

Exhibit B

Volume III: Customer Service Center (CSC) Operations

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1. SCOPE OF WORK AND REQUIREMENTS

The following subsections describe the Scope of Work and Requirements for the CSC Operations. These Requirements are numbered to track obligations per the Agreement and any changes which may occur during the Project. Many of the Requirements contain underlying lists of specific items and work functions. The intent of these “including but not limited to” lists is to indicate to the proposer the intent and scope of the Requirement.

1.1. Operational Requirements

1.1.1. General Requirements

This section lists the high-level operations Requirements.

1	The Contractor shall provide all management, system Maintenance, supervisory, financial and CSC Operations staff, including qualified management, professional and clerical personnel, to professionally operate and administer the Authority’s CSC Operations in a manner that meets all required Performance Measures.
2	The Contractor shall put in place the organizational structure and headcount required to meet these Requirements.
3	The Contractor shall be responsible for all providing all consumables (other than those explicitly stated to paid for by the Authority). Costs of consumables shall be included in the Contractor’s Price Proposal.
4	At the Authority’s direction, the Contractor shall perform the Work required herein for any new Toll Facilities that may be implemented during the Operations and Maintenance Phase.

1.1.2. I-405 CSC and WIC Facility

The Authority will provide a new primary space for the I-405 CSC and WIC. The Contractor is required to operate these Authority provided Facilities as described in the sections below. The Contractor will have unlimited access to the Facility and may use expanded operational hours as needed to accomplish the Work. There is currently an operational OCTA Store WIC that will provide I-405 customer service that will be operated and staffed by OCTA.

The Contractor will not be charged rent/utilities for the use of Authority provided Facility and furnishings. Although the Facility will house other Authority contractors, the Contractor will be the point-of-contact and coordination point for all **M**aintenance, repair, service and janitorial issues related to the Facility regardless of location or origin,

5	The Contractor shall coordinate and facilitate tours of CSC Operations Facilities and guide tours.
6	The Contractor shall be the custodian of all the Authority’s fixed assets at the I-405 CSC and WIC facility (regardless of provider) and provide tracking and reporting as required.

7	The Contractor shall facilitate, coordinate and be the point of contact for all I-405 CSC Facility and E quipment related M maintenance and repairs that are not the fault of the Contractor (either the Authority will pay directly for the maintenance and repairs or Authority will request that the Contractor pay and submit for payment through the weekly accounts payable batch process). All Contractor labor necessary for these services shall be included in the Contractor's Price Proposal and shall not be invoiced or be considered additional Work. Repairs that are the result of Contractor actions shall be handled and paid for by the Contractor alone and the Authority shall be notified and kept informed.
8	For all third party coordinated work, the Contractor shall receive a minimum of three (3) quotes and submit to Authority for Approval/selection. Upon selection, Contractor shall initiate purchase order with the selected vendor.
9	<p>The Contractor shall provide the coordination and facilitation of various Authority directed meetings in the CSC Operations conference rooms as requested by the Authority, including but not limited to:</p> <ul style="list-style-type: none"> • ensuring conference room is clean and all furniture and Equipment is in working order; • providing meals for meetings (submit for payment through the weekly accounts payable batch process) and • attending meeting.
10	The Contractor shall provide and install all internal workspace signage and name plates that are Americans with Disabilities Act (ADA) compliant.
11	The Contractor shall provide all office supplies and Equipment supplies (for example toner, paper, etc.) required for CSC Operations and staff.
12	<p>Immediately after NTP, the Contractor shall be responsible for working closely with the Authority in the design of the I-405 CSC and WIC Facility, including:</p> <ul style="list-style-type: none"> • any facility design inputs or requests received after the facility design inputs deadline has passed shall be the financial responsibility of the Contractor to incorporate into the design; • any facility design inputs or requests received after the facility design is completed shall be the complete financial responsibility of the Contractor to both incorporate into the design and to build; • any facility design inputs or requests to provide for adherence to PCI requirements are responsibility of the Contractor and • all Contractor facility design inputs and requests made throughout the Term of the Agreement are subject to Authority Approval.

1.1.2.1. OCTA Store WIC

The OCTA Store WIC located in the same building as Authority's offices and is staffed by Authority employees. These Authority employees will be trained by the Contractor and the Contractor shall

also provide escalation and operations support. There is no room for operational activities other than walk-in customer service at this site. OCTA Store WIC computers, peripherals, network and ~~E~~equipment will be provided by the Authority.

