1) year period immediately preceding such claim.

IN NO EVENT, WHETHER AS A RESULT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE, SHALL PIPS BE LIABLE FOR LOST PROFITS OR REVENUES, CLAIMS OF CUSTOMERS, LOSS OF USE OF ANY EQUIPMENT OR SOFTWARE, SYSTEMS, FACILITIES, LOSS OF DATA OR INFORMATION, LACK OR LOSS OF PRODUCTIVITY, INTEREST CHARGES OR COST OF CAPITAL, COST OF SUBSTITUTE EQUIPMENT, SOFTWARE, SYSTEMS OR SERVICES, COST OF PURCHASED OR DOWNTIME COSTS, OR SPECIAL, INCIDENTAL, INDIRECT, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES OF ANY NATURE,

EVEN IF PIPS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, IN NO EVENT SHALL THE TOTAL LIABILITY OF PIPS FOR DIRECT DAMAGES EXCEED THE AMOUNT PAID BY LICENSEE TO PIPS DURING THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE CLAIM FROM WHICH SUCH LIABILITY ARISES.

EXCEPT AS EXPRESSLY PROVIDED IN SECTION 9, PIPS MAKES NO REPRESENTATION OR WARRANTY WITH RESPECT TO THE SERVICES OR SUPPORT MATERIAL FURNISHED HEREUNDER, AND NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, WHETHER WRITTEN, ORAL, IMPLIED OR STATUTORY, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, SHALL APPLY.

11. Force Majeure. Except for the payment of the Fees, neither party shall be liable to the other party for any delay which is due to fire, flood, lockout, transportation delay, war, acts of God, governmental rule or order, strikes or other labor difficulties, or other causes beyond its reasonable control. However, in such event, both parties shall resume performance promptly after the cause of such delay has been removed.

12. General.

A. Assignment. Licensee may not assign its rights or delegate its obligations under this Agreement without the prior written consent of PIPS.

B. Waiver. The failure or delay of either party to insist in any one or more instances upon performance of any of the terms, covenants or conditions of this Agreement or to exercise any right, power or privilege under this Agreement, shall not operate or be construed as a relinquishing of future performance under this Agreement or as a waiver of any of the same or similar rights, powers or privileges in the future, and the obligation of the other party with respect to such future rights or performance shall continue in full force and effect as if such failure or delay never occurred.

C. Notices. All notices shall be in writing and shall be duly given upon being delivered personally, or upon receipt if mailed by certified mail, return receipt requested, to the other party, at the address first set forth above or such other party and address as either party may designate to the other in writing.

D. Severability. In the event that any one or more of the provisions, or any part thereof, contained in this Agreement shall for any reason be held to be unenforceable in any respect by a court of competent jurisdiction, such provision(s) or part thereof shall be stricken from the Agreement and not affect any other provisions or the validity of this Agreement in its entirety.

E. Headings. Paragraph headings used in this Agreement are for reference purposes only and shall not be interpreted to limit or affect in any way the meaning of the language contained in such paragraphs.

F. Governing Law. This Agreement shall for all purposes be governed by, construed and enforced solely in accordance with the laws of the State of Illinois, without reference to its conflict of laws rules. Any and all disputes between the parties arising under or in connection with this Agreement, which cannot amicably be resolved by the parties, shall be resolved solely and exclusively in the courts located in Cook County, Illinois. Licensee hereby expressly consents to the service of process in connection therewith and irrevocably waives any objections to the jurisdiction of such courts on any grounds, including without limitation, forum non conveniens. Any judgment or award by such courts may be entered and enforced by any court having jurisdiction over the parties or their assets.

G. Entire Agreement. This Agreement, including all Exhibits, constitutes the entire agreement between the parties with respect to the subject matter hereof and shall supersede all previous oral and written proposals, negotiations, representations, commitments and other communications between the parties. This Agreement may not be released, discharged, changed or modified except by a written instrument that is signed by duly authorized representatives of each party and that expressly intended such release, discharge, change or modification.

PIPS

Signature: _____

Name: _____

Title: _____

LICENSEE

Signature: _____

Name: _____

Title: _____

EXHIBIT A

Software Support Services. By checking this box, Licensee has elected to procure the Software Support Services from PIPS for the following list of licensed software programs in accordance with the terms and conditions of the Agreement. The annual Fees for the Software Support Services currently are [_____ and **xx/100 Dollars (\$ _____.)**].

Hardware Support Services. By checking this box, Licensee has elected to procure the Hardware Support Services from PIPS for the following list of purchased hardware products in accordance with the terms and conditions of the Agreement. The annual Fees for the Hardware Support Services currently are [_____ and **xx/100 Dollars (\$ _____.)**].

October 12th, 2010

Chris Morgan
Lieutenant
Long Beach Police Department
400 West Broadway
Long Beach, CA. 90802

Re: Automatic License Plate Recognition (ALPR) Fixed and Mobile Camera Proposal

Dear Lieutenant Morgan:

PIPS Technology, a Federal Signal Corporation company, is pleased to submit to the Long Beach Police Department, the enclosed proposal to enhance the security of the city of Long Beach through the implementation of an Automatic License Plate Recognition (ALPR) system. This proposal is based on the project requirements meeting held between the Long Beach Police Department, its representatives, and Federal Signal as well as subsequent conversations. Great care has been taken to provide a cost effective proposal that addresses the necessary equipment, future expansion needs, installation support and system configuration. The Federal Signal team is confident that the proposed system will meet the high standards established by the Long Beach Police Department.

The ALPR fixed cameras will be strategically positioned at entry and exit locations capturing plate reads and comparing to multiple data bases to identify wanted felony vehicles, stolen vehicles and lost or stolen plates. The system also allows for you to create and manage any custom hotlist you wish to deploy. Dispatchers will be notified of any hit that matches an active database and the hits can also be routed to others in the department via email or a PDA type device for notification. The mobile ALPR systems will function the same way as your current PIPS mobile systems but will use our latest SLATE digital platform. The processor will use the Motorola MW-810 processor allowing you to run all your computer applications and ALPR all from one processor.

The pricing found in this proposal is based on a volume purchase of ALPR cameras. This proposal pricing is valid for 60 days from the date of submission. Should additional time be required to obtain a purchase order, Federal Signal reserves the right to review the scope of work, evaluate any changes to the conditions present, and revise the price quotation accordingly.

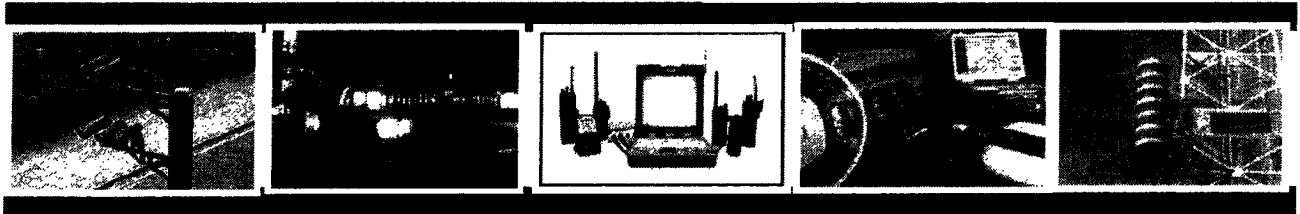
We look forward to working with the Long Beach Police Department on this exciting project. If you have any questions, please contact me at (949) 280-1716.

Sincerely,

Kris Robinson
Regional Sales Manger
PIPS Technology a Federal Signal Company

Proposal to Provide
Automated License Plate Recognition
Fixed and Mobile Cameras

To the
Long Beach Police Department



Submitted by:



FEDERAL SIGNAL

Advancing security and well-being.

