

RESOLUTION NO. 5282

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLEDAD
AUTHORIZING THE CITY MANAGER TO ENTER INTO A NEW CONTRACT
AGREEMENT WITH PROFESSIONAL ACCOUNT MANAGEMENT, LLC (PAM) FOR
PARKING CITATION MANAGEMENT SERVICES**

WHEREAS, the Police Department is responsible for issuance and collection of parking citation processing fines and fees; and

WHEREAS, the City entered into a contract with Inglewood Citation Management Services (ICMS) to process the collection of parking citation fines and fees on September 19, 2007; and

WHEREAS, ICMS contracted with Professional Account Management LLC, (PAM) a Duncan Solutions Company, to provide citation processing, technical support services and expanded collection services to support the ICMS' external client agencies; and

WHEREAS, the City of Inglewood has notified their government clients that they are discontinuing the outsource parking citation service program and have authorized PAM to present each client with a proposal and agreement to continue the same services; and

WHEREAS, Duncan Solutions, through their Professional Account Management LLC Corporation (PAM), will provide the same level of parking citation processing services as provided under the previous agreement with Inglewood Citation Management Services (ICMS); and

WHEREAS, the Police Department recommends continuation of the outsource parking citation processing services under a new service agreement with Professional Account Management LLC;

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of Soledad that the parking citation services agreement between the City of Soledad and Professional Account Management, LLC (PAM), a copy of which is attached hereto as **Exhibit A** and by this reference incorporated herein, is hereby approved and the City Manager is hereby authorized and directed to execute the same on behalf of the City of Soledad. The City Manager is also directed to take any and all steps necessary to ensure that the agreement between the City and Inglewood Citation Management Services for the collection of parking citation fines and fees has been properly terminated.

PASSED AND ADOPTED by the City Council of the City of Soledad at a regularly scheduled meeting held on the fifth day of April 5, 2017, by the following vote:


AYES, and in favor thereof, Councilmembers: Christopher Bourke, Carla Stewart, Mayor Pro Tem Alejandro Chavez, Anna Velazquez and Mayor Fred Ledesma

NOES, Councilmembers:

None

ABSENT, Councilmembers: None

ABSTAIN, Councilmembers: None



FRED J. LEDESMA, Mayor

ATTEST:



Michael McHatten, City Clerk

CITY OF SOLEDAD, CA

AGREEMENT NO. 5282

THIS AGREEMENT is made effective on this 1st day of April, 2017 (Effective Date) by and between the City of Soledad CA, having a location at 236 Main Street, Soledad, CA 93960 (CLIENT), a Municipal Corporation and Professional Account Management, LLC (PAM), a Wisconsin corporation having a location at 633 West Wisconsin Avenue, Suite 1600, Milwaukee, Wisconsin 53203.

RECITALS:

CLIENT and PAM may hereinafter also be referred to individually as Party, or together as Parties. This Agreement governs all work performed by any affiliate or representative of PAM, such work as described in any document incorporated herein or in any writing amending this Agreement.

WHEREAS, CLIENT desires that PAM manage the processing and collection of CLIENT parking citation accounts (Accounts) and other evidences of indebtedness (Debts) asset force in this service agreement, and PAM intends to manage such Accounts and Debts.

WHEREAS, PAM represents that it has the experience, staff and capacity to provide the services necessary to assist the CLIENT with issued parking citations,

NOW, THEREFORE, it is mutually agreed by and between the undersigned parties as follows:

ARTICLE 1 – TERM

This Agreement is effective April 1, 2017 for five (5) years through March 31, 2022. This Agreement will extend (Extension) annually thereafter unless either party submits a notice of termination. Future changes in scope of services, terms, conditions and pricing must be mutually agreed upon using a written change notice signed by the Parties.

PAM shall provide parking citation processing services including the processing of bails and fines, and the forfeiture of bails and fines, pursuant to the requirements of California law in accordance with the provisions of this Agreement as is more particularly described in this Agreement, including Schedule A and Schedule C ("Services"). For such Services, PAM shall be compensated as set forth in Schedule B. The exhibits to this Agreement, Schedules A, B, C, and D (in total, Agreement), incorporated herein by reference and attached, all together represent the entire understanding between the Parties related to the subject matter hereof and any prior agreements, understandings or representation, whether expressed or implied, have no effect on this Agreement.

PAM shall at all times employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing similar services as are required of PAM under this Agreement in meeting its obligations herein.

ARTICLE 2 – CLIENT'S DUTIES

CLIENT agrees to the following obligations:

- a. To fully cooperate with PAM and its service providers.
- b. To provide PAM with all information necessary for the performance of its services under this agreement.
- c. To have representatives attend PAM sponsored Parking Citation training, conferences and seminars as appropriate to learn the functions of the citation management system, operating policies and procedures and regulations related to parking citation processing and collections.

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- d. To obtain and maintain an Internet Service Provider (ISP) connection, at its sole expense, for access to the AutoPROCESS (AP) and other business processing system required for the delivery of services.