Location Name	OCTA Store WIC
Address	600 S. Main Street, Orange CA 92868
Square Footage	N/A
Functionality	WIC

1.1.2.1.1. Hours of Operation and Holidays

13	The Contractor shall train and provide escalation and operations support for the Authority employees and customer relations staff.
14	The OCTA Store WIC shall be open 8 am- 5 pm Monday – Friday, Pacific Time.
15	The OCTA Store WIC shall observe the following Holidays:
	• New Year’s Day;
	• Memorial Day;
	• Independence Day;
	• Labor Day;
	• Thanksgiving Day;
	• Friday after Thanksgiving Day and
	• Christmas Day.
16	For any listed Holiday occurring on Saturday or Sunday, the OCTA Store WIC shall observe the Holiday on the same day as Authority’s other staff.
17	The Authority may close the OCTA Store WIC (for example, for emergency or weather conditions).

1.1.2.2. New I-405 CSC and Walk-in Center (WIC)

The CSC site is the sole Authority provided space for customer contact, CSC Operations and other processing required to meet the Requirements.

Location Name	Customer Service Center (CSC)
Address	Near the I-405 Corridor (exact location is TBD)
Square Footage	TBD
Functionality	All customer service and processing work

The CSC Facility shall meet the requirements below.

18	The Contractor shall staff and operate the CSC.
19	The Contractor shall provide Maintenance at this Facility and ensure that the Facility is professional in appearance and clean.
20	The Contractor shall exercise due care in the use, M maintenance and storage of the Authority-provided Facility, property and assets.
21	The Contractor shall comply with all requirements of the property lease and Facility license agreements (if applicable).
22	The Contractor shall promptly notify the Authority of any weakness in the security at the CSC Facility.
23	The Contractor shall utilize cameras in accordance with PCI/PII requirements and the Contractor's preferred operational and security approach. The Authority shall have access to view and copy the camera footage upon request.
24	The Contractor shall make all Authority-directed and Approved improvements to the CSC Facility, if any, as a combination of Additional Work Order, a pass-through cost, or submitted through the weekly accounts payable batch.
25	The Contractor shall provide a minimum of one Spanish-speaking CSR in the CSC Facility during all the hours of operation.
26	The Contractor shall equip the CSC customer contact center such that customers shall not hear cross talk when contacting the CSC by phone (crosstalk is any phenomenon by which a signal transmitted on one circuit or channel of a transmission system creates an undesired effect in another circuit or channel).

1.1.2.2.1. Hours of Operation and Holidays

The Authority require a high-level of customer service availability. The hours below are the minimum hours which the various elements of the CSC Operation must be staffed and operated.

27	The CSC contact center shall be open for calls, customer contacts and customer interactions from 8 a.m. to 6 p.m. Monday – Friday, Pacific Time.
28	The CSC shall observe the following Holidays:
	<ul style="list-style-type: none"> • New Year's Day;
	<ul style="list-style-type: none"> • Memorial Day;
	<ul style="list-style-type: none"> • Independence Day;
	<ul style="list-style-type: none"> • Labor Day;
	<ul style="list-style-type: none"> • Thanksgiving Day;

	<ul style="list-style-type: none"> • Friday after Thanksgiving Day and • Christmas Day.
29	For any listed Holiday occurring on Saturday or Sunday, the CSC shall observe the Holiday on the same day as Authority's staff.
30	The Contractor shall close the CSC upon Approval from the Authority (for example, for emergency or weather conditions).

1.1.2.3. *Serving Customers with Special Needs*

The Contractor shall work with the Authority and develop a I-405 CSC and WIC Facility design that meets the latest ADA standards for accessibility for both staff and customers and be of appropriate size to contain the staff, furniture, Equipment and supplies necessary to conduct operations described in this Scope of Work for the duration of the Agreement.

31	The Contractor shall report any Facility-related ADA compliance issues to the Authority immediately.
32	The Contractor shall identify and contract with a real-time translation service to serve customers whose language is other than English and Spanish, and whose language is not spoken by an available Contractor staff person. The service is to be provided on an as-needed basis and be available during all customer service hours for both phone and walk-in customers at both the CSC WIC and OCTA Store WIC.
33	The Contractor shall track the use of the translation service and shall provide tracking and accountability that identifies which account or document is related to each use of the service.
34	The Contractor shall provide and utilize Equipment to serve hearing-impaired customers in accordance with customer service best practices and applicable federal and state statute and requirements.

1.1.2.4. *Security and Facility Access Control*

35	At the CSC, the Contractor shall be responsible for administering the physical security system and the CCTV surveillance systems.
36	The Contractor shall provide and/or coordinate all security badges, parking, and administrative needs to access the building office space and for Authority staff or third-party vendors to work from the CSC location, as needed.
37	The Contractor shall ensure the I-405 CSC Facility are accessed only by authorized personnel with the appropriate privileges, and the Contractor shall ensure security is not breached. The Contractor shall be responsible for establishing procedures and policies and carrying out these procedures and policies for all visitors accessing the I-405 CSC Facility. The policies and procedures shall be Approved by the Authority.