Contact:

Kris Robinson
804 Innovation Drive
Knoxville, TN 37932
(949) 280-1716
krobinson@federalsignal.com

October 12th, 2010

Table of Contents

Executive Summary 1
 Project Overview..... 1
 System Overview..... 1
 Scope of Work 3
 Timeline 3
 Pricing 3
 About Federal Signal/PIPS Technology 3
Experience and Capabilities..... 4
 Overview 4
 Current Installations and Applications 5
System Overview 6
 System Capabilities 6
 Automated License Plate Recognition (ALPR) FIXED Cameras 6
 Mobile SLATE ALPR Cameras 8
 Communications and Power for Fixed Deployments 8
Statement of Work 8
 General Scope of Work 9
 BOSS Software Configuration and Commissioning 10
 Fixed ALPR Camera Commissioning 10
 System Administrator and User Training 10
 Project Limitations / Exclusions 10
 Acceptance Test 11
 Warranty and Maintenance 11
Pricing 14



Appendices

- Appendix 1 Data Sheets
- Appendix 2 Terms and Conditions of Sale and Warranty & Maintenance Program



Executive Summary

Project Overview

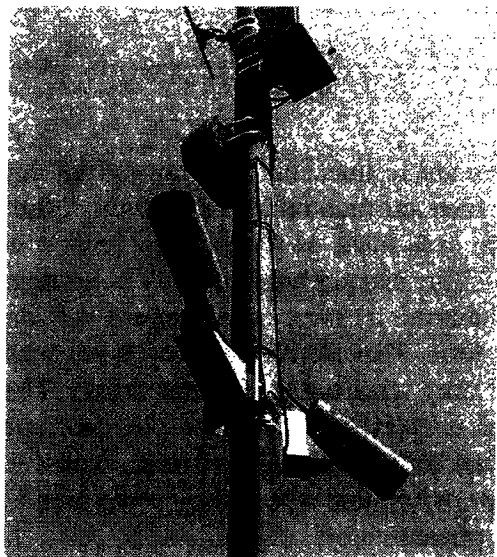
Within the city of Long Beach and the surrounding area, many crimes that are committed are associated to a vehicle. In fact, nationally around 60% of crimes are tied back to a vehicle. Often the suspects will commit the crime and then flee out of the area back to where they live. It is often too late once a crime is committed and reported to catch the suspect before they can escape. With ALPR cameras, Long Beach personnel can now be alerted as soon as a suspect vehicle enters the city via the fixed camera or from a mobile ALPR unit. This allows for time to respond and offers a better chance to locate the suspect(s) before they commit their next crime. The ALPR system will also give you key information such a color overview of the vehicle, date and time stamp and GPS coordinates you can easily plot on a map with the BOSS software. You can identify patterns of certain suspect vehicles and you can prove when and where they were seen in your city proving they were in the area when the crime took place.

The Long Beach Police Department has undertaken a Law Enforcement Crime Prevention Program initiative to implement proactive, preventive measures to mitigate these crimes. This proposal supports one such measure.

In cooperation with the Long Beach Police Department, Federal Signal/PIPS Technology proposes to deploy an ALPR fixed and mobile notification and security solution that provides powerful capabilities for detecting driving patterns and alerting when a suspect vehicle has entered and exited your city. Besides early notification of a suspect vehicle in the area, all these plate reads are a wealth of useful information to be used after a crime has been committed for data mining and analytics.

System Overview

Federal Signal/PIPS will provide ALPR fixed cameras and camera interface/termination boxes for deployment at strategically selected city of Long Beach entrance and exit points to the city. Two models of fixed ALPR cameras will be used to provide the most cost-effective solution that meets specific environmental requirements at each intersection. The Spike+ P372 camera offers a powerful, lower cost solution for locations where traffic flows are consistent enough to be captured with a 5 ½ foot wide horizontal field of view. The SpikeHD P382 camera is used when a wider field of view is needed. Federal Signal/PIPS will also provide NEMA System Interface Boxes for terminating from one to four cameras, appropriate to the specific installation.



Spike+ ALPR Camera (P-372)



Spike HD ALPR Camera (P382)

After conducting site surveys, PIPS recommends the deployment of 10 ALPR cameras initially at four locations.



Federal Signal/PIPS will also be providing our newest digital mobile ALPR platform. The cameras are low profile and do not block any light emitted from the light bar.

The ALPR cameras integrate Optical Character Recognition (OCR) software to analyze images to “read” the license plate numbers. All ALPR images and resulting plate information are sent to the Back Office System Software (BOSS) server(s) which are located at the Long Beach Police

Department facility. The BOSS server(s) hosts our powerful back office software and provides the central repository for the images and databases of interest (e.g., stolen vehicles, etc.).

Scope of Work

PIPS will provide the fixed ALPR cameras, interface/termination boxes and mobile ALPR camera systems. We will install the fixed cameras and termination boxes which will then be ready for the city to connect power and communications to the cameras. PIPS will also commission the cameras and test connectivity to the BOSS server(s) when the city has communications established. PIPS will also be responsible for the installation of the mobile systems.

Timeline

Upon notice to proceed, we estimate that the project can be completed through System Acceptance in approximately 2-3 months.

Pricing

Our price to complete the work as itemized in the Pricing Section of our proposal is \$899,653.50. Our pricing includes ALPR fixed and mobile cameras, system interface boxes, sales tax, installation, training, engineering, and warranty.

About Federal Signal/PIPS Technology

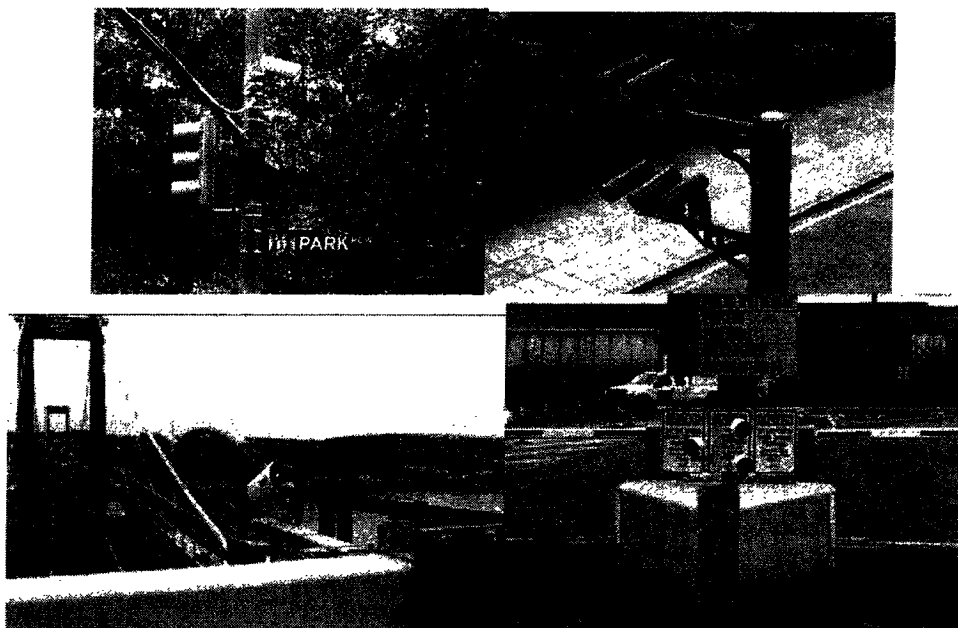
Founded in 1901, Federal Signal is a leading global designer and manufacturer of products and total solutions that serve municipal, governmental, industrial and institutional customers. The company is headquartered in Oak Brook, Illinois, with manufacturing facilities worldwide. Federal Signal acquired PIPS Technology in 2007. PIPS designs, manufactures, and supports a complete line of ALPR products and services for use in law enforcement, parking, tolling, and intelligent transportation systems (ITS). With over 18,000 cameras deployed worldwide since 1997, and a wide range of patents covering our technology and its application, PIPS Technology is a leading provider of imaging and license plate capture technology, and is uniquely qualified to meet the needs of the Long Beach Police Department.