ARTICLE 3 – CONTRACT CONDITIONS

1. Modification and Waiver. This Agreement may only be modified in writing signed by duly authorized representatives of both Parties. The failure of either Party to insist upon or enforce performance under this Agreement, or the failure to exercise any right or privilege herein conferred, is not a waiver of any such covenant, conditions, rights, or privileges.
2. Statements, Invoices and Payments. PAM shall provide monthly statement(s) itemizing information related to Accounts and Debts and services provided under this agreement. The invoice shall describe in detail the Services performed and the rates charged during the monthly period. PAM shall deduct from CLIENT revenues and remit the remaining balance to the CLIENT at least monthly or as otherwise described in the relevant Schedule. If CLIENT disputes an amount in an invoice, CLIENT shall give written notice of the dispute to PAM within thirty (30) calendar days of CLIENT's receipt of the invoice statement.
3. Confidential Information. Except as otherwise subject to disclosure under State and Federal public records law technical information including but not limited to trade secrets, know-how, show-how, proprietary data, personal information, or program documents provided or exposed under this Agreement will be kept as confidential proprietary information (Confidential Information) of the Party disclosing the Confidential Information and will not be divulged or made available to any individual or organization without the prior written approval of the original disclosing party as long as such information is marked as "Confidential." Unless otherwise provided for herein, such Confidential Information shall be kept strictly confidential using commercially reasonable standards, and shall not be used or disseminated except as narrowly permitted by this Agreement for the purposes contemplated herein.
4. Patents, Trademarks, Copyrights, Ownership. Each party retains all respective rights and ownership of, and related to, its intellectual property. All intellectual property, including, but not limited to, inventions, plans, works, mask works, trademarks, service marks and trade secrets invented, developed, created or discovered in the performance of this Agreement are the property of the Party that so invented, developed, created or discovered such intellectual property.
5. Relationship of the Parties. PAM agrees and understands that Services performed under this Agreement are performed as an independent contractor and not as an employee of CLIENT and that PAM acquires none of the rights, privileges, powers or advantages of CLIENT employees. PAM's relationship to CLIENT in the performance of this Agreement is that of an independent contractor. Performance under this Agreement will at all times be under the direction and control of PAM. PAM shall pay all wages and salaries and shall be responsible for all reports and obligations relating to social security, income tax withholding, unemployment compensation and worker's compensation. This Agreement does not create any relationship of agency, partnership or joint venture between the Parties. Nothing in this Agreement gives any Party the right to use any corporate names, trademarks or trade names of any other Party. No license under any patents, copyrights, trademarks, mask works, trade secrets or other intellectual property of PAM is granted or implied unless expressed in writing.
6. Compliance with Laws. Parties shall ensure full compliance with federal, state, and local laws, regulations, directives, ordinances and executive orders applicable to the performance of the Services under this Agreement.

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7. Records. PAM agrees that CLIENT, or any of their duly authorized representatives, at any time during normal business hours, will have reasonable access to and the right to reasonably examine and audit records that are pertinent to the accounting practices and process of PAM as related to performance under this Agreement. PAM will maintain records for a period of three (3) years from the date of any termination of this Agreement. The inspection requirements of this section shall survive the end of the Agreement by no less than three (3) years.
8. Severability. If any provision in this Agreement, or the application thereof to any person or circumstance is determined by any competent court to be held invalid, illegal, or unenforceable, that determination shall not affect the validity, legality, or enforceability of the remainder of this Agreement, unless that effect is made impossible by the absence of the omitted provision.
9. Assignment. This Agreement is for the sole use of CLIENT and cannot be used by or for any other entity without prior written approval by PAM. Any assignment is null and void without the advance written consent of the non-assigning Party.
10. No Third-Party Beneficiaries. The Parties specifically intend and agree that no one other than the Parties to this Agreement, except either Parties subsidiaries, affiliates, successors or any controlling parent, whether now existing or hereafter resulting from a merger, acquisition, or restructuring of the Party, is or shall be deemed to be a third-party beneficiary of any of the rights or obligations set forth in this Agreement.
11. Insurance. During the Term, PAM will maintain such Bodily Injury, Liability and Property Damage Liability Insurance as is reasonably protective in performance of this Agreement. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall not be less than the amount specified by CLIENT.
12. Sub-contracting. PAM is authorized to engage subcontractors at PAM's sole expense with CLIENT's prior written approval. PAM shall notify CLIENT of the name, address, and other information reasonably requested regarding any proposed subcontractor, in advance of use of such subcontractor. CLIENT shall respond in writing within two (2) business days of PAM's request for approval. Approvals under this section will not be unreasonably withheld by CLIENT.
13. Licenses and Certificates of Authority. During the Term and any Extension, PAM will maintain all licenses and certificates of authority required by law.
14. Notices. Any notice required or desired to be served, given or delivered hereunder will be in writing and deemed delivered one (1) business day after delivery by a reputable overnight delivery service; or upon delivery by courier or in person to the following addresses:

PAM:	CLIENT:
Professional Account Management LLC	Soledad, CA
Attn: Contracts	Attn: Police Department
633 W Wisconsin Ave Ste 1600	236 Main Street
Milwaukee, WI 53203	Soledad, CA
15. Records. All data collected on behalf of the CLIENT shall at all times remain the property of the CLIENT and fully subject to the CLIENT's access and control. PAM will fully cooperate in providing timely access and assistance to data, records, and information that may be the subject of public records requests presented to either the CLIENT or PAM.

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16. Applicable Law. This Agreement is construed and will be enforced under the laws and in the courts of the State of California without consideration to any conflicts of laws principles.
17. Authorization. Representatives signing below warrant that they are duly authorized by their respective Parties to execute this Agreement.
18. Observe Laws and Regulations. PAM shall keep itself informed of all local, state and federal laws and regulations that in any manner may affect the performance of the Services pursuant to this Agreement. PAM shall at all times observe and comply with such laws and CLIENT shall not be liable in law or in equity occasioned by PAM's failure to comply with this Section 18 of Article 3.

ARTICLE 4 – IMMIGRATION REFORM AND CONTROL ACT (IRCA)

PAM assumes all responsibility for verifying the identity and employment authorization of all of its employees performing work hereunder, pursuant to all applicable IRCA or other Federal, or State rules and regulations. PAM shall indemnify and hold CLIENT harmless from and against any loss, damage, liability, costs or expenses arising from any noncompliance of this provision by PAM.

ARTICLE 5 – EQUAL EMPLOYMENT OPPORTUNITY

Consistent with CLIENT's policy that harassment and discrimination are unacceptable employer/employee conduct, PAM agrees that harassment or discrimination directed toward a job applicant, a CLIENT employee, or a citizen by PAM or PAM's employee on the basis of race, religious creed, color, national origin, ancestry, handicap, disability, marital status, pregnancy, sex, age, or sexual orientation, or any other category as required by the California Fair Employment Housing Act and the federal equivalent, will not be tolerated. PAM agrees that any and all violations of this provision shall constitute a material breach of this Agreement.

