

Meeting Date: 11/17/2015

Report Type: Consent

Report ID: 2015-00954

Title: West Sacramento Parking Enforcement and Citation Management Services

Location: West Sacramento

Recommendation: Pass a Motion: 1) authorizing the Parking Services Division to provide patrol and citation services for the City of West Sacramento; 2) approving the Parking Enforcement and Citation Services Agreement with the City of West Sacramento to reimburse the services cost at a rate of 50% of the net amount of fines and penalties collected; and 3) authorizing the City Manager or his designee to execute the Parking Enforcement and Citation Management Services Agreement.

Contact: Matt Eierman, Parking Services Manager, (916) 808-5849, Department of Public Works

Presenter: None

Department: Public Works Department

Division: On-Street Parking Admin

Dept ID: 15001511

Attachments:

1-Description/Analysis

2-Contract

City Attorney Review

Approved as to Form

Gerald Hicks

11/9/2015 10:46:47 AM

Approvals/Acknowledgements

Department Director or Designee: Jerry Way - 10/30/2015 7:04:24 AM

Description/Analysis

Issue: Over the next 20 years, the City of West Sacramento is projecting significant development along its riverfront and urban districts. As a result of this development, West Sacramento is expecting a substantial increase in the demand for on-street parking throughout the City.

West Sacramento currently has a staff of three, part-time parking enforcement officers (PEOs). Their duties are split between parking enforcement and traffic control for events at Raley Field. To meet future needs, West Sacramento is striving to enhance its parking management programs.

A committee consisting of staff from West Sacramento and the City of Sacramento was formed to discuss potential solutions for improving parking enforcement efforts in West Sacramento. The committee reached agreement on terms of a contract to have the City of Sacramento provide parking enforcement and citation management services. On September 23, 2015, the City Council of West Sacramento authorized its staff to enter into an agreement with the City of Sacramento.

Under terms of the proposed contract, West Sacramento will grant Sacramento PEOs the authority to patrol designated areas within West Sacramento to enforce all applicable parking regulations. Sacramento will issue parking citations and send notices to parking violators regarding fee amounts, late payment penalties, and delinquency advisories. West Sacramento will continue to process citation payments, provide customer service, and adjudicate citation appeals.

Policy Considerations: This recommendation supports the *2014 City of Sacramento Selected Parking Assets, Parking System Assessment* by Walker Parking Consultants to increase the overall parking supply under City management.

Economic Impacts: None

Environmental Considerations:

California Environmental Quality Act (CEQA): This is an administrative activity that is not considered a project as defined by Section 15378(b)(5) of the California Environmental Quality Act (CEQA) Guidelines. The activity also has no potential to cause a significant impact on the environment (CEQA Guidelines Section 15061(b)(3)).

Sustainability Considerations: None.

Other: None.

Commission/Committee Action: None.

Rationale for Recommendation: The City of Sacramento has over 50 PEOs. Entering into contract with Sacramento will allow West Sacramento to utilize Sacramento's established parking enforcement and citation management program to help manage its parking supply and aid in developing its own parking management program. Sacramento is also experiencing its own rapid growth in the downtown area, highlighted with the development of the Golden One Center and K

Street revitalization. With the proximity of West Sacramento to Sacramento's urban core, the proposed agreement will create a partnership allowing both cities to better manage the increasing demand for parking, benefitting visitors of both cities.

Financial Considerations: Sacramento will be compensated by West Sacramento based on a 50% share of parking citation fees and penalties collected less mandated state and county payments, processing costs and any additional applicable fees. The expected compensation will be sufficient to reimburse Sacramento for all operational expenses incurred under the proposed agreement. All citation revenue earned will be deposited in the General Fund (1001).

Local Business Enterprise (LBE): Any goods or services will be purchased in accordance with established City policy.

PARKING ENFORCEMENT AND CITATION MANAGEMENT SERVICES AGREEMENT

This Parking Enforcement and Citation Management Agreement ("Agreement") is made and entered into this 23rd day of September, 2015, by and between the CITY OF SACRAMENTO, a municipal corporation and charter city ("Contractor") and the CITY OF WEST SACRAMENTO (West Sacramento), a municipal corporation. Each entity may be referred to herein as a "party" or jointly as the "parties."

