

AGREEMENT

BETWEEN

Clancy Systems International, Inc.
2149 S. Grape St.
Denver, Colorado 80222

and

City of Richmond, CA

This Agreement made and entered into this 1 day of September, 2010 by and between City of Richmond, California hereinafter referred to as "Customer" and Clancy Systems International, Inc., hereinafter referred to as the "Company".

WITNESSETH

WHEREAS, Customer has determined that computerizing and monitoring some of its installation will be of benefit; and

WHEREAS, the Company is in the business of providing a computerized parking control issuance and enforcement systems with ancillary services including ticket processing, collections, DMV holds, notice letters and other services that may prove to be effective and compliment Customer parking operations; and

WHEREAS, the Customer wishes to replace the parking ticket management services currently provided by the Contra Costa County Office of Revenue Collections, including parking ticket data processing and entry parking tickets; maintaining parking ticket records; interfacing with the State Department of Motor Vehicles for names and addresses, mailing of notices to violators; handling mail and phone disputes; receiving and posting payments; other record keeping; and payment of proceeds to the Customer; and

WHEREAS, the Company has evidenced a willingness to install and implement its system for Customer on a service contract basis.

NOW, THEREFORE, in consideration of mutual covenants, promises and agreements herein set forth, it is agreed as follows:

1. SYSTEM PROGRAMS AND DATA

All system programs and data will be hosted under Company's cloud computing environment and accessed by customer via the internet. Customer will use its own desktop computers to access system.

2. SOFTWARE

The Company will produce all custom programming and procedures for both the office computers and data entry terminals to reflect Customer requirements. Company personnel will devote such time as is necessary to familiarize themselves with Customer protocol for citation generation and the general geography and logistics of Customer.

The Company will provide ticket management software including ticket management reports, complaint generation, notices, permit information management, as well as other reports as required. Company shall provide all services and software listed in the Exhibit A which is attached hereto and incorporated herein by this reference.

System software and data will be held for customer on the Company's server system, in a cloud computing environment. Customer shall have full access to the programs and data by secure password assignment.

The Company shall put forth best efforts to deliver the initial system software and any additional software provided to, or developed for Customer in error free form. Company shall promptly debug and correct any deficiencies upon notice of defect from Customer.

3. SITE LICENSE

By execution of this Agreement and any extensions thereof, Customer is granted a site license to use the system software and any modifications or customization thereof to operate its computerized parking citation issuance and management operations.

This software is protected by both United States copyright law and international treaty provisions. Company grants Customer the right to make archival copies of the software for sole purpose of backing up and protecting data from hazard or loss. Customer may not give copies to another person, city, organization or duplicate the software by any other means including electronic transmission.

The statements in this section of the Agreement shall be construed, interpreted and governed by the laws of the state of California.

4. CONSULTING SERVICES

The Company agrees to be immediately available for consultation by telephone when required. With five (5) business days notice, a representative can be available at Customer's site location for consultation if/when required.

5. UPDATES

The Company will provide updating and improvements to the system as needs arise and as new technology becomes available. Such updates shall include hardware upgrades, software updates and software enhancements and will be provided at no additional cost to Customer. Software updates and enhancements shall be delivered on-line via FTP site.

6. TRAINING

The Company will provide training for operators who will be using the ticket issuance devices in the field and for all personnel who will work on system management on their PC computer(s).

7. SUPPORT

The Company shall provide ongoing system support for the term of this Agreement and any renewal period thereof. Support shall include telephone support, on-line support, overnight delivery of critical materials, and on-site visits as required.

8. ACCESS

Customer will provide the Company with reasonable and appropriate access to both the operators writing parking tickets and to data processing personnel who will be using the computer systems.

9. INTERNET PAYMENT PROCESSING

The Company shall, at the election of Customer, create and host a web site for payment by credit card (Visa and MasterCard) for citations, permits and other services as desired by Customer. There will be no charge to Customer for this service. A \$3.00 handling fee is added to the remitter's costs.

The funds shall be transferred to Customer once each month. Payment shall be made by check to the agency or direct ACH transfer into the agency's bank. A spread sheet of detail (transaction number, ticket number and payment amount) shall be provided with each settlement for verification. Funds shall be net of any state or county per ticket assessments.