Experience and Capabilities

Overview

Federal Signal Corporation (NYSE:FSS) is a 108 year-old leading global designer and manufacturer of products and total solutions that serve municipal, governmental, industrial and institutional customers. Headquartered in Oak Brook, Ill., with manufacturing facilities worldwide, the company operates four groups: Safety and Security Systems, Environmental Solutions, Fire Rescue and the newly created Federal Signal Technologies. Federal Signal is a financially stable firm with 2009 revenues in excess of \$750M (Federal Signal's 2009 10-K report is available for download at <http://www.federal signal.com>.)

Through the acquisition of PIPS Technology in 2007, Federal Signal Corporation gained access to the worldwide leader in ALPR technology. PIPS designs, manufactures, and supports its complete line of ALPR products and services for use in law enforcement, parking, tolling, and intelligent transportation systems (ITS). With over 18,000 cameras deployed worldwide since 1997, and a wide range of patents covering our technology and its application, PIPS Technology is the leading provider of traffic related imaging and license plate capture technology. PIPS worldwide headquarters is located in Knoxville, TN, with an additional office in the United Kingdom.



PIPS has systems in place in a variety of applications including public safety, surveillance, access control, commercial vehicle enforcement and weigh station applications, open road tolling, travel time measurement, parking enforcement, and a number of others. In the United States, the PIPS ALPR system has been adopted by law enforcement agencies, tolling authorities, universities, airports, national laboratories, state DOTs, municipalities, and private businesses. In addition to strong adoption of the technology in the U.S., PIPS has deployed ALPR systems throughout Europe, Asia, Africa, Australia, Mexico, South America and Canada.

PIPS has provided a number of stand-alone solutions, and has also worked with a number of integrators to provide ALPR equipment that works in conjunction with radiological detection devices, thermal imaging cameras, RFID readers, and numerous other technologies. With PIPS' dedicated engineering team and complete design and manufacturing control, PIPS has the capability to be responsive to a wide range of customers' needs.

Current Installations and Applications

Los Angeles County Sheriff's Department. Under the Advanced Surveillance and Protection Plan (ASAP), the PIPS Spike+ camera is monitoring multiple locations throughout Los Angeles County, providing the agency with notifications of stolen or otherwise wanted vehicles. Within the first 30 days, 88 vehicles were recovered, with corresponding arrests for other violations.

California Highway Patrol. Using a network of PIPS Spike+ cameras throughout the state, the CHP has recovered 868 stolen vehicles worth over \$7M, and made 535 arrests from information provided by the ALPR system.

Kentucky Transportation Cabinet. PIPS Technology provided equipment to for an integrated system intended to help commercial vehicle inspectors called Integrated Safety and Security Enforcement System (ISSES). ISSES includes a radiation detection system, a license plate reader, an infrared brake monitoring system, an integrated user interface and a chemical detection unit. These features were recently added to the weigh station to detect radioactive material for safety and security, quickly and accurately identify commercial vehicles and improve the vehicle inspection process.

Virginia Department of Transportation. Roughly 200 PIPS Spike+ cameras are capturing front and rear plates of both passenger and commercial vehicles in 91 traffic lanes. The use of ALPR for violation enforcement has substantially reduced violation rates and provided a rapid return on investment (ROI).

Transport for London. The Spike+ camera was selected as a key component of the western extension zone of the Central London Congestion Charging Scheme. Over 850 cameras were deployed as part of a contract awarded by Transport for London to provide an enforcement infrastructure.

System Overview

This section provides a brief description of the system capabilities and components that will be provided by PIPS. Data sheets are provided in Appendix 1.

System Capabilities

The proposed system has the ability to rapidly notify law enforcement agencies upon detection of known vehicles of interest or vehicles exhibiting suspect behavior patterns. Specific capabilities include notification upon:

- Detection of lost or stolen vehicles
- Detection of vehicles associated with wanted felons
- Detection of any vehicle from a custom hot list implemented by the Long Beach Police Department
- Identification of patterns established by searches performed by the BOSS software

Such capabilities may provide intelligence critical to ongoing investigations of criminal activity or may provide early warning before a criminal act takes place.

Automated License Plate Recognition (ALPR) FIXED Cameras

The system uses two types of fixed ALPR cameras mounted strategically to various structures and poles to view each entry and exit point of the city. The cameras will capture the rear license plates of vehicles. The ALPR cameras employ various technologies that recognize a license plate, capture an image of the license plate and a color “overview” image of the vehicle, and use Optical Character Recognition (OCR) software to interpret the characters of the license plate into data that is compared against one or more database “hotlists.” The cameras can operate in complete darkness, bright sunlight and adverse weather conditions.

Federal Signal/PIPS proposed to provide a total of 10 ALPR cameras. Four cameras will be the SpikeHD (P382) model and six cameras will be the Spike+ (P372) model. The cameras will be deployed at four different locations. At each location we will provide a NEMA interface box to house the termination equipment for the cameras.



SpikeHD ALPR. The SpikeHD (model P382) is an integrated ALPR system designed with no moving parts, significantly increasing the operational reliability of the unit over other conventional camera technology. The SpikeHD is a high resolution ALPR Ethernet device with an 11-foot field of view. SpikeHD design combines an infrared monochrome and a color camera, an internal self-illuminating infrared LED array; the implementation of the Federal Signal's patented hardware plate finder for optimum license plate image recognition and an onboard microprocessor with application-specific operating software to maximize the overall system performance. The components are enclosed in an aluminum extrusion housing with an anodized black finish. The SpikeHD meets IP68 requirements for water and dust ingress, and presents a hermetically sealed, nitrogen-purged package that can withstand the heat and the cold of the city of Long Beach and the Los Angeles Basin. It also provides a very small footprint, minimizing the overall exposure to the surroundings of the designated entrances and exits. Additional information about the SpikeHD is provided in the data sheets in Appendix 2.

Spike+ ALPR. The Spike+ (model P372) is a dual camera complete with video processing/control/ALPR. Like the model P382, the Spike+ design combines an infrared monochrome and a color camera, an internal self-illuminating infrared LED array; our hardware plate finder, and an onboard microprocessor with application-specific operating software. The Spike+ is enclosed in a rugged extruded aluminum housing sealed to the IP67 standard for a hermetically sealed, nitrogen-purged package. The Spike+ offers a 5 ½ foot field of view. Additional information about the Spike+ is provided in the data sheets in Appendix 2.



System Interface Box. At selected facilities, PIPS supplies a NEMA-4 rated system interface box that provides a simplified signal termination for the installer and ease of access for maintenance personnel. The enclosure provides all hardware interfaces required for the ALPR camera, including an Ethernet switch, 48v DC power supply and ground, lightning protection circuitry, application serial port, external trigger input, and a maintenance serial port. The termination box also provides ease of access to the camera for field evaluations and tuning from the serial port, a telnet TCP/IP connection, or a web page. The interface box connects to the camera with one composite cable supporting serial communication, power, and trigger, and one Ethernet cable.

Mobile SLATE ALPR Cameras

The PIPS SLATE cameras are a dual-lens camera for infrared license plate image and color vehicle overview. They include our Patented Platefinder® and TripleFlash® technologies with a small, compact, low-profile, and weatherproof design. There are no moving components.

The SLATE cameras have a robust optical character recognition (OCR) engine which compensates for headlights, sun glare, variances in ambient and license plate conditions for superior image quality and more accurate performance. The cameras provide durability and longevity in extreme operating environments.