BACKGROUND

- A. Contractor performs parking enforcement and citation processing within the City of Sacramento and has the staffing and equipment to provide enforcement services to West Sacramento.
- B. Contractor performs citation payment collection via an automated information system (the "System") under a contract with ICMS and may select another vendor in the future.
- C. West Sacramento desires to hire Contractor to provide parking enforcement and citation management services with the System for improved parking control and cost efficiency. West Sacramento will retain citation issuance and processing authority, will receive fines and penalties collected in person, will handle motorist inquiries, will adjudicate all citation protests and appeals, and will manage any complaints about the issuance or processing of citations.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises set forth below, Contractor and West Sacramento agree as follows:

1) SCOPE OF SERVICES.

a) Parking Enforcement

Contractor will provide parking patrol services for West Sacramento by expanding its regular patrol coverage area into the City of West Sacramento within areas designated by West Sacramento to enforce all applicable parking laws and regulations by issuing parking citations or tickets using the forms provided or approved by West Sacramento.

- i) West Sacramento will grant Contractor parking enforcement officers the authority to enforce the applicable California Vehicle Code and West Sacramento Code provisions. The parking provisions to be enforced and the manner and means of Contractor issuing citations on behalf of West Sacramento will be set forth in a manual to be developed jointly by the parties, referred to as the "Handbook".
- ii) West Sacramento will notify Contractor if its parking regulations or fines are modified and the Handbook may be revised to insure that the parking

enforcement conducted by Contractor on behalf of West Sacramento is in compliance with the applicable laws and regulations.

b) Citation Payment Collection

Contractor will provide West Sacramento with parking-citation notification and payment collection services using the System, and the parties understand that persons may pay West Sacramento directly for parking citation fines. Contractor services will include notifying parking violators of parking violations and the amount of the fines and penalties for late payment, accepting payment of fines by mail or electronic payment processing, and pursue collection of unpaid citations. The extent of collection activities shall be consistent with the Contractor citation management for parking citations issued by the City of Sacramento. A citation will not be considered as being under collection until it is entered into the System by Contractor. West Sacramento shall notify Contractor in writing of its decision whether to use a third-party collection services and to either pay for such services or add that cost in the citation fine. Contractor will also send delinquency notices for the Department of Motor Vehicles (DMV) to place holds on vehicle registrations until the citation is paid.

c) Notification and Information Access. Contractor shall provide access to citation information and reports to West Sacramento on a regular basis as follows:

- i) Provide a copy of the filing of delinquency notices submitted to the DMV, and the placement and removal of DMV holds by Contractor, all of which shall be accomplished in accordance with applicable law and within the timeframe established by law and in the Handbook.
- ii) Provide access to the database of motor vehicle agencies of states other than California to allow West Sacramento to retrieve details of registered owner information. West Sacramento shall provide a letter from its Chief of Police which authorizes Contractor to allow access to this database. Out-of-state access will be provided subject to the policies, practices, and operating rules utilized by each state controlling access to its motor vehicle records; however, DMV holds only extend for three years.

d) Method of Citation Payment Management

- i) Delinquency Notices. Contractor will generate, on a schedule determined by Contractor and in compliance with California Vehicle Code, delinquency notices ("Notices") for citations that remain unpaid. Contractor will oversee mailing of these Notices thru the System to the registered owners of the vehicles cited on behalf of West Sacramento.
- ii) Identification of Registered Vehicle Owners. The System will make a maximum of five (5) attempts (but no more than one attempt every seven calendar days) to obtain the name and address of the registered vehicle owner from the DMV for each vehicle for which a citation has been issued and payment has not been received within the required time period. Contractor will refer all telephone inquiries received from the public concerning noticed citations to West Sacramento as specified in the Handbook. Contractor shall follow all procedures specified by DMV, and shall

act in accordance with the California Vehicle Code when registered vehicle owners are identified.