10. CITATION PROCESSING COSTS

1. Monthly Service Fee: \$125.00
For all services, including support, training, database, reports and accounting.
2. Parking Citations: \$0.53 each
For computerized or paper citation forms and envelopes and processing.
3. Violator Interface: \$0.50 per citation issued
For all violator communications and handling of Reviews and Hearings.

11. OTHER SERVICES

Mailing of Notice Letters \$0.71 each.

DMV research through an attorney minimum \$2.50 for out of state plates.

Applicable DMV hold fees.

Direct costs such as taxes, State fees, County fees, and other mandated fees shall be charged at cost.

12. NON-DISCRIMINATION CLAUSE

The Company agrees not to discriminate against any employee or applicant for employment because of age, race, creed, color, sex, national origin or ancestry. The Company shall take affirmative action to insure that employees are treated without regard to their age, race, creed, color, national origin, sex or ancestry. Such actions shall include, but not be limited to the following: employment, upgrading, demotion or transfer, adjustments in pay or other forms of compensation and selection for training, including apprenticeship.

In the event of the Company's non-compliance with this non-discrimination clause, this Agreement may be canceled or terminated by Customer. The Company may be declared by Customer ineligible for further agreements with Customer until satisfactory proof of intent to comply is made by the Company.

The Company agrees to include this non-discrimination clause in any subcontracts connected with the performance of this Agreement.

13. NOTICE

Any written notice provided for hereto shall be deemed properly mailed and delivered when the same is deposited in the United States mail, postage prepaid and properly addressed to the party to whom such notice is directed. Proper address of the two parties shall be as follows:

Customer: City of Richmond, California
450 Civic Center Plaza
Richmond, California 94804

Company: Clancy Systems International, Inc.
2149 S. Grape St.
Denver, CO 80222

14. PROPERTY TAX, SALES TAX, USE TAX, EXCISE TAX, OTHER SPECIAL LICENSES

Use tax for state of California shall be billed on the first bill to Customer based on the wholesale cost of the hardware put into operation by the Customer.

California sales tax shall be billed on all consumable items (tickets/envelopes/plastic covers and any other consumables based on actual costs in the case of most items and on the ticket production costs of the ticket stock) as items are delivered to the Customer.

Currently other fees are charged by the State of California and Contra Costa County. These fees shall be paid by the Company and deducted from the proceeds to the Customer.

The following is the current fee schedule. Additional fees may be assessed by the State and/or County.

| | |
|--|--------|
| County General Fund (GC 76000) | \$2.00 |
| Immediate and Critical Needs Account (GC 70372[b]) | \$3.00 |
| State Court Facilities Construction Fund (GC 70372[b]) | \$1.50 |
| Courthouse Construction Fund (GC 76000) (GC 76100) | \$1.50 |
| Criminal Justice Facilities Func (GC 76000) (GC 76100) | \$1.50 |
| Equipment Assessment (CVC 420225) 50% of fine | 50% |
| Registration Assessment (CVC 420225) 50% of fine | 50% |
| Handicapped (VC 1465) 20% of fine | 20% |

15. CUSTOMER PROVIDED RESPONSIBILITIES

Customer shall be responsible for providing the following items:

Computer workstations for personnel to access system.

16. TERM OF AGREEMENT

The term of this Agreement shall be for six (6) months commencing the 1st day of September, 2010, and ending on the 28th day of February, 2011.

It is hereby agreed, that this Agreement shall take effect, and remain in force and effect, from the date of the execution hereof, and further this Agreement may be terminated at any time, by either party, upon the giving of thirty (30) days notice, in writing to the other party. Charges will be prorated for any portion of a month that equipment is in place should such cancellation occur.

17. MONTHLY SETTLEMENT

Company shall net out all mail payments, on-line payment, charges, fees and expenses and remit by check or ACH (Automatic Clearing House) payment within the first five (5) business days of the following month. For instance, all payments, charges and fees for the month of September will be settled in full during the first five days of October.