Communications and Power for Fixed Deployments

The communications infrastructure and power to the fixed cameras will be the responsibility of the Long Beach Police Department. Once communications and power has been established to the fixed ALPR cameras, we will load the software, align the cameras, test for network connectivity back the BOSS server and provide training.

Statement of Work

The statement of work for this proposal defines the principal activities and responsibilities of all parties involved in the implementation of the PIPS ALPR cameras and BOSS server for the Claremont Police Department. In general:

- PIPS will provide 10 fixed ALPR cameras consisting of 4 SpikeHD (P382) cameras and 6 Spike+ (P372) cameras.
- PIPS will provide 24 mobile MW810 camera systems and 6 Superex III mobile ALPR systems.
- PIPS will install all the mobile ALPR systems, align cameras and load PAGIS software..
- PIPS will install the fixed cameras and termination boxes at all prescribed locations.
- Each traffic lane chosen at the selected locations and traffic directions indicated will be monitored by a combination of P382 and P372 cameras or only P372 cameras depending on the area to be monitored.
- Proposed installations have been designed to use existing infrastructure.

- The fixed cameras will feed plate reads to the BOSS in real-time utilizing the city communications network. Long Beach Police Department will be responsible for providing continuous 110 power and network communications to the termination box.

General Scope of Work

PIPS will be responsible for the installation of all fixed and mobile ALPR cameras, termination boxes and associated hardware. PIPS will also commission all ALPR cameras and the BOSS server along with administrative and user training for the BOSS software.

Additional Scope of Work

PIPS will perform the following work for the fixed ALPR portion of the project:

- Mount camera brackets to infrastructure.
- Mount cameras to camera brackets.
- Provide and mount termination (NEMA) boxes to infrastructure and provide mounting hardware.
- Provide mechanical protection for camera cables from the cameras to the NEMA boxes including penetration for poles or conduit on walls.
- Pull the camera cable from the camera to the NEMA box and cut to length with appropriate drip loop.
- Terminate the camera cable at the camera and NEMA box.
- Test network connectivity to the backhaul once Long Beach PD has provided a network connection and continuous 110 power.
- Commission all fixed ALPR cameras following site installations.
- Install and commission the BOSS software modules.
- Provide administrator and user training.

BOSS Software Configuration and Commissioning

PIPS will configure the BOSS software for the addition of the ALPR cameras on the designated Long Beach Police Department server(s) prior to camera installation at the first site (TBD). As part of the software/server commissioning, a fixed test camera will be set up at a remote site and data connections to the server will be tested.

Fixed ALPR Camera Commissioning

PIPS will commission all installed ALPR cameras. The ALPR camera commissioning consists of the following steps:

- Installation inspection and acceptance
- Configuring the camera
- Aiming the camera
- Verifying data connections to the BOSS server
- Documentation

System Administrator and User Training

PIPS will provide system training to designated Long Beach Police Department system administrators and users. This training will consist of the following:

- Administrator training on the BOSS server
- Remote administration of the fixed ALPR cameras
- Remote ALPR camera troubleshooting

Project Limitations / Exclusions

Removal or trimming of obstacles such as trees or other landscaping

Power 120VAC must be provided by Long Beach Police Department and terminated to the PIPS NEMA enclosure (termination box).

Infrastructure communications must be provided by the Long Beach Police Department. A single copper Ethernet RJ45 port for each NEMA communications box is required. No network configuration, routing or backbone communications are provided in this proposal

It is assumed that the Long Beach Police Department will provide assistance as needed for lane closures in high traffic areas.



Acceptance Test

With the initial training site and BOSS server commissioned, an acceptance test will be performed to test the system performance. This will be a test performed by Long Beach Police Department system administrators to validate the following:

- ALPR cameras pass performance requirements

Warranty and Maintenance

A description of our Warranty and maintenance programs is provided in Appendix 2.



General Fixed ALPR Install Provisions and Limitations

- **Receiving Product and Staging Location.** Customer is responsible to receive, store and protect all products intended for installation purposes, including, but not exclusively, camera equipment, cabinets, conduit, and installation materials. Materials received in cardboard containers must be protected from all forms of precipitation. Additionally, Customer is to provide a staging area of an appropriate size for installation contractors to work from and to store equipment overnight. We can provide a quote to cover these tasks if requested.
- **Radio Frequency Interference.** PIPS is not responsible for RF transmission and reception affected by system interference beyond its control.
- **Installation Site Approval.** Customer must provide signed documentation to PIPS that PIPS is authorized to commence installation on the sign structures and any other proposed infrastructure sites designated by Customer before PIPS will commence installation. Once installation has started at an approved site, Customer is responsible for all additional costs incurred by PIPS for redeployment of resources if the work is stopped by Customer or its agents, property owners, or as the result of any governmental authority or court order, or if it is determined that installation is not possible at the intended location, or the site is changed for any reason by the Customer.
- **Site Cleanup.** Basic installation site cleanup includes installation debris removal, general site cleanup, and general leveling of affected soil within 30' of the sign structure. Additional Site Restoration quotes are available.
- **Waste Disposal.** Customer is responsible for providing disposal of all packing materials including shipping skids and containers.
- **Work Hours.** All installation quotes are based on the ability to work outdoors in traffic areas during daytime hours of normal lane closures from 7 AM to 4 PM Monday through Friday. Work restrictions or limitations imposed by Customer or its agents may result in additional charges being assessed to Customer for services.
- **Safety Requirements & Compliance.** PIPS requires that all subcontractors and their employees follow applicable laws and regulations pertaining to all work performed, equipment utilized and personal protective gear common to electrical and construction site work performed in the installation of PIPS equipment. Additional safety compliance requirements by Customer may result in additional charges assessed to Customer for the time and expenses required to comply with the additional requirements.
- **Project Delays.** PIPS shall not be liable in any regard for delivery or installation delays or any failure to perform its obligations under this Agreement resulting directly or indirectly from change order processing, acts or failure to act by Customer, unresponsive

inspectors, utility companies and any other causes beyond the direct control of PIPS, including acts of God, weather, local disasters of any type, civil or military authority, fires, war, riot, delays in transportation, lack of or inability to obtain raw materials, components, labor, fuel or supplies, or other circumstances beyond PIPS's reasonable control, whether similar or dissimilar to the foregoing.



Pricing

This section provides our proposed pricing to deliver the components and services detailed in the Statement of Work. Pricing is based on the following assumptions:

Long Beach Police Department is responsible for the following elements of the purchase/installation of the system including:

- Obtaining any required approvals for the installation of the Spike Plus/ Spike HD LPR cameras on any poles adjacent to or over any road segments to be monitored or any overhead bridge structures on any public or private property
- Any required lane closures for the installation of the Spike Plus/HD units, cabling and interface cabinets
- Providing and installing a 120 volt power source that will be run to each Interface Cabinet
- Any drilling/holes for any light standard/gantries to recess any camera/power/data cabling
- Providing a internet accessible PC/Server in the agency's office for hosting the BOSS software program
- Provision of data communication service for sending data from the Spike cameras to the Back Office Software.
- Payment of state sales tax and any other related taxes associated with the purchase of the system

PIPS Technology is responsible for the following items:

- Installation, supervision and oversight
- Configuration and alignment of the ALPR cameras
- Field performance testing of the system once installed
- Configuration and test of the BOSS software

Long Beach Police Department is responsible for providing all servers and computers necessary to run the back office software. Our standard Statement of Terms, Conditions and Warranties of Sale is provided in Appendix 2.

Warranties and Maintenance. All PIPS equipment hardware and software is covered from System Acceptance by a one-year parts and labor warranty as described in Appendix 2. Extended maintenance has been provided as part of this quotation. We have included 5 full years for the MW 810 mobile processor and three years for all the PIPS cameras and Superex III processor. Extended maintenance supplies Long Beach Police Department with upgrades and improvements to our OCR engine for enhanced plate detection capabilities and software upgrades for all hardware sold by PIPS Technology, Inc.