- iii) Verification of Ownership. With each attempt to verify ownership through DMV, the System will ensure that adequate identification of registered vehicle owners and verification procedures are utilized, taking into consideration, at a minimum, the following factors:
 - Issuance of new license plates
 - Address changes
 - Transfer of ownership
 - License plate transfers to other vehicles (sub-plated)
 - Name changes
 - Validity of plates and registration during specific time periods applicable to individual.
- iv) Notification to Lessees and Second Reported Owner. Using the System, Contractor will notify by mail any delinquent lessees and second reported owner whose name and address are provided in the information received from DMV on behalf of West Sacramento. Each such notification shall be considered a separate Notice. Contractor shall follow the lien process established under California law before it proceeds against a subsequent purchaser of a used vehicle which has been issued a citation by Contractor on behalf of West Sacramento.
- v) Placing Vehicle Registration Holds. The System will automatically place a hold with DMV on the registration of vehicles for which citations fines and penalties remain unpaid by the registered owners of such vehicles in accordance with, and within the time period provided in, the California Vehicle Code and other applicable laws. The commencement of the time period from the date of the Notice will be specified in the Handbook and if minimum time period is amended in the California Vehicle Code, in compliance with the then applicable law. The System will transmit such holds to DMV, via on-line computer system transmission, for all citations that have not been paid in full or dismissed. The cost for DMV holds (currently \$3.00 each) will be paid as part of the cost share provisions unless West Sacramento notifies Contractor in writing that it will use a third-party collections service. The charge for DMV holds may be increased or decreased from time to time as may be mandated by DMV.
- vi) Removal of Registration Holds. Once a registered vehicle owner remits the entire amount of fines and penalties due, the System will electronically notify DMV within five (5) calendar days to remove the registration hold on that vehicle.
- vii) Out-of-State Citations. Citations issued for vehicles with out-of-state registration will be processed separately, but using the same procedures used for in-state citations. If such citations become delinquent, the System will attempt to electronically request the registered vehicle owner's

information from the motor vehicle agency of the appropriate state. If Contractor is able to obtain the required information for the owner, a delinquency notice will be sent to the registered vehicle owner requesting that the owner remit the bail amount made payable to West Sacramento.

viii) Use of Approved Forms. All forms, delinquency notices, and correspondence sent by the System shall conform to applicable law.

e) Other Services. Contractor may provide West Sacramento with such other parking related services as may be requested by West Sacramento during the term of this Agreement, including, without limitation, assistance and cooperation as may be requested in the event a claim or action is brought against West Sacramento relating to services Contractor rendered under this Agreement. Any expenses incurred by Contractor on behalf of West Sacramento for additional services shall be paid by West Sacramento and shall not be part of the citation cost sharing allocation.

2) **EFFECTIVE DATE AND TERM**. The services to be provided under this Agreement shall commence as of the date mutually agreed to by the parties. The term of this Agreement shall extend until either party exercises its right to termination as set forth in Article 13.

3) **PAYMENT**.

a) Payment. Except as provided in paragraphs 3(e) and 3(i) below, West Sacramento shall pay Contractor for services rendered pursuant to this Agreement based on fifty percent (50%) of all of the net amount of fines and penalties collected by both parties for the parking citations issued within the City of West Sacramento after (i) deduction of mandated state and county payments, and (ii) deduction of the fees and charges of the System and third parties specified in Exhibit A. Contractor shall submit all billings for services and payments to West Sacramento in the manner specified in Exhibit B.

b) True-up. The manner of determining payment owed to Contractor, which is to be deducted by Contractor before payments collected are remitted to West Sacramento, shall be based on a "true-up" process by the parties where all citation payments received by both parties each month is reported to the other party, payments made by Contractor for System services and to third parties for electronic payments are identified, and the amount paid by each party to the state and Yolo County for mandated costs is identified so that the net amount owed to each party can be determined, as set forth in Exhibit B.

c) Additional Services. If West Sacramento requests additional service, Contractor shall provide an estimate of the additional charges and West Sacramento must approve the additional service before Contractor shall perform the service.

d) Fees Subject to Annual Adjustment. Exhibit A provides both required and optional System and third-party services. The System and third-party current rates are subject to an annual adjustment. The citation management fees set forth in Exhibits A shall be adjusted July 1 of each year based on the annual percentage change in the San Francisco Region Consumer Price Index (CPI), as identified each June 1; provided, however, rates for third-party collections will

be adjusted by Contractor's System subcontractor based on the Los Angeles Region CPI. The annual adjustment shall not exceed three and one half percent (3.5%) in any one year. The annual adjustment to the citation management fees shall commence July 1, 2016 and shall be applicable for each year thereafter during the term of this Agreement.