ARTICLE 6 – INDEMNIFICATION

Neither CLIENT nor any officer or employee of the CLIENT shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by PAM under or in connection with any work, authority or jurisdiction delegated to PAM under this agreement. It is also understood and agreed that, pursuant to California Government Code Sections 895 through 895.8, PAM shall fully indemnify, defend and hold harmless CLIENT from any liability imposed for injury, as defined by California Government Code Section 810.8, occurring by reason of anything done or omitted to be done by PAM under or in connection with any work, authority or jurisdiction delegated to PAM under this agreement.

Neither PAM nor any officer or employee of PAM shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by the CLIENT under or in connection with any work, authority or jurisdiction delegated to CLIENT under this agreement. It is also understood and agreed that, pursuant to California Government Code Sections 895 through 895.8, the CLIENT shall fully indemnify, defend and hold harmless PAM from any liability imposed for injury, as defined by California Government Code Section 810.8, occurring by reason of anything done or omitted to be done by the CLIENT under or in connection with any work, authority or jurisdiction delegated to CLIENT under this agreement.

ARTICLE 7 – LIMITATION OF LIABILITY

In no event shall PAM be liable for special, indirect, incidental, consequential, or exemplary damages, including, without limitation, any damages resulting from loss of use, loss of data, interruption of business activities, or failure to realize savings arising out of or in connection with the use of PAM's services or products

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provided by PAM staff or contractors. PAM's liability for damages and expenses arising out of this agreement, whether based on a theory of contract or tort, including negligence and strict liability, shall not exceed one year's compensation of Citation Processing transaction service charges as determined by rate in Exhibit "A" of this agreement.

ARTICLE 8 – INSURANCE

At the request of CLIENT, PAM shall furnish CLIENT with certificates showing the type, amount, class of operations covered, effective dates and dates of expiration of insurance coverage in compliance with this agreement. Such certificate, which does not limit CLIENT's indemnification, shall also contain substantially the following statement:

"Should any of the above insurance covered by this certificate be canceled or coverage reduced before the expiration date thereof, the insurer affording coverage shall provide thirty (30) days advance written notice to the CLIENT by certified mail." It is agreed that PAM shall maintain in force at all times during the performance of this Agreement all appropriate coverage of insurance required by this Agreement with an insurance company that is acceptable to CLIENT and licensed to do insurance business in the State of California. Endorsements naming the CLIENT as additional insured shall be submitted with the insurance certificates.

1. Coverage. PAM shall maintain the following insurance coverage:

a. Workers' Compensation:

Statutory coverage as required by the State of California.

b. Liability:

Commercial general liability coverage in the following minimum limits:

Bodily Injury: \$500,000 each occurrence

\$1,000,000 aggregate - all other

Property Damage: \$100,000 each occurrence

\$250,000 aggregate

If submitted, policy with \$1,000,000 Per Occurrence and with aggregate limits in the amounts of \$1,000,000 will be considered equivalent to the required minimum limits shown above.

c. Employee Dishonesty Bond:

Coverage of up to \$100,000 each occurrence

Coverage shall be for Faithful Performance of Duty Coverage for PAM employees including, but not limited to, employee theft, forgery or alteration, theft of money and securities, money orders and counterfeit paper currency, and computer fraud.

2. Failure to Secure. If PAM at any time during the term hereof should fail to secure or maintain the foregoing insurance, CLIENT shall be permitted to obtain such insurance in the CLIENT's name or as an agent of PAM and shall be compensated by PAM for the costs of the insurance premiums at the maximum rate permitted by law and computed from the date written notice is received that the premiums have not been paid.

3. Additional Insured. The City, its officers, elected and appointed officials, employees and agents will be included as additional insured under all insurance coverage, except worker's compensation insurance. The naming of an additional insured shall not affect any recovery to which such additional insured would be entitled under this policy if not named as such additional insured. An additional insured named herein shall not be held

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liable for any premium, deductible portion of any loss, or expense of any nature on this policy or any extension thereof. Any other insurance held by an additional insured shall not be required to contribute anything toward any loss or expense covered by the insurance provided by this policy.

4. Primary Insurance and Non-contributing Insurance. For any claims related to this project, PAM's insurance coverage shall be primary as respects the CLIENT, and its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the CLIENT, its officers, officials, employees or volunteers shall be non-contributing and in excess of the of PAM's insurance.

ARTICLE 9 – RECORDS

PAM shall maintain complete and accurate records with respect to the services provided to the CLIENT. Records of services provided shall be maintained in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible.

ARTICLE 10 – RIGHT TO AUDIT

CLIENT shall have the right to reasonably audit the books and records of PAM that are related to the Services provided under this Agreement. CLIENT shall provide PAM with reasonable prior notice and the audit shall be at mutually convenient times and during PAM's normal business hours.

ARTICLE 11 – CONFIDENTIALITY OF DOCUMENTS

All of the CLIENT's citation data is and shall remain the property of the CLIENT. All the data prepared, assembled, or maintained by PAM pursuant to this agreement is confidential and PAM agrees that they shall not be made available to any individual or organization without the prior written approval of the CLIENT, or upon proper court order, except as provided by the California Public Records Act.

ARTICLE 12 – SECURITY OF DMV DATA

PAM and the CLIENT agree that either prior to or as soon as is practical following the execution of this Agreement, both parties shall execute a Memorandum of Understanding with the California Department of Motor Vehicles in furtherance of the Services provided by PAM under this Agreement. PAM and the CLIENT agree that all the terms and conditions contained in the Memorandum of Understanding which they separately execute with the California Department of Motor Vehicles shall be binding on the parties hereto. The parties hereto agree that the terms and conditions of security of DMV data include, but are not limited to the following:

1. Information Use:

- a. PAM employees and contractors (Requester) requesting Department of Motor Vehicles information ("Requester") on behalf of CLIENT shall not use such records and information for any purpose except that which has been approved by the California Department of Motor Vehicles ("DMV").
- b. When a non-law enforcement agency receives information from DMV records that indicates a vehicle or vessel has a Department of Justice (DOJ) stop, Requester shall immediately notify local law enforcement of its location, if known.