Qty	Item Description	Unit Price	Extended Price
Fixed ALPR Cameras			
6	P-372-950-X-Y SPIKE PLUS (IR with Color Over view) P372 Spike Camera with Onboard Illumination and integrated processor with ALPR/OCR engine (with long hood). Includes support for the optional compact flash. Three years of total warranty included.	\$ 12,650	\$ 75,900
6	P372P-CF-4GB Compact Flash module for local data storage/buffering of captured ALPR data; 4 GB data storage.	\$ 450	\$ 2,700
6	AP372QRPBCKT Quick Release Camera Brackets – Pole mount 9". Horizontal	\$ 642	\$ 3,852
6	X3721001 – 1 NEMA 4 rated interface/termination box with power supply lightning protection 100' data/communications cable ONE CAMERA TERMINATION BOX	\$ 712.50	\$ 4,275
4	P-382-950-X-Y (IR with Color Over view) P-382 HD Camera with Onboard Illumination and integrated processor with ALPR/OCR engine (with long hood). Includes support for the optional compact flash. Three years of extended warranty included.	\$ 21,850	\$ 87,400
4	P382P-CF-4GB Compact Flash module for local data storage/buffering of captured ALPR data; 4 GB data storage.	\$ 450.00	\$ 1,800
4	AP382QRPBCKT Quick Release Camera Brackets – Pole mount 9". Horizontal	\$ 745	\$ 2,980
4	X3821001 – 1 NEMA 4 rated interface/termination box with power supply lightning protection, 100' data/comm. cable. ONE CAMERA TERMINATION BOX.	\$ 802.75	\$ 3,211
8 days	On-site Engineering Services and Program Management (includes all travel and living expenses) See Terms and Conditions below.	\$ 1,800/day	\$ 14,400
Lot	Cold installation of 10 PIPS ALPR fixed cameras. Please see Terms and Conditions below:		\$ 13,300
	FIXED ALPR SUB TOTAL		\$209,818



Qty	Item Description	Unit Price	Extended Price
Mobile ALPR Camera Systems			
24	F5208A –MW810 Mobile Workstation CPU.	\$ 2,995	\$ 71,880
24	VA00497-ALPR Expansion Board	\$ 995	\$ 23,880
24	FKN8577- MW810 ALPR Splitter cable	\$ 195	\$ 4,680
24	VA00579- Intel Core 2 DUOT9400,2.53GHz , 6MB L2, 1066 MHz, FSB	\$ 500	\$ 12,000
24	VA00036- Win 7 pro Lic,W/image, XP Pro, SP3	\$ 250	\$ 6,000
24	Va00068- Hard Drive. 250GB, W/WIN, XP Pro	\$ 0	\$ 0
24	VA00511- 4GB,DDR3,1066MHz, Dual Slot	\$ 295	\$ 7,080
24	VA00672-WLAN,802.11, algin,Intel5300, no Antenna	\$ 265	\$ 6,360
24	V145- Lassen IQ GPS Receiver	\$ 450	\$ 10,800
24	VA00017-Bluetooth	\$ 70	\$ 1,680
24	VA00044- Disp.12.1 XGA1200 Nit Touch Screen	\$ 2,795	\$ 67,080
24	VA648AD- 5.0(16.4ft) MW810 Disp CPU Cbl, RGB	\$ 95	\$ 2,280
24	VA00045- Keyboard Backlit, US MW810	\$ 255	\$ 6,120
24	VA00686AB- WAN,GOBI2000,SprintFW,2 conn,no ant.	\$ 295	\$ 7,080
72	FAG5024A-WLAN Ant. 1X1 Sharkfin 12 ft	\$ 130	\$ 9,360
48	FAG5029- WWAN Ant. – GOBI 2000	\$ 130	\$ 6,240
24	FKN8533A-Aux Cable,W/connect block63cm(25 in)MW	\$ 75	\$ 1,800
24	V699AX- 2 Yr repair svc advan. 5 full yrs. Of coverage	\$ 632	\$ 15,168
54	SLATE MCK950- SLATE KIT , 3CAM SYSTEM	\$ 3,250	\$175,500
24	SLATE MCK950- SLATE KIT , 4 CAM SYSTEM	\$ 3,250	\$ 78,000
24	PIPS-SRVC-MAINT-MOBILE- Extended maintenance 2 yrs for three full years of coverage	\$ 3,000	\$ 72,000
24	PIPS-SW-PAGIS- IN Car Gui Software	\$ 5,000	\$120,000
24	DSCMM210-HAVIS SHIELD Mot Display Adpt Bracket	\$ 42	\$ 1,008
24	DSCMM301- HAVIS SHIELD Mot Adaptor Bracket	\$ 34	\$ 816
24	DSCCKBM102-HAVIS SHIELD MOT Keybd, Qck Release	\$ 82	\$ 1,968
24	DSCCKBM104-HAVIS SHIELD Mot Keyboard Adaptor	\$ 90	\$ 2,160
6	2 CAM- REFRESH SLATE SILVER Superex III Mobile	\$ 6,500	\$ 39,000
6	PIPS-SRVC-MAINT-MOBILE- Extended maintenance 2 yrs for three full years of coverage	\$ 3,000	\$ 18,000
24	PIPS SRVC-FE MOBILE- Mobile installations, commissioning and training	\$ 1,000	\$ 24,000



Qty	Item Description	Unit Price	Extended Price
	MOBILE ALPR SUB TOTAL		\$ 791,940
	FIXED ALPR SUB TOTAL		\$ 209,818
	MOBILE ALPR SUB TOTAL		\$ 791,940
	TOTAL		\$1,001,758
	Special Incentive Discount for Long Beach PD		-\$ 171,008
	Sub Total		\$ 830,750
	\$673,882@ 9.75% Tax		\$ 65,703.50
	Freight		\$ 3,200
	Customer Total:		\$ 899,653.50

Statement of Terms, Conditions and Warranties of Sale

PIPS Technology
804 Innovation Drive
Knoxville, TN 37932

Office: 865-392-5540

In these Conditions of Sale, "PIPS" shall mean PIPS Technology, Inc.; "the Customer" shall mean the purchaser of the goods including all agents, employees, contractors, subcontractors, and other people acting on the customer's behalf under these conditions; the "Goods" shall mean the goods referred in the quotation supplied by PIPS.

1. **Acceptance** – This is to acknowledge receipt of your ("Purchase") order for the PIPS goods ("Goods") and/or licensed software and/or firmware, which are preloaded, or to be loaded into Goods ("Software") and/or performance of services ("Services"). Performance of any Services or sale of Goods or Software by PIPS is expressly conditioned upon the terms and conditions herein. Acceptance of offers to purchase Goods, license Software or perform Services is expressly conditioned upon Purchaser's assent to the terms and conditions contained herein, which assent is acknowledged by Purchaser upon accepting shipment, and shall prevail as the final expression for the parties in the event of conflict.

These terms and conditions take precedence over Purchaser's additional or different terms and conditions, to which notice of objection is hereby given. Neither commencement nor delivery by PIPS shall be acceptance of Purchaser's additional or different terms and conditions. PIPS expects, and Purchaser acknowledges, that if Purchaser disagrees with the terms contained herein, Purchaser will immediately (i.e., prior to use) return the Goods or Software to PIPS or cancel performance of Services before PIPS commences the performance of such Services.