Full accounting will be included with the settlement. Additionally, reports may be generated at any time using the provided on-line computer programming.

18. INSURANCE

During the entire term of this Agreement and any extensions or modifications thereof, the Company shall keep in effect insurance policies meeting the insurance requirements specified in the insurance provisions which are attached hereto and incorporated herein by this reference.

19. INDEMNIFICATION

Company shall indemnify, defend, and hold harmless the Customer, its officers, agents, employees and volunteers from any and all claims, suits, or actions of every name, kind and description, brought forth on account of injuries to or death of any person or damage to property arising from or connected with the willful misconduct, negligent acts, errors or omissions, ultra-hazardous activities, activities giving rise to strict liability, or defects in design by Company or any person directly or indirectly employed by, or acting as, the agent for Company in the performance of this Agreement, including the concurrent or successive passive negligence of the Customer, its officers, agents, employees or volunteers.

It is understood that the duty of Company to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Company shall be obligated to defend, in all legal, equitable, administrative, or special proceedings, with counsel approved by the Customer, the Customer and its officers, agents, employees, and volunteers, immediately upon tender to Company of the claim in any form or at any stage of an action or proceeding, whether or not liability is established. An allegation or determination that persons other than Company are responsible for the claim does not relieve Company from its separate and distinct obligation to defend under this Section. The obligation to defend extends through final judgment, including exhaustion of any appeals. The defense obligation includes an obligation to provide independent counsel if Company asserts that liability is caused in whole, or in part, by the negligence or willful misconduct of an indemnified party.

The review, acceptance or approval of the Company's work or work product by any indemnified party shall not affect, relieve or reduce the Company's indemnification or defense obligations. This Section survives completion of the services or the termination of this Agreement. The provisions of this Section are not limited by, and do not affect, the provisions of this Agreement relating to insurance.

Acceptance of insurance certificates and endorsements required under this Agreement does not relieve Company from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply whether or not such insurance policies are determined to be applicable to any such damages or claims for damages.

20. ENTIRE AGREEMENT

It is expressly understood and agreed by the parties hereto that the provisions embodied in this Agreement contain all covenants, agreements, obligations and stipulations agreed upon by the parties and upon execution thereof. This Agreement may be modified or amended at any time by mutual agreement in writing of the parties.

This Agreement shall be executed in multiple counterparts each of which shall be deemed an original.

This Agreement shall inure to the benefit of and shall be binding upon Customer, the Company and their respective successors and assigns, if such assignment has been approved by both parties.

This agreement shall be governed by and construed in accordance with the laws of the State of California, including its conflict of laws provisions.

In Witness Whereof, the parties have hereunto set their hands and seals.

CLANCY SYSTEMS INTERNATIONAL, INC.

By Stanley J. Wolfson
8-18-2010

CITY OF RICHMOND, CALIFORNIA

By WJ 8/17/10

Exhibit A

Software

Ticket Issuance software for field units
Communications software
Ticket processing and management software
Report generation software

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| ACORD CERTIFICATE OF LIABILITY INSURANCE | | OP ID GD CLANC-1 | DATE (MM/DD/YYYY) 09/08/10 |
| PRODUCER Forsberg Engerman Company 3575 S. Sherman St. Englewood CO 80113 Phone: 303-762-1717 | | THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. | |
| | | INSURERS AFFORDING COVERAGE | NAIC # |
| INSURED Clancy Systems International Inc 2149 S Grape St Denver CO 80222 | | INSURER A: Colorado Casualty | |
| | | INSURER B: Pinnacol Assurance | |
| | | INSURER C: | |
| | | INSURER D: | |
| | | INSURER E: | |