- e) Contractor's Service Costs. Contractor's actual parking patrol, citation issuance, and payment collection costs may exceed Contractor's share of the net amount of fines and penalties as set forth in paragraph 3(a) above. Contractor's costs include personnel and equipment costs, data entry of each citation issued, payment collection efforts through the System, identification of registered owners, accounting and control of citations, interface with both in-state and out-of-state Department of Motor Vehicles, issuing one delinquent notice, management reports and accounting information reports, maintaining records, archiving, and security of data. The parties shall meet within the first six months of the Agreement term to evaluate Contractor's costs versus net payments received to determine if any of the System and third party charges should be West Sacramento's responsibility to pay so that only the state and county mandated payments and some of the costs set forth in Exhibit A are deducted before the cost sharing split is applied to the net revenues. If the net revenue allocation is to be adjusted, the parties will revise and attach a new Exhibit B to the Agreement.
- f) Parking Penalty Surcharges. Pursuant to Government Code sections 70372, 76005 and 76006, for each West Sacramento parking citation for which fines are collected by Contractor, Contractor shall deduct a state-mandated surcharge for the Criminal Justice Facility Temporary Construction Fund and the Courthouse Temporary Construction Fund. The surcharges collected under this section shall be remitted by Contractor on behalf of the West Sacramento to the Yolo County Auditor/Controller. The surcharge may be increased or decreased from time to time as may be mandated by state law.
- g) Special Allocation for "Fix-it Ticket" Penalties. Pursuant to California Vehicle Code section 40225(d), Contractor shall remit fifty percent (50%) of all amounts collected by Contractor for citations issued for violations of Section 40225 for registration and equipment violations ("fix-it tickets"), to the Yolo County Auditor/Controller for remittance to the State Treasurer.
- h) Internet and Interactive Voice Response (IVR) Payment Service (Optional). The Contractor and its System contract service provider shall provide an optional Internet Payment System ("Web Payment") for online payment inquiry and payment processing service as well as an IVR payment inquiry and payment processing service for the public to use.
- i) Third Party Collections Service (Optional).
 - i) Contractor has retained Law Enforcement Systems (LES) for third-party collection services. These collection services include, but are not limited to, the Franchise Tax Board lien process, secondary collection letters, and other efforts to locate the responsible party and collect citation fees and penalties. If West Sacramento elects this service, it shall notify Contractor in writing of

such election in writing, and it shall pay Contractor all fees related thereto as set forth in Exhibit A.

- ii) Although Contractor's third-party collections service allows for the collection costs to be charged to the debtor, state law does not allow Contractor to pass that cost to the debtor for West Sacramento citations unless West Sacramento enacts an ordinance authorizing such surcharge. Absent such legal authorization, the fees and charges set forth in Exhibit A for collections services must be paid by West Sacramento, and Contractor will remit third-party collections payments to West Sacramento net of the charges set forth in Exhibit A.

4) REPORTS AND DOCUMENTS STORAGE.

- a) Citation Management Reports. The System shall provide to West Sacramento the following monthly reports within thirty (30) calendar days of the last day of the preceding month.

- Financial
- Revenue reports and citation tracking reports
- Management
- Citation statistics and officer reports

- b) System Files. The System shall maintain computer files in standard format on each citation referred to Contractor for management under this Agreement. Such files shall include all records of payments, collection efforts, disposition, and any and all other information required to provide an audit trail. This information shall be available to West Sacramento by remote portal to the System, at West Sacramento City Hall. Upon request, Contractor shall provide West Sacramento with a file layout describing the manner in which the data is stored and a listing of special codes for file descriptions.

- c) Record Retention and Storage. During the term of this Agreement, Contractor shall retain all citations and payment electronic information in the System computer on behalf of West Sacramento. The System will retain and provide all unpaid or uncleared citation data records on-line accessible during the term of this Agreement. The System will retain and provide all paid or cleared citation data records accessible on-line for a minimum of 26 months from the date of issue.

- 5) **DISCLOSURE OF RECORDS.** All West Sacramento citation records shall be the property of West Sacramento. If Contractor receives a Public Records Act request for disclosure of citation records maintained by the Contractor on West Sacramento's behalf, Contractor shall so notify West Sacramento. If West Sacramento determines to refuse disclosure of the records, West Sacramento shall so notify Contractor within the time stated in Contractor's notice to West Sacramento and shall be solely responsible for any subsequent response or litigation related to the request. West Sacramento shall pay any and all costs which Contractor or West Sacramento may incur in connection with the request, including (i) attorney fees reasonably incurred by Contractor if litigation ensues and West Sacramento does not represent Contractor at West Sacramento's sole cost, and (ii)

any attorney fees, court costs, or other sums which may become payable to the requesting party as ordered by any court which reviews the matter. If, after Contractor gives West Sacramento notice of a Public Records Act request, West Sacramento does not both (a) expressly notify Contractor that it objects to disclosure, and (b) expressly assume responsibility for responding to the request, Contractor may disclose the requested records. West Sacramento shall defend and hold Contractor harmless, as set forth in Article 10, Indemnity and Hold Harmless, for the results of any Public Records Act disclosures made by Contractor.