2. General Security Requirements:

- a. Requester shall maintain the security and integrity of the information it receives from the DMV. A violation of any provision of the agreement, whether by omission or commission, shall be grounds for action by the DMV and may result in suspension or termination of service to the requester.
- b. Requester shall ensure compliance with all the security provisions of this agreement. If fraud or abuse

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is suspected or confirmed, Requester shall notify the DMV's Information Services Branch-Policy Development Unit, by telephone, at (916) 657-5583 within one (1) business day. A written notification containing all facts known to the Requester shall be prepared by the Requester within three (3) business days and mailed to the DMV at the following address:

Department of Motor Vehicles
Information Services Branch Policy Development Unit- H225
P.O. Box 924890
Sacramento, CA 94290-0001

- c. Requester shall require the system administrator and every employee having direct or incidental access to DMV records to sign a copy of the Employee Security Statement (INF 1128), upon initial authorization for access to DMV records and annually thereafter. A copy of the Requester's signed statement shall be maintained on file for at least two (2) years following the deactivation or termination of the authorization and shall be available to the DMV upon demand.
- d. Requester shall restrict the use and knowledge of requester codes and operational manuals to persons who have signed an Employee Security Statement (INF 1128).
- e. Requester shall maintain a current list of names of persons authorized to access DMV records. This list shall be available to the DMV upon demand.
- f. Access terminals and modems shall not be unattended while in active session unless secured by a locking device that prevents entry or receipt of information, or are placed in a locked room that is not accessible to unauthorized persons.
- g. Video terminals, printers, hardcopy printouts, or any other form of duplication of DMV approved records that are located in public access areas shall be placed so that the records shall not be viewed by the public or other unauthorized persons.
- h. All information received from the DMV's files must be destroyed once its legitimate use has ended. The method of destruction for DMV records will be conducive to the type of record requested and shall be done in a manner which eliminates the reproduction or identification of the destroyed records in any physical or electronic form.
- i. Other than to a DMV approved vendor or agent, Requester shall not disclose its DMV assigned requester code, either orally or in writing, to anyone who is not in the direct employ of Requester or who has not signed the Employee Security Statement (INF 1128).
- j. Requester shall not sell, retain, distribute, provide or transfer any record information or portion record information acquired under this agreement except as authorized by the DMV.

ARTICLE 13 – TERMINATION

1. Termination for Cause. Either party shall have the right to terminate this Agreement immediately by written notice to the other if (i) state statutes are amended to prohibit or substantially change the operation of parking citation processing and notifications; or (ii) the other party commits any material breach of any of the provisions of this Agreement. Either party shall have the right to remedy the cause for termination within forty-five (45) calendar days (or within such other period as the CLIENT and PAM shall mutually agree to) after written notice from the non-causing party setting forth in reasonable detail the events giving rise to cause for termination.

2. Termination Without Cause: Either party may termination this Agreement without cause at any time by giving one hundred and eighty (180) days written notice of termination to the other. If CLIENT exercises its rights to terminate this Agreement in accordance with this paragraph, the CLIENT shall be obligated to pay PAM for all services satisfactorily performed in accordance with this Agreement, through and including the

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termination date (at least 180 days after written notice of termination), including but not to exceed the payments according to the rates specified in Schedules "B".

3. Procedure Upon Termination:

a. PAM

Upon the effective date of termination, PAM shall (i) immediately cease to provide services and products in connection with the processing and notification of parking citations, (ii) promptly deliver to the CLIENT any and all property, data, and information of the CLIENT provided to PAM pursuant to this Agreement, (iii) promptly deliver to the CLIENT a final report regarding the processing and notification of parking citations in such format as the CLIENT may reasonably request, and (iv) promptly deliver to CLIENT a final invoice stating all fees and charges properly owed by CLIENT to PAM, and its subcontractors, for work performed and products purchased by CLIENT prior to the termination.

Upon termination PAM shall transfer the property, data, and information in its possession to the CLIENT by a mutually agreed upon method, but no later than 10 days after the date of termination.

b. CLIENT

Upon termination of services, CLIENT shall (i) cease accessing the PAM System and using any other intellectual Property of PAM, (ii) promptly deliver to PAM any and all intellectual Property of PAM provide to the CLIENT pursuant to this Agreement, and (iii) promptly pay any and all fees, charges and amounts properly owed by CLIENT to PAM, and its subcontractors, for work performed and products purchased by CLIENT prior to the termination.

ARTICLE 14 – WAIVER

A waiver by either party of any breach of any term, covenant, or condition contained herein, shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained herein, whether of the same or a different character.

ARTICLE 15 – INTEGRATED CONTRACT

This Agreement, including its exhibits, represents the full and complete understanding of every kind or nature whatsoever between the parties hereto, and all preliminary negotiations and agreements of whatsoever kind or nature are merged herein. No verbal agreement or implied covenant shall be held to vary the provisions hereof. Any modification of this Agreement will be effective only by written execution signed by both CLIENT and PAM.

ARTICLE 16 – INSERTED PROVISIONS

Each provision and clause required by law to be inserted into the Agreement shall be deemed to be enacted herein, and the Agreement shall be read and enforced as though each were included herein. If through mistake or otherwise, any such provision is not inserted or is not correctly inserted, the Agreement shall be amended to make such insertion on application by either party.

ARTICLE 17 – MODIFICATIONS

No change, amendment, or modification to this agreement shall be effective unless it is in writing and signed by the authorized representatives of the parties hereto.

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ARTICLE 18 – MISCELLANEOUS

1. Interpretations. The parties waive any benefits from the principles of contra proferens and interpreting ambiguities against drafters. No party shall be deemed to be the drafter of this agreement, or of any particular provision or provisions, and no part of this agreement shall be construed against any party on the basis that the particular party is the drafter of any part of this agreement.
2. Counterparts. This agreement may be executed in counterparts, and when each party hereto has signed and delivered at least one such counterpart, each counterpart shall be deemed an original and, when taken together with the other signed counterparts, shall constitute one agreement, which shall be binding upon and effective as to all parties hereto.
3. Captions. Articles titles, paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof.
4. Changes in CLIENT's Municipal Code. The CLIENT shall notify PAM of any changes, modifications or amendments to the CLIENT'S municipal code, ordinances or regulations affecting parking regulations subject to this Agreement, in writing, as soon as reasonably possible but in no event more than fifteen (15) days of the effective date any such change.
5. Timing. Time is of the essence in respect to all provisions of this agreement.