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR | ADD'L LTR | INSRD | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE DATE (MM/DD/YY) | POLICY EXPIRATION DATE (MM/DD/YY) | LIMITS |
|------|-----------|-------|--|--|----------------------------------|-----------------------------------|--|
| A | X | X | GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GENL. AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC | BKW (11) 52156578 | 09/30/10 | 09/30/11 | EACH OCCURRENCE \$ 100000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100000 MED EXP (Any one person) \$ 10000 PERSONAL & ADV INJURY \$ 1000000 GENERAL AGGREGATE \$ 2000000 PRODUCTS - COMP/OP AGG \$ 2000000 |
| A | | | AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS | BAO (11) 52156578 BAO (11) 52156578 | 09/30/10 09/30/10 | 09/30/11 09/30/11 | COMBINED SINGLE LIMIT (Ea accident) \$ 1000000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ |
| | | | GARAGE LIABILITY <input type="checkbox"/> ANY AUTO | | | | AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$ |
| | | | EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE RETENTION \$ | | | | EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ |
| B | | | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below | 1964032 | 05/01/10 | 05/01/11 | <input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 100000 E.L. DISEASE - EA EMPLOYEE \$ 100000 E.L. DISEASE - POLICY LIMIT \$ 500000 |
| | | | OTHER | | | | |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
 City of Richmond CA is named as an additional insured with respect to general liability coverage.

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| CERTIFICATE HOLDER City of Richmond CA Attn: Administration 1701 Regatta Blvd Richmond CA 94804 | CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL <u>10</u> DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE |
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Exhibit "F"

City of Richmond - Insurance Requirements – Type 1: Consultants and Contractors

In all instances where a CONTRACTOR or its representatives will be conducting business and/or providing services, the City requires the following MINIMUM insurance requirements and limits.

CONTRACTOR shall procure and maintain for the duration of the contract, agreement, or other order for work, services or supplies, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the CONTRACTOR, its agents, representatives, employees or subcontractors. **Maintenance of proper insurance coverage is a material element of the contract. Failure to maintain or renew coverage or to provide evidence of renewal may be treated by the City as a material breach of contract.**

CONTRACTOR agrees that in the event of loss due to any of the perils for which it has agreed to provide Commercial General and Auto Liability insurance, CONTRACTOR shall look solely to its insurance for recovery. CONTRACTOR hereby grants to CITY, on behalf of any insurer providing Commercial General and Automobile Liability insurance to either CONTRACTOR or CITY with respect to the services of CONSULTANT herein, a waiver of any right to subrogation which any such insurer of said CONTRACTOR may acquire against the CITY by virtue of the payment of any loss under such insurance.

Original, signed certificates and original, separate policy endorsements, naming the City as an additional insured for general liability and auto liability coverage as well as a waiver of subrogation for Workers' Compensation Insurance shall be received and approved by the City before any work may begin. However, failure to do so shall not operate as a waiver of these insurance requirements.

City reserves the right to modify or require additional coverages for specific risk exposures depending on scope of CONTRACTORS work.

Minimum coverage is detailed below. The policy limits of coverage shall be made available to the full limits of the policy. The minimum limits stated herein shall not serve to reduce the policy limits of coverage of CONTRACTOR.

Minimum Scope of Insurance – the following forms shall be provided and coverage shall be at least as broad as the following:

1. Insurance Services Office Commercial General Liability coverage (ISO Occurrence Form CG 0001) including coverage for operations, and products and completed operations.
2. Insurance Services Office Automobile Liability coverage (ISO Form CA 0001, Code 1, Any Auto)
3. Original and Separate Additional Insured Endorsements for General Liability (ISO Form CG 20 10 11/85 or its equivalent) and Auto Liability with primary and non-contributory language.
4. Workers' Compensation Insurance as required by the State of California including Employer's Liability coverage.
5. Original and Separate Waiver of Subrogation for Workers' Compensation Insurance.
6. Builder's Risk/Course of Construction insurance covering all risks of loss less policy exclusions when the City of Richmond has a financial interest in the property. – *(Only required for Construction Contracts involving property)*
7. Contractor's Pollution Liability *(if applicable for Construction Contractors)*

| Minimum Limits | |
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| Required Coverage | |
| Workers' Compensation and Employers' Liability | Statutory limits as required by the State of California including \$1 million Employers' Liability per accident, per employee for bodily injury or disease. If CONTRACTOR is self-insured, provide a certificate of Permission to Self-Insure, signed by the California Department of Industrial Relations and Self-Insurance. If contractor is a sole proprietor (has no employees) than contractor must sign "Contractor Release of Liability" found at: http://www.ci.richmond.ca.us/index.aspx?nid=61 . |

