



Uniform Terms and Conditions

SOLICITATION NO.: L8-022

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Arizona Department of Public
Safety
2102 W. Encanto Blvd., Ste 340
Phoenix, Arizona 85009

Statewide Traffic Photo/Speed & Intersection
Enforcement Systems, Mobile and Fixed

8.3 Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.

8.4 Nonconforming Tender. The Contractor shall fully comply with the Contract in supplying materials or services supplied under the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.

8.5 Right of Offset. The State is entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs, and damages described in the Uniform Terms and Conditions.

9 Contract Termination.

9.1 Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.

9.2 Gratuities. The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, is entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by the Contractor.

9.3 Suspension or Debarment. The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended, or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an Offer or execution of a Contract shall attest that the Contractor is not currently suspended or debarred. If the contractor becomes suspended or debarred, the contractor shall immediately notify the State.

9.4 Termination for Convenience. The State reserves the right to terminate the Contract, in whole or in part at any time, when in the best interests of the State, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination, and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The



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cost principles and procedures provided in A.A.C. R2-7-701 shall apply.

9.5 Termination for Default.

9.5.1 In addition to the rights reserved in the Contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses, and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.

9.5.2 Upon termination under this paragraph, all goods, materials, documents, data, and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.

9.5.3 The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor is liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.

9.6 Continuation of Performance Through Termination. The Contractor shall continue to perform, according to with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

10 **Contract Claims.** All contract claims or controversies under the Contract shall be resolved according to A.R.S. Title 41, Chapter 23, Article 9, and A.A.C. Title 2, Ch.7.

11 **Arbitration**

11.1 The parties to this Contract agree to resolve all disputes arising out of or relating to this Contract through arbitration, after exhausting applicable administrative review, except as is required by other applicable statutes.

11.2 If both parties to the Contract are governmental agencies or political subdivisions of the State, the parties agree to resolve all disputes arising out of or relating to this Contract through arbitration according to A.R.S. § 12-1518.



Price/Sheet Questionnaire Section

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Pricing

We recognize that the DPS is implementing a Statewide Traffic Photo Speed & Intersection Enforcement System. We appreciate the importance of utilizing a structured and phased program implementation methodology. This approach has proven successful to many jurisdictions:

- As a means to garner public support by demonstrating some immediate public safety benefits,
- By mitigating the risks associated with implementing new and innovative approaches to conventional law enforcement efforts, and by
- Implementing substantial rigor and diligence to ensure the program is "rolled out" in a controlled and manageable manner.

Ensuring the program is manageable and successful includes evaluating the costs and benefits associated with all aspects of the program. Included in this evolution is the "total cost of ownership" of the program. Our audited system performance statistics are industry leading, typically proving 30%-50% greater system performance and citation generation yields than our competition. To ensure the actual costs that are to be borne by DPS are minimized, Redflex is pleased to provide DPS the most advanced and proven full turnkey program, inclusive with all equipment, hardware, software and services outlined in the Scope of Work for the most reasonable price terms ever offered in the history of the photo enforcement industry. **We want to make sure this pilot program and the DPS venture into photo enforcement is operationally successful with no exposure to financial risk.**

We are prepared to cover all the costs of being in fully compliance with Solicitation No. L8-022.

We truly want to earn your business by providing DPS with the greatest value proposition.



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Pricing

The Offeror shall provide Statewide Traffic Photo Speed & Intersection Enforcement Systems, Mobile and Fixed (A.K.A. TPSIES) in accordance with the terms, conditions, specifications and scope of work contained herein for the firm fixed price per paid citation listed below.

The firm fixed price per paid citation shall also include, but may not be limited to; all labor, materials, permits, insurance's, applicable taxes, equipment/hardware/software maintenance, public utility cost, ADOT & alternate state vehicle registration database access charges, printing/mailling charges, process service charges, reporting/training/community awareness costs as well as all other charges, costs, items of expense and offeror profit.

Item	Description	Fixed Price per Paid Citation
1	Traffic Photo Speed & Intersection Enforcement Systems, Mobile and Fixed (A.K.A. TPSIES)	\$ <u>28.75</u>

Option Pricing: (Will not be considered during the evaluation of proposals)

Reduced price per paid citation for specified total quantity Threshold(s)

<u>\$28.75</u>	for quantities up to	<u>1200</u>	Paid Citation / Per System
<u>\$22.95</u>	for quantities after	<u>1200</u>	Paid Citation / Per System
<u>\$16.95</u>	for quantities after	<u>1,500</u>	Paid Citation / Per System

Optional Service: DPS may, at any time during the contract period and upon written notice for specified timeframe(s), require the contractor to enforce civil violations on its behalf by authorizing specific contractor employees to sign citations. Such signatures shall be electronic inserted by designated contractor employees who have been legally authorized by DPS to sign citations. All actions performed under this section shall be done in compliance with all applicable SOW sections inclusive of, but may not be limited to; SOW section 8, paragraphs 8.2.5, 8.4, 8.5 and SOW section 9 and applicable State law.

Offerors may provide a firm fixed price per paid citation, in addition to that offered on solicitation price sheet/questionnaire section page 40, for providing the optional service specified in item 1 in the area specified below:

\$.95 (ninety-five cents) Per Paid Citation.

Note: Please see Redflex Pricing clarifications in the following page.



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Redflex Pricing Clarification

We have provided the following model to demonstrate how the Redflex pricing proposal will work and what it will ultimately mean to the State of Arizona and the Department of Public Safety.

Assumptions:

- 3,000 notices (avg. number of notices filed with the court per month) per system
- 60% average payment rate

Pricing Proposal

Tier	Price Per Paid Citation	Quantity Per System	Pricing Calculation
1	\$28.75	0-1200	The first 1200 paid citations would be paid at \$28.75. This equals \$34,500.
2	\$22.95	1201-1500	The next 300 paid citations would be paid at \$22.95. This equals \$6,885.
3	\$16.95	1501+	The last 300 paid citations would be paid at \$16.95. This equals \$5,085.

Revenue model based on the facts outlined above to demonstrate the Redflex Pricing Proposal:

Monthly Average Notices Per System Filed with the Court	3,000
Collection %	60%
Gross Monthly Average of Citations Paid	1,800
Fine Amount	\$157
Gross Revenue Collected	\$ 282,600
REDFLEX FEE	\$ 46,470
Monthly Net Surplus Monthly (Per System)	\$ 236,130