ARTICLE 19 – SEVERABILITY

In the event that any condition or covenant herein is held to be invalid or void by any court of competent jurisdiction, the same shall be deemed severable from the remainder of the agreement and shall in no way affect any other covenant or condition herein contained as long as the invalid provision does not render the agreement meaningless with regard to a material term in which event the entire agreement shall be void. If such condition, covenant, or other provision shall be deemed invalid due to its scope of breadth, such provision shall be deemed valid to the extent of the scope of breadth permitted by law.

ARTICLE 20 – GOVERNING LAW; VENUE; ATTORNEY FEES

This agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Los Angeles, and Central District of California, whichever is applicable. In the event that litigation is filed by one party against the other to enforce its rights under this Agreement, the prevailing party shall be entitled to reasonable attorney fees and litigation expenses.

ARTICLE 21 – ENTIRE AGREEMENT

This agreement, including any exhibits attached hereto, is the entire, complete, final and exclusive expression of the parties' intent, with respect to the matters addressed herein and supersedes all other agreements or understandings, whether oral or written, or entered into between PAM and CLIENT prior to the execution of this agreement. In the event of any conflict between the terms, conditions and provisions of this agreement and any other such agreement, document or instrument, the terms, conditions and provisions of this agreement shall prevail. No statements, representations or other agreements, whether oral or written, made by any party which are not embodied herein shall be valid and binding unless in writing duly executed by the parties or their authorized representatives.

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IN WITNESS, WHEREOF, the parties have caused the Agreement to be executed on the day and year first above written

APPROVAL

IN WITNESS, WHEREOF, the Parties have executed this Agreement as of the date last written below.

Soledad, CA

Signature *Michael McWhitten*
Printed Name Michael McWhitten
Title City Manager
Date 4/19/17

Signature _____
Printed Name _____
Title _____
Date _____

Signature _____
Printed Name _____
Title _____
Date _____

Professional Account Management, LLC

Signature _____
Printed Name _____
Title _____
Date _____

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SCHEDULE A – PROCESSING SERVICES

PAM shall provide parking citation processing services pursuant to California as described below.

1. Basis of Fees. Each CLIENT approves a contract with PAM for reimbursement of cost of citation processing services based on the CLIENT's service level and volume. CLIENTS can modify their scope of services to add or stop individual services by issuing written change notice to PAM.
2. Computer Programs and Hardware. At no cost to CLIENT, PAM will provide all software, written procedures and other supporting items required in performance of this Agreement. PAM shall be responsible for the warranty and maintenance of all hardware and software including AutoPROCESS and indicated in Schedule B.
3. Computer System Access. PAM will provide CLIENT with internet inquiry capability at the CLIENT location for retrieval of parking citation information for up to two (2) concurrent user licenses installed at the CLIENT location. CLIENT is responsible for all internet connection or other related costs
4. Base Processing. Notice of illegal parking or violation (collectively, Citations) issued by CLIENT, whether through automated ticket writer or manually, will be entered into the citation processing system provided by PAM and cleared upon payment or other disposition. These services include:
 - a. Requests for Registered Owner information will be sent to the appropriate Departments of Motor Vehicles (DMV). Notices will be generated and mailed by PAM to the Registered Owner of the penalty or fine amount requested.
 - b. Printing and mailing of notices.
 - c. Basic Customer Services for telephone inquiries and Integrated Voice Response (IVR) Services.
 - d. Administrative Support Services for correspondence review, processing administrative review requests and dispositions, scheduling administrative hearings and entering dispositions, processing releases of liability and non-responsible party information, and refund requests.
 - e. Processing Violator payments mailed to PAM.
 - f. DMV registration holds placed on vehicles having unpaid fines and fees in compliance with applicable state and local laws. (DMV holds are removed through DMV when the entire amount of parking citation fines, fees, and penalties due against the vehicle are satisfied.)
 - g. No extra processing charge will be made for a citation not being processed and subsequently corrected and re-entered into the database.
5. Notices. Based on the CLIENTS business rules, courtesy notices and notices of delinquent accounts shall be issued by PAM on behalf of CLIENT. The development of notice templates, printing of notices and mailing services exclusive of postage, is included in Notice fees.
6. Postage. The Fee described in Schedule B includes cost of printing and mailing notices, including postage at the current rate when this agreement became effective. Postage will be adjusted to offset any increase in the standard U.S. first class postage rate in the future. CLIENT will be notified of postal rate changes and the impact on postage reimbursement charges as they occur.
7. Customer Services. CLIENT shall receive call center services with a toll-free number for violators to call with citation inquiries, interactive voice response service (IVR) for inquiry on outstanding citations and frequently asked questions, with the ability to pay the citation, which includes processing of all in-bound correspondence from customers, online forms for customers' correspondence, processing administrative review results and hearing requests and final decisions.
8. Contested Citations. In the event the contesting party disputes liability for an outstanding parking citation, CLIENT shall advise the contesting party of the right to an administrative review, hearing or court appearance. CLIENT maintains responsibility for reviewing and adjudicating parking citations.

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9. IVR and Internet Payments. PAM shall provide the public with the ability to pay parking citations using an accepted credit card via an Interactive Voice Response (IVR) system or the Internet. The cost for these services, including credit card discount fees, will be recovered by PAM in the form of a convenience fee assessed to the violator for each citation paid.

The CLIENTS transaction fee includes the cost for Internet and IVR payment processing includes system use, telephone usage charges, PAM merchant service fees, bank charges and credit card discount fees. Net proceeds will be transferred to the CLIENT'S designated bank account or paid on agreed upon scheduled. A customer convenience fee will be added to each transaction to recover cost of this automated payment services. The Internet payment screens and IVR scripts will include notation that the convenience fee is assessed by PAM, not the CLIENT.