Exhibit "F"

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| City of Richmond - Insurance Requirements – Type 1: Consultants and Contractors |
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| <p>General Liability <i>(primary and excess limits combined)</i></p> | <p>PROJECT COST</p> | <p>REQUIRED LIMIT</p> |
| | <p>\$0 - \$5 million</p> | <p>\$2 million p/o</p> |
| | <p>\$5 million - \$10 million</p> | <p>\$5 million p/o</p> |
| | <p>Over \$10 million</p> | <p>\$10 million p/o</p> |
| | <p>Fireworks</p> | <p>\$5 million p/o</p> |
| | <p>Includes coverage for bodily injury, personal injury, property damage and products and completed operations. The policy shall not exclude coverage for XCU perils (explosion, collapse, or damage to underground property). If the policy includes a general aggregate, either the general aggregate shall apply separately to this project, service or location or the minimum required aggregate limit shall be twice the per occurrence limit.</p> <p>Policy shall be endorsed to name the City of Richmond as an additional insured per the conditions detailed below.</p> | |
| <p>Automobile Liability</p> | <p>\$1,000,000 per occurrence for bodily injury and property damage. Policy shall be endorsed to name the City of Richmond as an additional insured per the language detailed below.</p> | |
| <p>Builders' Risk/Course of Construction – Covers property under construction, repair or renovation as well as equipment and materials to be installed.</p> <p><i>(Only required for Construction Projects involving property and equipment installation.)</i></p> | <p>Coverage shall include all risks of direct physical loss, excluding earthquake, <i>for an amount equal to the full completed value of the covered structure or replacement value of alterations or additions, including soft costs and business interruption.</i></p> <p>If the project does not involve new or major reconstruction, an Installation Floater may be acceptable. For such projects, a property installation floater shall be obtained that provides for the improvement, remodel, modification, alteration, conversion or adjustment to existing buildings, structures, processes, machinery and equipment. The Property Installation Floater shall provide property damage coverage for any building, structure, machinery or equipment damaged, impaired, broken or destroyed during the performance of the Work, including during transit, installation and testing at the City of Richmond's site.</p> <p>The City of Richmond shall be named as loss payee as its interest may appear. The insurer shall waive all rights against City.</p> | |
| <p>Contractor's Pollution Liability <i>(if applicable)</i></p> <p>Protects against: <i>unexpected/unintended release of pollution resulting from contractors covered operations such as:</i></p> <p>HVAC, paving, carpentry, pipeline & tank installation, drillers, remediation contractors, maintenance, mechanical, demolition, excavation, grading, street/road construction, residential & commercial builders.</p> | <p>Same limits as General Liability.</p> | |
| Required Policy Conditions | | |
| <p>A. M. Best Rating</p> | <p>A:VII or Better. If the A.M. Best Rating falls below the required rating, CONTRACTOR must replace coverage immediately and provide notice to City.</p> | |
| <p>Additional Insured Endorsement</p> | <p>Applicable to General Liability and Automobile Liability Coverage. The City of Richmond, its officers, officials, employees, agents and volunteers are to be named as additional insureds for all liability arising out</p> | |

Exhibit "F"