- 6) **CONFIDENTIALITY OF DOCUMENTS.** All of West Sacramento's citation data submitted to Contractor is and shall remain the property of West Sacramento. Except as provided otherwise in Article 5 relative to requests under the California Public Records Act, all the data prepared, assembled, or maintained by Contractor pursuant to this Agreement is confidential and Contractor agrees that such data shall not be made available to any individual or organization without the prior written approval of West Sacramento; provided, however, such data shall be made available to a third-party upon proper court order.
- 7) **SECURITY OF DMV DATA.** Contractor and West Sacramento 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 (MOU) with DMV. Contractor and West Sacramento agree that all the terms and conditions contained in the MOU which they separately execute with DMV shall be binding on the parties hereto and each party shall comply with the terms of the MOU regarding handling of DMV data.

8) **NOTICE.**

Any notice, demand, request, consent, or approval that either party hereto may or is required to give the other pursuant to this Agreement shall be in writing and shall be either personally delivered or sent by mail, addressed as follows:

TO WEST SACRAMENTO:

Police Chief
City of West Sacramento
550 Jefferson Blvd
West Sacramento CA 95605

TO CONTRACTOR:

Parking Services Manager
City of Sacramento
Department of Public Works
300 Richards Blvd., 2nd Floor
Sacramento, CA 95811

Either party may change the address to which subsequent notice and/or other communications can be sent by giving written notice designating a change of address to the other party, which shall be effective upon receipt.

9) **COMPLIANCE WITH LAWS.**

Both parties shall observe and comply with all applicable Federal, State, and local laws, regulations and ordinances.

10) INDEMNIFICATION

Contractor shall defend, indemnify and hold harmless West Sacramento and its officers, directors, agents, employees and volunteers from and against all demands, claims, actions, liabilities, losses, damages, and costs, including reasonable attorneys' fees, arising out of or resulting from the performance of the Agreement caused in whole or in part by the negligent or intentional acts of Contractor's officers, directors, agents, employees, volunteers or contractors.

West Sacramento shall defend, indemnify, and hold harmless Contractor and its officers, directors, agents, and employees, and volunteers from and against all demands, claims, actions, liabilities, losses, damages and costs, including reasonable attorneys' fees, arising out of or resulting from the performance of the Agreement caused in whole or in part by the negligent or intentional acts of West Sacramento's officers, directors, agents, employees, volunteers or contractors.

It is the intention of West Sacramento and Contractor that the provisions of this paragraph be interpreted to impose on each party responsibility to the other for the acts of their respective officers, directors, agents, employees, volunteers, and contractors. It is also the intention of West Sacramento and Contractor that where comparative fault is determined to have been contributory, principles of comparative fault will be followed and each party shall bear the proportionate cost of any damage attributable to the fault of that party, its officers, directors, agents, employees, volunteers, and contractors.

- 11) **INSURANCE.** West Sacramento and Contractor, at their sole cost and expense, shall carry insurance or self-insure its activities in connection with this Agreement, and obtain, keep in force and maintain insurance or equivalent program self-insurance for general liability, workers compensation and business automobile liability adequate to cover its potential liabilities hereunder. Each party agrees to provide the other thirty (30) days' advance written notice of any cancellation, termination or lapse of any of the insurance or self-insurance coverages.
- 12) **LIMITATION OF LIABILITY.** In no event shall Contractor 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 Contractor's services or products provided by Contractor staff or contractors. Contractor'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 Management service fees and charges as determined by the rates in effect under Exhibit A of this Agreement.
- 13) **TERMINATION.** Either party may terminate this Agreement without cause upon providing at least sixty (60) days advance written notice to the other party which specifies the effective date of termination. Notice shall be deemed served as of the date of the notice.
- 14) **AMENDMENT AND WAIVER.** Except as provided herein, no alteration, amendment, variation, or waiver of the terms of this Agreement shall be valid

unless made in writing and signed by authorized representatives of both parties. Waiver by either party of any default, breach or condition precedent shall not be construed as a waiver of any other default, breach or condition precedent, or any other right hereunder. No interpretation of any provision of this Agreement shall be binding upon Contractor or the West Sacramento unless agreed in writing by West Sacramento and Contractor.