2. **Validity** – PIPS reserves the right to amend any errors and/or unintentional omissions on quotations at the time of acceptance of order. Quotations by PIPS do not constitute an offer and PIPS reserves the right to withdraw or amend the same at any time prior to the issue by PIPS of any acceptance of order. No binding contract shall come into effect until the Customer's order has been accepted in writing, facsimile or E-mail by PIPS. The Uniform Laws on International Sales are hereby excluded.
3. **Price** – PIPS reserves the right to increase prices to allow for any increase in cost of appropriate federal, state and/or local taxes, surcharges, handling and/or shipping fees, labor and/or materials which may occur before delivery of the goods. The prices do not include any export duties or tariffs payable in respect to the goods nor any costs of insurance relating thereto. Prices for Goods and Software are FOB shipping point and remain in effect for thirty (30) days from quotation date. Prices quoted for Services shall remain in effect for the period stated in PIPS' written quotation or proposal for such Services, or, if none is stated, for ninety (90) days after the quotation is given. In all other respects, the quotation and solicitation for offers/orders for Goods, Software or Services may be withdrawn or modified at any time prior to acceptance by PIPS.
4. **Taxes** – Prices do not include any sales, use, excise, value-added or similar taxes. Liability for all taxes, licenses, or other fees imposed by any governmental authority upon the production, sale, shipment, or use of Goods or Software or the performance of Services covered by this solicitation shall be assumed and paid for by the Purchaser, and Purchaser shall indemnify PIPS against any such liability. Applicable sales or use taxes are billed by PIPS unless suitable exemption certificates are furnished by Purchaser before acceptance by PIPS.
5. **Insurance** – Where PIPS insures the goods at its discretion or at the Customer's request, charges for such insurance will be reflected on the invoice. PIPS liability shall be limited to be amount received by PIPS under such insurance or the value of the good whichever is less from which amount deduction may be made by PIPS in respect to any expenses incurred by PIPS. PIPS shall be under no liability to affect any insurance in respect of the good for any period after the passing of the risk as stated in paragraph 21 below, notwithstanding that title remains with PIPS.
6. **Shipment** – Shipping/freight is not included in the price, which is quoted FOB PIPS facility in Knoxville, TN. Shipping to the Customer's premises will, if required by the Customer, be arranged by PIPS and charged as an extra. Any costs of insurance incurred by PIPS in respect of such shipping shall also be charged as an extra and reflected on the invoice.
7. **Payment** – Unless otherwise specified in PIPS' quotation and solicitation for offers, payment terms for Goods, Software and Services are net thirty (30) days from the date of PIPS' invoice, payable in United States dollars. Purchaser shall be billed monthly for Services performed. Upon PIPS' failure to receive payment within thirty (30) days, in addition to any other remedies, which PIPS may have, it shall have the right to (i) repossess Goods and Software as to which full payment has not been received (ii) suspend further performance under this and/or other agreements with Purchaser, and (iii) terminate this agreement and/or other agreements with Purchaser, which other agreements PIPS and Purchaser hereby amend accordingly. Purchaser shall be liable for all expenses, including attorney's fees, relating to the collection of past due amounts. On all currency-based transactions, interest of one and one-half percent (1-1/2%) per month, eighteen percent (18%) annually or, if lower, the maximum rate permitted by law, from the date on which it is due until it is paid, shall be added to past due accounts. Should Purchaser's financial responsibility become unsatisfactory to PIPS, cash payments or security satisfactory to PIPS may be required by PIPS for future deliveries of Goods or Software or performance of Services. If such cash payment or security is not provided, in addition to PIPS' other rights and remedies, PIPS may discontinue deliveries of Goods or Software and/or suspend performance of Services without liability. Customer shall be responsible for payment upon receipt of an invoice, and PIPS shall not be responsible for sending Customer more than one invoice.
8. **Destination** – PIPS reserves the right to decline or cancel contracts received directly or indirectly where the ultimate destination of the goods is a country with which it is not lawful for a United States company to trade or where the law of the destination country prohibits the importation of the goods.
9. **Regulation** – The Customer, in placing the order with PIPS, is deemed to warrant compliance with every applicable legal or regulatory requirement of any government or other relevant authority and those necessary licenses or permits required in connection with the contract have been lawfully obtained by the Customer prior to the shipment of the goods.
10. **Consignment** – PIPS may make any extra charge as required to ship goods in consignments of smaller quantities than originally quoted.
11. **Illustrations and Brochures** – All descriptive literature and illustrations given are intended as a general guide of the goods described and none of these shall form part of the contract nor shall any provision contained therein be deemed to be a representation, warranty, term or condition of or relating to the contract or constitute a collateral contract. All drawings prepared by PIPS in connection with the goods and the copyright of such drawings shall remain at all times the property of PIPS.
12. **Specifications** – PIPS follows a policy of continual product or component development, which may be implemented without notice and without affecting the validity of this contract, and PIPS shall not be responsible for providing Customer with any product improvements that occur after the date of sale. PIPS shall not be liable for failure to attain performance figures stated in the contract unless these have been guaranteed within a specific margin of tolerance.
13. **Weights and Measurements** – PIPS drawings, descriptive matter, weights, dimensions, and shipping specifications are approximate only, unless specifically guaranteed. Cable is provided within $\pm 10\%$ of specified length.
14. **Cancellation** – Contracts may only be altered or cancelled by the Customer with the written consent of PIPS who shall, upon giving such consent, be entitled to invoice the customer for all and any costs and lost profits incurred or that would be incurred as a result of the cancellation.

15. **Limited Warranty – Hardware Limited Warranty:** Purchaser assumes the responsibility for the selection of a particular Good to achieve its intended results, and for the installation, use, and results obtained therefrom. Subject to the limitations of liability set forth in Section 16, PIPS warrants the hardware it manufactures to be free from defects in material and workmanship under normal use for a period of twelve (12) months from the date of purchase. PIPS' obligation under this warranty shall be limited to the repair or exchange of any part or parts which may prove defective under normal use and service within one (1) year from the date of purchase and which our examination shall disclose to our reasonable satisfaction to be defective. Any field engineering required to resolve a hardware warranty item will be billed to the customer on a labor rate per day basis plus travel and living expenses (billed in accordance with Paragraph 27).

THIS LIMITED WARRANTY IS EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES EXPRESSED OR IMPLIED INCLUDING THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND OF ALL OTHER OBLIGATIONS OR LIABILITIES ON PIPS' PART, AND PIPS NEITHER ASSUMES NOR AUTHORIZES ANY OTHER PERSON TO ASSUME FOR IT ANY OTHER LIABILITY IN CONNECTION WITH THE SALE OF THE GOODS. BY USING THE GOODS, THE PURCHASER ACKNOWLEDGES THAT NO OTHER REPRESENTATIONS WERE MADE TO HIM OR RELIED UPON BY HIM WITH RESPECT TO THE QUALITY AND FUNCTION OF THE GOODS HEREIN SOLD

This warranty does not extend to any losses or damages due to misuse, accident, abuse, neglect, normal wear and tear, negligence (other than PIPS'), unauthorized modification or alteration, use beyond rate capacity, or improper installation, maintenance or application. To the extent that Purchaser or its agents has supplied specifications, information, representation of operating conditions or other data to PIPS in the selection or design of the Goods and the preparation of PIPS' quotation, and in the event that actual operating conditions or other conditions differ from those represented by Purchaser, any warranties or other provisions contained herein which are affected by such conditions shall be null and void.

If within thirty (30) days after Purchaser's discovery of any warranty defects within the warranty period, Purchaser notifies PIPS thereof in writing, PIPS shall, at its option, repair, correct or replace F.O.B. point of manufacture, or refund the purchase price for that portion of the Goods found by PIPS to be defective. Failure by Purchaser to give such written notice within the applicable time period shall be deemed an absolute and unconditional waiver of Purchaser's claim for such defects. Goods repaired or replaced during the warranty period shall be covered by the foregoing warranty for the remainder of the original warranty period or ninety (90) days from the date of shipment, whichever is longer.