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| City of Richmond - Insurance Requirements – Type 1: Consultants and Contractors |
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| | <p>of the operations by or on behalf of the named insured including but not limited to bodily injury, deaths and property damage or destruction arising in any respect directly or indirectly in the performance of this contract.</p> <p>ISO form CG 20 10 (11/85) or its equivalent is required. The endorsement <u>must not</u> exclude products and completed operations coverage. If it does, then CG 20 37 (10/01) is also required.</p> <p>SAMPLE Endorsements can be found at http://www.ci.richmond.ca.us/index.aspx?nid=61.</p> |
| Primary and Noncontributory | The contractor's insurance coverage must be primary coverage as it pertains to the City, its officers, officials, employees, agents and volunteers. Any insurance or self insurance maintained by the City is wholly separate from the insurance of the contractor and in no way relieves the contractor from its responsibility to provide insurance. |
| Waiver of Subrogation Endorsement Form | Contractor's insurer will provide a Waiver of Subrogation in favor of the City for Workers Compensation coverage during the life of this contract. SAMPLE Endorsements can be found at http://www.ci.richmond.ca.us/index.aspx?nid=61 . |
| Deductibles and Self-Insured Retentions | Any deductible or self-insured retention must be declared to and approved by the City. At the option of the City either the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the City or the CONTRACTOR shall procure a financial guarantee in an amount equal to the deductible or self-insured retention guaranteeing payment of losses and related investigations, claims administration and defense expenses. Contractor is responsible for satisfaction of the deductible and/or self-insured retention for each loss. |
| Cancellation Cancellation (continued) | Each required policy shall be endorsed to state that coverage shall not be cancelled, reduced or otherwise materially changed except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City. |
| Loss Payable Endorsement (only required when Builder's Risk and/or Course of Construction Insurance is required.) | Applicable to Builder's Risk/Course of Construction naming the City of Richmond as Loss Payee. |
| SURETY BONDS (If a Public Works/Engineering Project) | The Contractor shall provide: <ol style="list-style-type: none"> 1. A Bid bond 2. A Performance Bond 3. A Payment Bond |

Umbrella/Excess Liability Policies

If an Umbrella or Excess Liability Policy is used to meet the liability limits, coverage shall be as broad as specified for underlying coverages and cover those insured in the underlying policies.

Claims-Made Policies

If any insurance policy is written on a claims-made form: 1) the retroactive date must be shown, and must be before the date of the contract or the beginning of contract work. 2) Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work. 3) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, the Contractor must purchase an extended period coverage for a minimum of five (5) years after completion of contract work.

Exhibit "F"

City of Richmond - Insurance Requirements - Type 1: Consultants and Contractors

Subcontractors

CONTRACTOR shall include all subcontractors as insured under its policies or shall furnish to the City for review and approval, separate certificates and endorsements for each subcontractor. All coverage for subcontractors shall be subject to all of the requirements stated herein.

CONTRACTOR agrees to defend and indemnify the City of Richmond for any damage resulting to it from failure of either CONTRACTOR or any subcontractor to take out or maintain the required insurance policies. The fact that insurance is obtained by CONTRACTOR, and/or CONTRACTOR's subcontractors, will not be deemed to release or diminish the liability of CONTRACTOR, including, without limitation, liability under the indemnity provisions of this contract. Damages recoverable by CITY from CONTRACTOR or any third party will not be limited by the amount of the required insurance coverage.

Verification of Coverage

All original certificates and endorsements shall be received and approved by the City before work may begin. The City of Richmond reserves the right to require complete, certified copies of all required insurance policies including endorsements affecting the coverage at any time.

Original insurance certificates and required policy endorsements shall be mailed, or delivered to the Designated Project Manager for the City of Richmond.

Insurance certificates and endorsements may be faxed to the Designated Project Manager. However, Contractor must mail the original certificates and endorsements to Designated Project Manager once faxed.

Continuous Coverage

CONTRACTOR shall maintain the required insurance for the life of the contract. Should the CONTRACTOR cease to have insurance as required during this time, all work by the CONTRACTOR pursuant to this agreement shall cease until insurance acceptable to the City is provided. In the event that CONTRACTOR fails to comply with the City's insurance requirements, the City may take such action as it deems necessary to protect the City's interests. Such action may include but is not limited to termination of the contract, withholding of payments, or other actions as the City deems appropriate.

If services or the scope of work extend beyond the expiration dates of the required insurance policies initially approved by the City, CONTRACTOR must provide updated certificates and endorsements indicating that the required coverage, terms and conditions are still in place. **Renewal certificates and updated endorsements shall be mailed to the Designated Project Manager.**

Reporting Requirements

Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the City, its officers, officials, employees or volunteers.

Consistent with Public Policy

The insuring provisions, insofar as they may be judged to be against public policy shall be void and unenforceable only to the minimum extent necessary so that the remaining terms and provisions herein may be consistent with public policy and thus enforceable.