10. Collection and Deposit of Funds. PAM shall collect and deposit funds received for the payment of citation fines and fees into a PAM Account. Costs related to such account are the sole responsibility of PAM.
11. Equipment and Supplies. CLIENTS can purchase parking enforcement related equipment and supplies from PAM under this agreement. PAM can offer CLIENTS flexible financing terms including monthly lease-purchase pricing. Prices will vary based on number of devices, equipment configuration, peripherals, sales tax rate, length of agreement, shipping costs, installation costs, extended warranty cost and technical support requirements. A confirming purchase order needs to be issued by the CLIENT to confirm items purchased and related terms, pricing and services.
12. DMV Register Owners Research. Costs for obtaining in and out of state registered owner information will be at no additional cost.
13. Hosted Web Services. AutoProcess supports utilization of "Multi-media" to store documents, payment images and contested citations. Hosted web service can be provided to provide interface for customers to pay citation, review digital photos, and submit administrative review requests. Hosted web service will interface with AutoProcess to import content and update citation status.
14. Service Changes. All post-implementation system changes or enhancements requested by the CLIENT will be performed by PAM on a time and materials basis. The billing rates to be used will be the rates in place when the work is completed. All requests for systems changes and/or enhancements will be submitted in writing by the CLIENT, from which PAM will furnish an estimate. In the event CLIENT agrees to changes in scope, approach, deliverables, assumptions and the like, we may also need to evaluate the impact on the prices contained herein.

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SCHEDULE B – COST AND FEE SCHEDULE

1. Cost and Fees:

a. Citation Processing Fees

The CLIENT agrees to pay PAM for its citation management services the fees described in "Disbursement Fee Schedule" Fee are subject to an annual consumer price index (CPI) adjustment. The Disbursement Fees shall be adjusted July 1st of each year based on the annual percentage change in the All Items Consumer Price Index (CPI) Los Angeles-Riverside-Orange County, California as identified each June for the prior twelve (12) month period. The annual adjustment shall not exceed (five percent) 5% in any one year. The annual adjustment to the citation management services shall commence July 1, 2019 and shall be applicable for each year thereafter during the term of this agreement.

b. Delinquent Citation Collection Services

Services include delinquent collection services using the State of California Department of Motor Vehicles (DMV) Registration Hold and Franchise Tax Board (FTB) tax intercept lien program. The cost of this service is \$3.50 per lien filing and 15% commission on funds collected.

c. Compensation to PAM

PAM shall be compensated in the same manner that claims of a like character are paid by the CLIENT, with checks drawn on the treasury of said CLIENT. The CLIENT may authorize payment of amount due for services by deducting the amount due from citation revenues paid to PAM on behalf of the CLIENT. Should this payment option be selected, PAM will submit to CLIENT a detailed monthly reconciliation of revenues received and service fees deducted.

d. Invoicing

Invoices for services rendered pursuant to this agreement will be prepared by PAM and submitted to CLIENT on a monthly basis. PAM shall deduct monthly invoice amounts, or any portion of the monthly invoice amounts, from proceeds of any parking citation funds that PAM has received from customers. PAM will remit monthly proceeds to the CLIENT in the form of an ACH Transfer or check.

e. Disbursement Fee Schedule

The fees for services (Disbursement Fees) as of the effective date of the agreement, and subject to the assumptions listed are:

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Disbursement Fee Schedule

Category	Rates	Notes
Bail	\$1.85	Payment based on citation issued and placed on windshield
Delinquent	\$8.99	Payment if courtesy notice is issued
Lien	\$14.05	Payment if DMV Hold or FTB Tax Intercept Lien is filed
Bail Partial Payments	\$1.85	Additional fee for subsequent payments for same citation are processed
Phone Payments	\$3.50	Credit/debit card convenience fee charged to customer to offset cost of system and merchant bank fees.
Internet Payments	\$3.50	Credit/debit card convenience fee charged to customer to offset cost of system and merchant bank fees.
NSF Fees	\$25.00	Fee can be added to amount due from customer
FTB Tax Intercept Collections	\$3.50 + 15%	\$3.50 FTB Filing Fee plus 15% in addition to Disbursement Fee
Comprehensive Collection Services	35%	All-inclusive and in-lieu of Disbursement Fee

***Subject to annual review of rate based on change in CPI for prior 12 months each May, with any change effective the following July 1st.**

Assumptions

- a. PAM will perform the following citation processing and collection services and be compensated through the citation processing fees paid:
 1. Provide AutoPROCESS multi-media solution including the ability to upload images of originally issued citations, photos taken by handheld ticket writers and payment documents. PAM will perform the following processing functions on behalf of the CLIENT in accordance with the provisions of California law (i.e. Vehicle Code Section 40200 et. seq.)
 2. Print and mail all notices and correspondence as required, including tax offset and collections notices
 3. Data enter manually written citations
 4. Train CLIENT'S staff on how to generate and reports
 5. Hosted web site for payments and administrative review requests
 6. Provide IVR System for telephone FAQ's and payment processing
 7. Payment processing lockbox service

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- b. AutoPROCESS parking citation processing software will be configured to use CLIENT'S processing and collections timelines, violation codes, fine and fee amounts, streets names, officer lists and other required data for issuing and processing parking citations.
- c. The citation processing fees compensates PAM for providing the hosted system including all system maintenance, data back up and disaster planning and recovery services.
- d. In state and out of state DMV registered owner data acquisition.
- e. Ongoing system support, maintenance and training as required.
- f. The proposed fees will remain fixed through June 30, 2019. Automatic annual price adjustments (Adjustment) based on the Consumer Price Index (CPI) will take effect July 1, 2019 and annually thereafter including any extension. The CPI increase applies to Bail, Delinquent and Lien categories of service. The increase will be calculated based upon the percentage equal to the percentage increase in the U.S. Department of Labor, Consumer Price Index, All Items, Unadjusted, Urban Areas (CPI-U) for the twelve (12) month period ending in May immediately prior to the Adjustment. Any adjusted rates will be effective the following July 1st.
- g. Processing and Collection fees apply to all citation payment where citation fine is collected regardless of method used to collect; including DMV Holds and Franchise Tax Board Tax Intercept Liens and Collections.