Purchaser assumes all other responsibility for any loss, damage, or injury to persons or property arising out of, connected with, or resulting from the use of Goods, either alone or in combination with other products/components

Software Limited Warranty: Subject to the limitations in Section 16, PIPS warrants the media (CD ROM, diskette, etc) upon which Software is furnished, but not the Software itself, to be free from defects in material, and workmanship for a period of one (1) year from the date of purchase. Our obligation under the software warranty shall be limited to repair or replacement of the defective media during the one (1) year period. Defective media shall be returned prepaid to PIPS for service. PIPS reserves the right to determine in its sole discretion whether to repair or replace the defective media.

PIPS MAKES NO WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO ITS SOFTWARE, AND IT IS LICENSED "AS IS." THIS LICENSE IS MADE ON THE EXPRESS UNDERSTANDING THAT THERE IS NO IMPLIED WARRANTY, THAT THE SOFTWARE SHALL BE MERCHANTABILITY, AND NO IMPLIED WARRANTY THAT THE SOFTWARE SHALL BE FIT FOR ANY PARTICULAR PURPOSE. BY USE OF THE SOFTWARE, THE PURCHASER ACKNOWLEDGES THAT HE IS NOT RELYING ON PIPS' SKILL OR JUDGEMENT TO SELECT OR FURNISH PRODUCTS SUITABLE FOR ANY PARTICULAR PURPOSE AND THAT THERE ARE NO WARRANTIES ON SOFTWARE WHICH EXTEND BEYOND THE DESCRIPTION HEREOF.

Service Warranty: PIPS warrants to Purchaser that Services provided will be performed by trained personnel using proper equipment and instrumentation for the particular Service provided. Any analysis of data, subsequent recommendations and other Services will be in accordance with established industry standards and practices, as applicable.

EXCEPT AS SPECIFICALLY PROVIDED FOR ABOVE, PIPS EXTENDS NO WARRANTIES OF ANY KIND TO SERVICES, EQUIPMENT OR MATERIALS AND HEREBY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

This warranty does not extend to any losses or damages due to misuse, accident, abuse, neglect, normal wear and tear, negligence (other than PIPS'), unauthorized modification or alteration, use beyond rate capacity, or improper installation, maintenance or application. To the extent that Purchaser or its agents has supplied specifications, information, representation of operating conditions or other data to PIPS in the selection or design of the Services and the preparation of PIPS' quotation, and in the event that actual operating conditions or other conditions differ from those represented by Purchaser, any warranties or other provisions contained herein which are affected by such conditions shall be null and void.

Equipment Manufactured by Others. Computer equipment and peripherals sold by PIPS, but manufactured by other companies, carries the manufacturer's original warranty, and PIPS does not warrant and shall not be liable for equipment or instruments supplied by PIPS but manufactured by others.

16. **Limitation of Remedy and Liability** – THE SOLE AND EXCLUSIVE REMEDY FOR BREACH OF ANY WARRANTY HEREUNDER SHALL BE LIMITED TO REPAIR, CORRECTION REPLACEMENT, PROPER PERFORMANCE, OR REFUND OF THE PURCHASE PRICE AS NOTED IN SECTION 15. BECAUSE OF THE NATURE OF THE GOODS, SOFTWARE AND/OR SERVICES AND THE CIRCUMSTANCES PECULIAR TO IT OR THEM, THE PURCHASER ACKNOWLEDGES THAT THE EXCLUSION OF REMEDIES IS NEITHER UNREASONABLE NOR UNCONSCIONABLE.

PIPS SHALL NOT BE LIABLE FOR DAMAGES CAUSED BY DELAY IN PERFORMANCE AND IN NO EVENT, REGARDLESS OF THE FORM OF THE CLAIM OR CAUSE OF ACTION (WHETHER BASED IN CONTRACT, INFRINGEMENT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE), SHALL PIPS' LIABILITY TO PURCHASER AND/OR ITS CUSTOMERS EXCEED THE PRICE PAID BY PURCHASER FOR THE SPECIFIC GOODS, SOFTWARE AND/OR SERVICES PROVIDED BY PIPS GIVING RISE TO THE CLAIM OR CAUSE OF ACTION. PURCHASER AGREES THAT IN NO EVENT SHALL PIPS' LIABILITY TO PURCHASER AND/OR ITS CUSTOMERS EXTEND TO INCLUDE INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES. The term "consequential damages" shall include, but not be limited to, loss of anticipated profits, business interruption, loss of use or revenue cost of capital or loss or damage to property or equipment.

It is expressly understood that any technical advice furnished by PIPS with respect to the use of the Goods, Software or in connection with the Services is given without charge, and PIPS assumes no obligation or liability for the advice given, or results obtained, all such advice being given and accepted at Purchaser's risk

17. **Inspection** – There shall be no special tests of the goods except as provided for either in PIPS quotation or in the Customer's order and, if the Customer fails, after fourteen (14) business days notice, to attend or to be represented at any such tests, they may be conducted by PIPS in the Customer's absence. Results of such tests will be binding upon the Customer. Further, if the goods fail to meet such tests, the Customer may reject the goods within ten (10) business days of the date of delivery to the Customer. After this time, if not rejected, the goods shall be deemed accepted. During the fourteen business day time period, the Customer must provide to PIPS in writing the specific reason/s the goods are being rejected. If no such writing is provided, the goods are deemed to have been accepted by the Customer