38	The Contractor shall ensure access is limited to those functions required for the employees to perform their jobs while providing an appropriate segregation of access, based on employee responsibilities.
39	The Contractor shall maintain and provide to the Authority as requested an access matrix that lists all personnel with access privileges to the CSC Facilities. The matrix shall identify each employee's position, job functions, Facility access rights, and access rights. Visitors and guests who are not directly working on the Project must be approved by the Authority in advance.
40	The Contractor shall conduct reviews of the access matrix against the actual access for all employees in accordance with all security Requirements. Such reviews shall be conducted no less than quarterly or anytime at the request of the Authority. The Authority shall be invited to witness this review. The schedule for these reviews shall be included in the Operations Plan.
41	The Contractor shall ensure all Facilities used by the Contractor to perform any Work in support of the Agreement shall be established and maintained in compliance with the Security Standards throughout the Term of the Agreement.

1.2. Operational Functions

CSC Operations shall cover all functional areas as summarized below, including any required manual interactions or data entry that may be required of Contractor staff.

1.2.1. Account Management

The Contractor shall provide the following services in an efficient and effective manner that allows customers to establish, manage and monitor their accounts.

42	The Contractor shall process all account opening activities, not otherwise performed by the customer, using the BOS, including but not limited to processing the customer application, customer acceptance of terms and conditions, Account Plan enrollment and qualification verification, payment processing, and transponder Fulfillment.
43	Using the BOS, the Contractor shall be responsible for the Fulfillment of any and all transponder types specified by the Authority.
44	The Contractor shall support the assigning, qualification verification and management of Account Plans, including non-revenue plans in the BOS, as Approved by the Authority,
45	In case of an incorrect or incomplete application, the Contractor shall contact the customer to facilitate successful account creation.
46	The Contractor shall support all activities related to account closing. In the event of closing the Contractor shall ensure that the customer's transponder(s) is changed to the appropriate status in the BOS and that all outstanding balances are paid or handled in accordance with the Business Rules, Operations Plan and SOPs prior to closing the account.
47	The Contractor shall update customer account information based on information received from entities including but not limited to:

	• customer or Authorized Designee;
	• Registered Owner of Vehicle (ROV) Lookup Provider;
	• United States Post Office;
	• Skip Trace Service Provider;
	• Banks (for replenishment);
	• Collection Agencies;
	• Print/Mail House Service Provider;
	• Lockbox Service Provider (if used by Contractor);
	• Credit Card Update Service Provider and
	• Merchant Services Providers (MSPs).

1.2.1.1. Payments, Fees and Refunds

Contractor will process payments at the CSC Facilities and over the phone as well as resolve and post any payments where the Lockbox Service Provider (if used by Contractor) was unable to identify the correct account. In addition, the Contractor will assist in the processing of third-party and pass-through payments.

48	The Contractor shall process all payments received from customers either directly or through the services of a Lockbox Service Provider.
49	The Contractor shall resolve and process Lockbox Exceptions if a Lockbox Service Provider is utilized. These exceptions are payments which cannot be readily associated with a customer account. The Contractor shall be responsible for conducting timely research on these payments so that they can be posted to a customer account as quickly as possible. If all research avenues have been exhausted and documented and the payment remains unassociated, the payment shall be tracked as an unidentified funds Case for future resolution.
50	The Contractor shall support processing of payments by Authority staff, customers, Franchise Tax Board, DMV, Interoperable partners and Collection Agencies and reconcile all payments to customer accounts and money deposited in the bank.
51	The Contractor shall apply any fees which require manual application using the BOS in accordance with Business Rules, Operations Plan and SOPs.
52	The Contractor shall research, respond to and process chargebacks.
53	After the pre-established time period determined by the Authority has expired, the Contractor shall issue refunds using the same channel the customer used, if possible, to make the payment, in accordance with the applicable Authority Business Rules, Operations Plan and SOPs.

54	In the case of check refunds, the Contractor shall use Positive Pay to deter check fraud.
55	The Contractor also shall ensure that Credit Card refunds are successfully processed.
56	The Contractor shall process, enter, print and send all refund checks and enter the resulting financial transactions into the Authority's financial accounting systems. The Contractor shall work with the Authority to setup all required accounts and processes to facilitate this entire process.
57	At the direction of the Authority and per the SOPs the Contractor shall enter payments into the Authority's financial accounting systems for direct payments to third parties for issuance by the Authority (for example, payments to third parties contracted directly by the Authority to provide services at the I-405 CSC Facility).
58	At the direction of the Authority and per the SOPs the Contractor shall enter payments into the Authority's financial accounting systems for reimbursement of pass-thru costs submitted by the Contractor for issuance by the Authority.