CITY OF RICHMOND
SOLE SOURCE/BRAND REQUEST

THIS FORM MUST BE COMPLETED AND APPROVED PRIOR TO ANY PURCHASE

Contact the Purchasing Division and discuss your rationale before completing this form. Purchasing can help you make this a competitive purchase and then this form will not be required.

When a request is made for a non-competitive procurement and the specification limits the bidding to one source and/or one brand or trade name, the requesting department must complete the following: (Please answer in the space provided, or attach a blank piece of paper and answer each of the 5 questions as fully as possible)

1. Beginning with the name, city and state of the proposed vendor, briefly describe the product or service you propose to purchase. Include appropriate detail such as manufacturer, brand name, model number, part number, etc. for products and the type service to be performed for services.
CLANCY SYSTEMS INTERNATIONAL, Denver Colorado 80222. Phone 303 759 - 4276
The service provided will be parking ticket processing for all City of Richmond parking tickets.

2. Please check one: **Cost: \$** No cost to city; payment is determined by tickets collected.
 - a. **SOLE SOURCE:** Item is available from one source only. Item is one-of-a-kind and is not competitively sold through distributors. *(If there is an exclusive distributor for this area, verify this fact in writing with the manufacturer.)*
 - b. **SOLE BRAND:** Various sources can supply the specified model and brand; competitive bids will be solicited for the requested brand only. *(Clearly describe why no other product meeting form, fit or function will do)*
 - c. **STANDARDIZATION REQUEST:** The Department requires the item to standardize parts, design, quality etc. *(This requires further discussion with the Purchasing Division)*

3. What are the unique performance features of the product/brand requested that are not available in any other product/brand? (For services: What unique qualifications, rights, degrees, certifications, licenses and/or experience does this vendor possess?) Clancy Systems currently processes all of the City of Richmond's parking tickets as a vendor for the Contra Costa County office of Revenue Collection. Due to budget issues, Contra Costa County will be permanently closing the Office of Revenue Collection, and will no longer process tickets effective August 31, 2010. The City Manager has directed us to enter into a six month sole source contract with Clancy Systems. During that time, we will conduct a formal RFP, open to all vendors interested in performing this service for the City of Richmond.

4. What are the unique performance features REQUIRED (not merely preferred), and how would your requirement be inhibited without this particular service/item? The vendor must be able to immediately process all parking tickets issued in the City of Richmond including issuance of monthly checks to the City of Richmond for revenue collected for payment of parking tickets. . **Failure to secure a vendor that can perform this service will result in substantial revenue loss to the City.**

5. What other products/services have been examined and rejected, and why? *(Please provide a specific meaningful explanation, one vendor and/or one feature at a time. For products be sure to clearly identify the product by name and model number and include the name, address, and telephone number of the company representative who you contacted during your research or product testing.)* We are aware that there are other vendors who can provide this service. They will be considered if they apply through the competitive bid process we will post at a later date.

6. If justification is based on matching and/or intermixing with existing equipment (refer to 1.c.), list the quantity, manufacturer, brand, and model of the existing equipment, and why the matching is required not simply preferred. N/A

I HEREBY CERTIFY THAT:

1. I am an approved department representative, and am aware of the City's requirements for competitive bidding, as well as the criteria for justification for sole source/brand procurements.
2. I have gathered the required technical information and have made a concentrated effort to review comparable and/or equal equipment/services.
3. There is validity as to the information contained herein justifying my request for sole source/brand procurement and meeting the City's criteria.
4. A sole source/brand procurement in this case will withstand a possible audit or a vendor's protest.

REQUESTOR 

DATE: 7/20/10 Code Enforc.com

DEPARTMENT DIRECTOR 

DATE: 7/21/10

PURCHASING DIVISION (Prior to submission to City Manager)

APPROVED: 

NOT APPROVED: _____

COMMENTS: _____

DATE: 7/21/10



City Manager
(Under \$10,000.00)

City Clerk Attesting to Council Approval
(Over \$10,000.00)

**NOTE: RICHMOND MUNICIPAL CODE SECTION 2.52.326 SOLE SOURCE PROCUREMENT
REQUIRES FINAL APPROVAL BY THE CITY MANAGER AND/OR CITY COUNCIL**