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SCHEDULE C – COLLECTION SERVICES (OPTIONAL)

1. Performance by Client

- a. Authority to Collect. The CLIENT hereby authorizes PAM to use any legal means necessary to collect Debts placed with PAM by the CLIENT.
- b. Ownership of Debts. The CLIENT maintains ownership of all Debts placed with PAM for collection under this Agreement. The CLIENT maintains all legal right and title to Debts unless otherwise agreed in writing between the Parties.
- c. Duty to Provide Information. The CLIENT agrees to provide PAM with all information obtained regarding each Debt placed with PAM under this Agreement. It is the obligation of the CLIENT to provide PAM with all information that may prohibit or delay the collection of the Debt or in any way impact the ability of PAM to collect the Debt, including but not limited to bankruptcy, death, legal disability or other potential or actual defenses, including statute of limitations defense.
- d. Warranties. Where applicable, the CLIENT warrants that, to the best of its knowledge, the Debts placed with PAM have been reviewed by the CLIENT in accordance with this Agreement prior to transfer to PAM, and that the balances reported to PAM are true and accurate, that all obligors on Debts have been disclosed and that all disputes and defenses of debtors have been reported to PAM.
- e. Notice of Dispute. The CLIENT will inform PAM in writing, or by such other means as the Parties may expressly mutually agree from time to time, of any Debts subject to this Agreement that have been or are in dispute. Disputes under this provision include oral and written indications and statements by the debtor or any third party that the Debt is in dispute, and includes but is not limited to a request for validation of the Debt. If such dispute is made in writing by debtor, the CLIENT will notify PAM of the date of the writing and provide PAM with the original written dispute or a copy thereof.
- f. Continuing Obligation. The CLIENT will continue to provide the most current version of the information required under this Agreement throughout the Term and any Extension.
- g. Authorization to Receive and Endorse Payments. The CLIENT authorizes and appoints PAM to collect and receive all payments due or payable to the CLIENT for Debts placed with PAM. PAM has authority to receive payments in any form including but not limited to cash, check, money order, or electronic payment and has authority to endorse all such payments as may be required.
- h. Authorization to Investigate.
- i. The CLIENT expressly authorizes PAM to perform investigative services related to ordinary debt collection activities.

2. Performance by PAM

- a. Agreement to Collect. PAM agrees to provide debt collection services to the CLIENT in compliance with all applicable laws, regulations, licensing and bonding requirements. CLIENT can select one of the following collection program:
- b. The Franchise Tax Board Tax Intercept Collections Program (FTB) services include assigning an account on behalf of CLIENT with the California State Franchise Tax Board that supports the process to intercept income tax refunds, lottery winnings and unclaimed property to pay delinquent citations. Services include:

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- 1) Qualified citations are mailed a Tax Offset Notice with thirty (30) days to dispute the validity of the debt.
 - 2) If the citation is not paid or the validity of the debt satisfied the account is submitted to a an authorized entity for acquisition of an SSN.
 - 3) Lien file is exported to State by the first part of December and CLIENT is invoiced for filing fee by the State. PAM will reimburse the CLIENT for fees incurred in its monthly reconciliation and distribution process.
 - 4) Should payment be intercepted by the FTB, CLIENT is responsible for providing the payment data received to process in AutoPROCESS.
 - 5) Reports are provided to CLIENT of payments received by the FTB and any payments applied, reconciled and disbursed monthly on the CLIENT invoice.
 - 6) The cost of this service is \$3.50 per lien filing and 15% commission on funds collected. Collection fee are in addition to standard Processing Fees.
- c. The "Comprehensive Collection Services program includes a full range of collection efforts and the fee for service is contingent upon collection of fines and penalties from the customer. The cost of this service is 35% of the amount collected from all sources and is in-lieu of the standard Processing Fee for services. Services include:
- 1) Customer service for all accounts assigned to PAM for collections.
 - 2) Franchise Tax Board Tax Intercept Collections Program_services.
 - 3) Filing of California Department of Motor Vehicle Registration holds and crediting the CLIENT for DMV filing fees charged by the State that are deducted from remittances of citations collected.
 - 4) Lockbox Remittance Processing. All PAM collection notices include a return remittance envelope addressed to PAM's remittance processing center. PAM will provide lockbox remittance processing of all payments and update the AutoCOLLECT System on a daily basis.
 - 5) Entering all payments received from FTB and DMV collection programs.
 - 6) Other collection services provided by PAM staff or service providers including:
 - Collection Letters. PAM Collection letter types may include Notice of Assignment to Collection Agency, Demand for Payment, Pending DMV Hold, Pending Tax Offset (where applicable).
 - Skip Tracing. PAM will provide skip trace services where required to locate debtors current address for all Debts.
 - DMV Information. PAM will verify DMV information, as required, and obtain vehicle registrations for Debts.
 - Customer Service. PAM will provide a toll-free Customer Service number listed on all correspondence for debtors to contact PAM for any reason.
 - Debtor Dispute Resolution. PAM will provide dispute resolution services, in accordance with business rules established by the CLIENT. The CLIENT has sole discretion in determining if a citation shall be dismissed.