1.2.1.2. Account Plans

The Authority has several Account Plans. These plans may be assigned at the individual transponder, or account level and each may have only one Account Plan assigned to it.

The Contractor shall be responsible for managing the various Account Plan programs including, enrollment in the program, eligibility verification, program membership renewal, and handling questions from customers regarding how the programs work and questions about specific transactions/trips under the programs. In addition to the Account Plans listed in this section, the Contractor should expect that plans may be added, deleted or modified over the course of the Operations and Maintenance Phase.

59	In accordance with Business Rules, Operations Plan and SOPs, the Contractor shall provide support for all the Account Plans, including new and modified plans.
60	For the Account Plans that require qualification, the Contractor shall verify qualification, scan and attach the qualification documentation prior to adding the plan(s) to the customer account.
61	For Account Plans requiring qualification, the Contractor shall remove the Account Plan and notify the customer if their eligibility requirements are no longer met.
62	For Account Plans which expire and require renewal, the Contractor shall verify qualification prior to renewing the plan on the customer account.
63	For Account Plans requiring payment, the Contractor shall collect appropriate payment from the customer as required by the enrollment process for the specific Account Plan.

1.2.1.3. Non-Revenue Program

The Authority allows for non-revenue passage on qualified users on specific facilities. Non-revenue passage may be assigned at the individual transponder, or account level. The Contractor shall maintain strict control when a transponder is issued to an account with a non-revenue plan and the

reason for issuing it. The Authority must ALWAYS Approve the issuance of any non-revenue transponder.

The Contractor shall be responsible for managing enrollment in the program after obtaining the Authority's approval, verifying eligibility, handling questions from customers in regard to how the programs work and questions about specific transactions/trips under the programs.

64	In accordance with the Business Rules, Operations Plan and SOPs, the Contractor shall provide support for all of the Authority's non-revenue programs.
65	Prior to applying a non-revenue plan to a transponder, plate or an account, the Contractor shall obtain Approval from the Authority.
66	The Contractor shall maintain documentation of authorization for each non-revenue plan that has been assigned to a transponder or an account, and this documentation shall be available for review by the Authority at all times.
67	The Contractor shall manage non-revenue account participants certification that the transactions/trips on a non-revenue account are according to the agreement.
68	The Contractor shall perform random checks to confirm the transponder is being used on an authorized plate
69	The Contractor will administer non-revenue accounts that do not have transponders issued when directed by the Authority.

1.2.2. Privacy

Privacy is of utmost concern to the Authority. The Contractor shall adhere to privacy and security Requirements set forth below and in the Security Standards and current law and regulations.

70	The Contractor shall develop and comply with all Approved Security Standards. Security Standards shall be updated to reflect changes in industry requirements, partner agreements and to address detected security weaknesses.
71	The Contractor shall not release information to anyone unless authorized by the Authority. The Contractor shall develop an SOP and approval process for the release of information.
72	The Contractor shall establish reasonable methods to verify the identity of customers prior to the release of any customer account information, and such methods shall be documented in the Operations Plan and SOPs.
73	The Contractor shall validate the identity of the customer prior to release of any image. This may include requiring a photo ID at a WIC.

1.2.3. Rental Cars

The Authority's customers utilize rental vehicles which create transactions/trips that are initially assigned to a rental agency. The Authority may utilize Rental Car Service Providers and/or other designated entities for processing the rental car trips.

74	The Contractor shall work directly with customers, the Rental Car Service Provider and/or other designated entity to accurately process all rental car trips and resolve rental-related requests.
75	The Contractor shall enter into agreements with a Rental Car Service Provider for the purpose of providing a seamless and cost-effective solution for customers. The Authority shall have the right to review and approve all Rental Car Service Provider Agreements.
76	The Contractor shall provide the capability for a rental customer to post-pay a toll based on the Authority's Business Rules
77	The Contractor shall process affidavits of non-liability for rental/lease vehicles and pursue the named party.
78	The Contractor shall resolve charges by rental agencies for accountholders who incur a charge by rental agencies.

1.2.4. Search Warrants, Subpoenas, Litigation and Public Records Requests

The Authority receives requests for information and assistance from the law enforcement and legal communities as well as public records requests. These requests are highly time-sensitive and required sensitive and skilled handling.