- 15) **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.
- 16) **GOVERNING LAW; VENUE.** 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 Sacramento, Superior Court. In the event of litigation in the United States District Court, venue shall lie exclusively in the Eastern District of California, in Sacramento.
- 17) **MISCELLANEOUS.** 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. Articles titles and 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.
- 18) **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 Contractor and West Sacramento 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.
- 19) **INTERPRETATION.** The interpretation and enforcement of this Agreement shall be governed by the laws of the State of California. This Agreement shall be deemed to have been prepared equally by both of the parties, and the Agreement and its individual provisions shall not be construed or interpreted more favorably for one party on the basis that the other party prepared it.
- 20) **EXHIBITS.** All exhibits referred herein are attached hereto and are incorporated herein by this reference.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first written above.

**CITY OF WEST SACRAMENTO, a
municipal corporation**

By: 
Christopher L. Cabaldon, Mayor

ATTEST:

By: 
Kryss Rankin, City Clerk

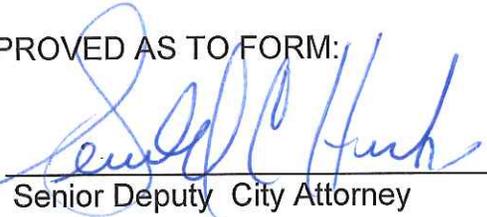
APPROVED AS TO FORM:

By: 
City Attorney

**CONTRACTOR
CITY OF SACRAMENTO, a charter
city and municipal corporation**

By: _____
Jerry Way, Public Works Director
For John F. Shirey, City Manager

APPROVED AS TO FORM:

By: 
Senior Deputy City Attorney

ATTEST:

By: _____
City Clerk

Attachments:
Exhibit A – Services and Compensation
Exhibit B – Manner of Payment

EXHIBIT A

SERVICES AND COMPENSATION

| Service Description | Rate | Required | Optional |
|--|-------------------|-----------------|-----------------|
| System Citation Management Fees* | | | |
| Citation Management – 50 citations or less for the month | \$5.00/ea. | Yes | |
| Citation Management – More than 50 citations for the month | \$2.50/ea. | Yes | |
| Paid Citation | \$1.00/ea. | Yes | |
| Dismissed Citation | \$2.00/ea. | Yes | |
| Customer Service Charges** | | | |
| Phone Payments (IVR) | \$1.14/ea., plus | | |
| Phone Payments (IVR) Banking Costs | 1.22% + \$.25/ea. | | |
| Web Payments | \$1.14/ea., plus | | |
| Web Payments Banking Costs | 1.22% + \$.25/ea. | | |
| Fees For Third-party Collection Services** | | | |
| Full service collections from LES | | | 33% /ea., plus |
| Contractor fee to administer the collections | | | 5% /ea. |

* Rates for System services are subject to annual adjustment based on the San Francisco or Los Angeles Region CPI, as appropriate.

** Rates subject to change by the third-party service provider.

EXHIBIT B

MANNER OF PAYMENT

Contractor shall submit to West Sacramento a statement for services rendered and fines and penalties ("Fees") collected on a monthly basis. The statement shall be submitted to West Sacramento no later than 60 days after the close of business of each fiscal accounting month. The statement will include a breakout of information as selected by West Sacramento from the following list:

- Total dollar amount of payments received for month
- Total number of citations managed by Contractor for month
- Total amount of collection fees for the month
- Total number of citations paid for the month
- Total number and amount of Web and IVR payments for the month
- Total number of dismissed citations for the month
- Total parking penalties due to the state and county for the month
- Total fifty percent (50%) of parking penalties collected for fix-it citations for the month

West Sacramento shall send to Contractor a statement of the Fees collected by West Sacramento on a monthly basis no later than 60 days after the close of business of each fiscal accounting month. Contractor will send to the West Sacramento a net check within 45 days after receipt of West Sacramento's payment collection information as follows:

Total Citation Fees Collected by Contractor and West Sacramento
Less State-mandated Surcharges
Less System and Third Party Fees (excluding optional service fees)
= Net Payments
Less 50% of Net Payments = Contractor's Fee
Remaining 50% of Net Payments = Total due to West Sacramento