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- Monthly collections report. PAM will provide report and reconciliation of revenue received from all sources, collection fees and net amount due CLIENT. Invoice for collection fees will be provided to CLIENT in any month where proceeds of funds received and held by PAM are insufficient to pay commissions due.
- 7) Documentation of Accounts/Financial Reporting. PAM will provide standard monthly reports of collection activity related to Debts including without limitation; principal amount of Debt, amounts collected to date including any allowable fees, costs, dispute information, requests for validation by debtor, agreements by the debtor regarding future payments, bankruptcy, death or legal disability of the debtor, amount of commission retained by PAM, amount remitted to the CLIENT and amount remitted to others under this Agreement.
 - 8) Insurance and Bond Coverage. PAM will maintain at least the minimum level of insurance and bond coverage required by ACA or state law, whichever is greater, in all jurisdictions in which engaged in collection activity under this Agreement.
 - 9) Trust Account. PAM warrants that it will maintain a trust account if required by state law while PAM is engaged in collection activity under this Agreement.
 - 10) Methods and Compliance. PAM uses ordinary and reasonable collection efforts as permitted by law and will at all times comply with the Fair Debt Collection Practices Act (FDCPA), the Fair Credit Reporting Act (FCRA) and all applicable state, federal and local laws and regulations applicable to collections under this Agreement.
 - 11) Legal Process. The CLIENT reserves sole right and authority to place Debts in litigation, including Debts subject to a forwarding agreement. The CLIENT may authorize PAM in writing to retain an attorney and commence litigation on behalf of the CLIENT, subject to separate terms and conditions mutually agreed in writing between the Parties. At no time, nor in any case, does PAM accept any responsibility or liability for any expenses, fees, or damages or any costs or liability related to legal process or use of an attorney to collect Debts.
- d. Collection Fee and Billing.
- 1) FTB Tax Intercept Contingency Fee. The cost of FTB Tax intercept collection services described in this Agreement is \$3.50 filing fee per citation, plus fifteen (15%) percent contingent on Debts collected. The Contingency Fee is in addition to any and all other costs including but not limited to Disbursement Service Fee, court costs, other fees, interest, late fees, investigatory fees, or other costs incurred directly or indirectly by PAM in collection of amounts owed under this Agreement.
 - 2) Comprehensive Collection Service Contingency Fee. The Comprehensive Collections Program includes full range of collection efforts and the fee for service is contingent upon collection of fines and penalties from the customer. The cost of this service is 35% of the amount collected from all sources and is in-lieu of the Disbursement Fee for services. The Contingency Fee is in addition to any and all other costs including but not limited to Disbursement Service Fee, court costs, other fees, interest, late fees, investigatory fees, or other costs incurred directly or indirectly by PAM in collection of amounts owed under this Agreement.
 - 3) Remittance. Amounts due the CLIENT based on one (1) calendar month of collections will be remitted to the CLIENT Account by the fifteenth (15th) day of the following month. PAM will provide a report of collection activities to the CLIENT, up to and including the date of any

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expiration or termination of this Agreement, within thirty (30) calendar days of expiration or termination.

- 4) **NSF and Disputed Payments.** In the event that any Debts reported to the CLIENT as paid are subsequently returned NSF or reversed as disputed, PAM will reverse the amount of such Debt payment and all fees taken on such payment from the current month's billing statement. CLIENT may add the NSF fee to amount due from customer to recover this cost.
- 5) **Authorization to Forward Accounts.** PAM may forward any of the CLIENT'S Debts to another collection agency if the debtor has moved out of the general business area of PAM, and such other collection agency shall have authority to exercise all ordinary and reasonable collection efforts as permitted by law, and shall remit any payments made to PAM less agreed commissions, and PAM shall then remit to the CLIENT less any agreed commissions.
- 6) **Right to Withdraw Accounts or Termination.** The CLIENT may request the return of any Debts not yet collected provided thirty (30) calendar days advance written notice (Notification Period). PAM agrees to return Debts not collected by the end of the Notification Period along with appropriate financial records of the Debts including amounts collected, commission retained, additional fees, interest and charges added, and a detailed statement of expenses incurred by PAM on behalf of the CLIENT. In the event of termination of this Schedule or the Agreement, the CLIENT will pay all amounts due under this Agreement on Debts that have been collected through the end of PAM's business day on the date of termination.

3. Collection Services to be Provided

- a. **Assignment and Process.** PAM will accept Debts in accordance with the business rules adopted by the CLIENT.
- b. **DMV Information.** PAM will verify DMV information, as required, and obtain vehicle registrations for Debts.
- c. **Collection Letters.** Collection Letters. PAM Collection letter types may include Notice of Assignment to Collection Agency, Demand for Payment, Pending DMV Hold, and Pending Tax Offset (where applicable).
- d. **Skip Tracing.** PAM will provide skip trace services where required to locate debtors current address for all Debts.
- e. **Customer Service.** PAM will provide a toll-free Customer Service number listed on all correspondence for debtors to contact PAM for any reason.
- f. **Debtor Dispute Resolution.** PAM will provide dispute resolution services, in accordance with business rules established by the CLIENT. The CLIENT has sole discretion in determining if a citation shall be dismissed.
- g. **Lockbox Remittance Processing.** All PAM collection notices include a return remittance envelope addressed to PAM's remittance processing center. PAM will provide lockbox remittance processing of all payments and update the AutoCOLLECT System on a daily basis.

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SCHEDULE D - OPTIONAL PRODUCTS AND SERVICES

In addition to the core contract products and services stated previously, PAM, subject to the CLIENT'S prior approval, shall provide, complete and deliver certain Optional Contract Products and Services. The CLIENT shall determine the Optional Contract Products and Services it needs to enhance the parking program. At the CLIENT'S written request and/or Contract Amendment as required, and in accord with the terms herein, PAM shall provide such Optional Contract Products and Services. The Optional Contract Products and Services, and all related all goods, services, tasks, deliverables and work, are set forth below.

1. **Procurement.** At the CLIENT'S written request, PAM shall deliver the Optional Contract Products and Services authorized by the CLIENT. PAM shall not provide any Optional Contract Products or Services until notified by the CLIENT to do so in writing. Upon receiving proper authorization, PAM shall implement the Optional Contract Products and Services in accordance with the implementation requirements set forth and mutually agreed upon by CLIENT and PAM.
2. **Computation Schedule.** The CLIENT and PAM may adopt updated compensation schedules for Optional Contract Products and Services at any time during the contract term. If the CLIENT desires any Optional Contract Products and/or Services, it may request the PAM to submit an updated proposal of terms and costs for said services, including any underlying cost assumptions. Upon accepting PAM'S updated terms and costs, the CLIENT shall issue a Project Task Order authorizing PAM to proceed with the delivery of said services. The CLIENT shall pay PAM for any Optional Contract Product or Service in accordance with the terms of this contract or the Project Task Order issued by the CLIENT. PAM shall provide the CLIENT with full documentation of any fees and expenses at the CLIENT request.
3. **Optional Products and Services.** The CLIENT may engage PAM to deliver certain Optional Products and/or Services in accordance with its requirements as defined herein. Such Optional Products or Services may include, but are not limited to, the following:
 - a. Parking Ticket Issuance Products/Services
 - b. Automated License Plate Recognition (ALPR)
 - c. Any and all products or services that are provided by PAM, its entities, related partnerships and or any subcontractors