18. **Indicated Delivery Dates** – Delivery dates are approximate only and PIPS shall be under no liability to the Customer in respect of any delay or non-delivery of the goods however caused.
19. **Partial Deliveries** – PIPS reserves the right to dispatch part of the order and each installment shall be separately invoiced and paid for when due without regard to subsequent deliveries. Delay in delivery of any installment shall not relieve the Customer of the obligation to accept remaining deliverables. The order shall not be cancelable by the Customer for delays in delivery of any installment.
20. **Date and Place of Deliveries** – Delivery shall be FOB PIPS facility in Knoxville, TN. The Customer is responsible for all shipping costs to the final point of destination. Shipping shall take place when the Customer receives PIPS invoice addressed to the Customer informing the Customer that the goods are ready for dispatch. Where such invoice is sent to the Customer by the United States Postal Service, it shall be conclusively presumed to have been received by the Customer on the fifth working day after mailing in the United States.
21. **Risk** – The risk of loss in the goods will pass to the Customer on delivery in accordance with paragraph 20 above.
22. **Labeled and Listed Products** – Whenever the goods comprise products which have been certified as labeled and listed by approved certification authorities (“Labeled and Listed Products”), it is the sole responsibility of the Customer to ensure that the Labeled and Listed Products are operated and serviced only in accordance with the instructions contained in any relevant PIPS product user and maintenance manual in accordance with PIPS guidelines referred to in paragraph 15.
23. **Storage and Delayed Delivery** – If the Customer fails to give instructions for shipment within fourteen (14) days of received advice from PIPS that the goods are ready for shipment (as provided by paragraph 20 above), payment shall be due forthwith and PIPS shall be entitled to store the goods at any available place at the Customer’s risk and expense.
24. **Property** – Ownership of goods will pass to the Customer when PIPS has received payment in full and, until such time as this shall occur, the goods shall be stored by the Customer separately from all other goods and shall be clearly marked by the Customer as being the property of PIPS.
25. **Shortage in Delivery or Damage or Loss in Transit** – PIPS shall in no way be responsible for any breakage or loss of goods in transit and shall be under no liability to affect any insurance in this respect unless otherwise previously agreed. Both the carrier concerned and PIPS must be advised in writing of all shortages in quantity delivered and any breakage or loss within three (3) days of the consignment. In the event of the goods failing to reach their destination, both the carrier and PIPS must be notified of this in writing within seven (7) days after the date on which the Customer was advised that the goods had been shipped. As further security for payment of the price of the goods by Customer, Customer hereby grants to PIPS a security interest in the goods.
26. **Commissioning** – The quotation does not include commissioning and installation services unless expressly stated otherwise. If PIPS is requested to supply:
- a) Descriptive literature or instructions other than one (1) copy in English for the operation of the equipment, or
 - b) The services of any PIPS’ engineer on-site for the purpose of checking, servicing, or commissioning, an extra charge will be made. Any complaints regarding the quality of such service must be made to the President of PIPS within seven (7) business days of the said services being carried out.
27. **Subsistence and Other Travel Expenses** – Meals, transportation, lodging, and miscellaneous expenses are considered travel expenses and are billed at actual cost plus a ten percent (10%) administrative fee. If time required to complete work is extended at the Purchaser’s request, travel and living expenses will also increase. Travel hours consumed by the PIPS engineer will be incorporated within the daily rate for services performed. The cost of shipping supplies required for Services are likewise charged at cost plus ten percent (10%). Payment of all travel and living expenses are in accordance with the payment terms defined in paragraph 7.
28. **Overseas Sales** – In any case where goods are sold CIF or on the basis of any other international trade terms contained in Incoterms (1980), such term shall apply as if expressly incorporated herein except so far as any part of the same is inconsistent with any of the provisions contained in these terms.
29. **Repairs** – Goods returned for repair must be sent to PIPS Technology, Inc., 10511 Hardin Valley Road, Knoxville, TN 37932-1565, with shipping paid by the Customer and, after repair or exchange, items will be shipped COD to the Customer. All repairs outside of the 12-month warranty are guaranteed for ninety (90) days.
30. **Force Majeure** – PIPS shall not be liable to the Customer for any loss or damage which may be suffered by the Customer as a direct or indirect result of PIPS being prevented, hindered or delayed in the manufacture of the goods by reason of any circumstances whatsoever outside the control of PIPS including but without limit to the generality of the foregoing: any act of God, riot, strike, lock-out, trade dispute or labor disturbance, accident, breakdown of PIPS facility or PIPS machinery, fire, flood, difficulty in obtaining workers, materials or transport or any foreign or domestic terrorism.
31. **Property Information and Copyright** – Any data supplied by PIPS is for use in support of its manufactured and supplied Goods, Software and/or Services only. Reproduction or use of supplied data for any other purpose is prohibited, except with the express written permission of PIPS. Any Software supplied is copyrighted. The Purchaser may copy the Software for backup or modification purposes in support of the Purchaser’s use of the Software only.
32. **License** – PIPS grants to Purchaser a non-exclusive royalty free license to use PIPS Software on one computer at any one time. A separate license(s) is required for each additional computer on which the Software will be used. The Software may be transferred to other computers provided it is first deleted from the previous computer upon which the Software was loaded. All right, title, and interest in and to the Software shall at all times remain the sole and exclusive property of PIPS. Violation of these terms immediately terminates said license.
33. **Software Updates** – PIPS agrees to provide Purchaser, at no charge except for media, preparation and shipping charges, for (1) year from the date of purchase, updates to the Software made at the sole discretion of PIPS. Should Purchaser desire to purchase Software maintenance for the next subsequent year following the initial year from the date of purchase, and thereafter on an annual basis, and if PIPS is still providing maintenance, Purchaser may purchase the same, annually, at the existing rate.
34. **Variation of Conditions** – No employee, servant, representative, agent, distributor or any other such person or organization is empowered to vary these conditions. The President of PIPS, Inc. can only expressly make any variation with this written agreement.
35. **Non-Assignment** – The benefit to the Customer of this contract shall not be assigned in whole or in part to any other person, company or agent except with the express prior written consent of PIPS.

36. **Default and Insolvency** – Each of the following shall constitute an “Event of Default” under this Agreement:

- a) The Customer fails to perform or observe any term, covenant or undertaking in any agreement with PIPS (including failure to pay any amount due to PIPS) and such default continues for seven (7) calendar days after PIPS gives the Customer written or oral notice of such failure to perform.
- b) The Customer files a voluntary petition under any bankruptcy, reorganization or insolvency law of any jurisdiction; the Customer consents to or applies for appointment of a trustee, receiver, custodian or similar official appointed to take possession of all or substantially all of the Customer’s assets and shall not be dismissed within thirty (30) days after appoint; the Customer makes any assignment for the benefit of creditors or other arrangement or composition under any laws for the benefit of insolvents; an order for relief is entered against the Customer under any bankruptcy, reorganization or insolvency law of any jurisdiction or in any case, proceeding or other action seeking such order remains undismitted for thirty (30) days after its filing; or any writ of attachment, garnishment or execution is levied against all or substantially all of the Customer’s assets, or all or substantially all of the Customer’s assets become subject to any attachment, garnishment, execution or other judicial seizure, and the same is not satisfied, removed, released or bonded within thirty (30) days after date the writ was levied or date of the attachment, garnishment, execution or other judicial seizure
- c) If the Customer is an individual, the Customer shall die.

Upon the occurrence of an Event of Default:

- a) The Customer shall forthwith, upon demand, deliver to PIPS any goods which are in the possession or control of the Customer the property in which remains with PIPS and, in default thereof, PIPS shall be entitled to repossess the same and for such damage caused thereby and the Customer shall indemnify PIPS from, and against all actions, proceedings, claims and such like arising; and;
- b) PIPS shall be entitled by notice in writing to the Customer to declare that all amounts due are immediately payable (whether under this or any other contract) and all such amounts shall bear interest in accordance with paragraph 25 from date of notice until payment
- c) PIPS shall have the remedies provided under the Uniform Commercial Code of the State of Tennessee and other applicable laws of the State of Tennessee for any breach, default or nonperformance of and provision of this Agreement.
- d) No right or remedy given to PIPS hereunder is intended to be exclusive; each shall be cumulative and in addition to any other remedy provided herein or otherwise available at law or in equity. No failure by PIPS and no delay in exercising any right shall operate as a waiver of that right. Nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise of a right, power or privilege granted hereunder or otherwise.

37. **Headings** – The headings used in these Terms and Conditions of Sale are for convenience only and shall not affect the construction thereof.

38. **Entire Contract** – This writing constitutes the entire agreement and understanding between the parties as of the date of acceptance by PIPS and shall not thereafter be modified in any way except in writing by an authorized PIPS representative. No waiver of these terms and conditions shall be binding upon PIPS unless made in writing and signed by PIPS. No conditions, usage of trade, course of dealing or performance, understanding or agreement purporting to modify, vary, explain, or supplement these terms and conditions shall be binding unless hereafter made in writing and signed by the party to be bound, and no modification or additional terms shall be applicable to this agreement by PIPS’ receipt, acknowledgement or acceptance or purchase orders, shipping instruction forms, or other documentation containing terms at variance with or in addition to those set forth herein. No waiver by either party with respect to any breach or default or of any right or remedy, and no course of dealing, shall be deemed to constitute a continuing waiver of any other breach or default or of any other right or remedy, unless such waiver is expressed in writing and signed by the party to be bound.

39. **United States Law** – The contract shall be governed by, construed, and interpreted in accordance with the laws of the United States of America and the State of Tennessee and, for the purpose of the determination of any dispute arising out of or in connection with the contract, the parties hereby submit to the jurisdiction of the Tennessee courts. Any controversy or claim arising out of or relating to this order shall be settled by arbitration held in Knox County, Tennessee, in accordance with the rules of the American Arbitration Association and judgment upon any arbitration award may be entered in any court having jurisdiction. In the event of a dispute under this contract, the prevailing party shall be entitled to recover its attorney’s fees and costs from the other.

Authorized Customer Acceptance.

Signed: _____

Name: _____

Title: _____

Date: _____