79	The Contractor shall refer all requests, inquiries, subpoenas, search warrants, public records requests and official information requests to the Authority, in accordance with Business Rules, Operations Plan and SOPs.
80	In accordance with the Business Rules, Operations Plan and SOPs for handling and tracking of such requests, the Contractor shall gather and provide the information requested by the search warrant or subpoena upon receiving Approval from the Authority to do so.
81	The Authority may request that the Contractor compile data for subpoenas, search warrants, litigation matters, or other reasons. The Contractor shall respond to all requests from the Authority in a timely manner and in accordance with the Business Rules, Operations Plan and SOPs.
82	The Contractor shall assist the Authority's risk management department as directed in handling all claims and requests.
83	If the research will take longer than two (2) Business Days, the Contractor must advise the Authority.
84	The Contractor shall provide qualified personnel to support litigation, including providing testimony as an expert witness upon request from the Authority.

1.2.5. Image Review Support

Image collection and processing is a fundamental operation of the Authority's transaction/trip processing and Violation enforcement process. Vehicle license plate images are captured by roadside Equipment for all transactions/trips. If a valid FasTrak transponder is not identified, the images associated with that transaction/trip are reviewed by the ETTM System Contractor in a process

called image review. These images and results of the review will be used to determine if a plate is associated with a FasTrak account or is a Violation. These will include rear license plate images as well as Region of Interest images. The ETTM System Contractor will identify the plate number, and Jurisdiction and Plate Type, if applicable, and provide this information to the BOS. The BOS will automatically Post the transaction/trips to the customer accounts, IOP or generate Violation Notices based on the license plate information received from the ETTM System Contractor.

1.2.5.1. Image Review Quality Assurance

The accuracy of the image review process is critical to the successful identification of the ROV. As part of the Quality Assurance (QA) process, the Contractor will conduct an accuracy review and audit process of the manual and automated image review results. Using the ETTM System Contractor's-provided quality review tool, the Contractor will perform quality reviews on the results from each ETTM System Contractor to ensure that the ETTM System Contractor is accurately identifying a high percentage of license plates.

85	The Contractor shall provide for an adequate number of trained and qualified image review staff to handle the quality review volume.
86	The Contractor shall perform manual image review on a sample of at least 1% of all Image-Based Transactions/Trips per month that were provided by the ETTM System Contractor to determine accuracy of state, Plate Type, plate number and OCR confidence level.
87	The Contractor shall provide a report to the Authority of the audit and findings.
88	The Contractor shall correctly determine for each image set whether the ETTM System Contractor accurately processed the image and if not enter the correct plate information or reject code and provide the findings to the ETTM System Contractor.
89	The Contractor shall work with the Authority and ETTM System Contractor to take the necessary steps to correct identified errors from the automated review process so that they do not continue to occur. For example, an ETTM System may be mistaking the letter "E" for the letter "F" for the State of California so the Contractor would communicate the problem to the specific ETTM System Contractor and provide examples of the issue.

1.2.5.2. DMV No Registered Owner Information Return Quality Review

Periodically image transactions/trips will be returned from the DMV source with no registered owner information. This can be a result from several factors including a license plate entered incorrectly. Part of the Contractor's responsibility will be to ensure the transactions/trips with no registered owner information were not caused by an incorrect license plate or improperly formatted DMV submission.

90	The Contractor shall review all image transactions/trips that are returned from the DMV source without registered owner information to ensure license plate entry was accurate.
91	<p>The Contractor shall accurately enter information related to the vehicle identified in each image set, including but not limited to:</p> <ul style="list-style-type: none"> • plate number;

	<ul style="list-style-type: none"> • Plate Type, if applicable and
	<ul style="list-style-type: none"> • Jurisdiction.
92	The Contractor shall work with the Authority and ETTM System Contractor to take the necessary steps to correct identified errors from the automated review process so that they do not continue to occur. For example, an ETTM System may be mistaking the letter "E" for the letter "F" for the State of California so the Contractor would communicate the problem to the specific ETTM System Contractor and provide examples of the issue.

1.2.5.3. Customer Inquiry Image Error

Quality reviews are required to verify customer-disputed transactions/trips. Customers may contact the CSCs regarding a notification they received that incorrectly identifies them as a user of a Toll Facility. This can be a result from several factors including a license plate entered incorrectly. Part of the Contractor's responsibility will be to ensure the transactions/trips with no registered owner information were not caused by an incorrect license plate.

93	The Contractor shall also research and review images related to customer disputes and correct and reprocess.
94	<p>The Contractor shall accurately enter information related to the vehicle identified in each image set, including but not limited to:</p> <ul style="list-style-type: none"> • plate number; • Plate Type, if applicable and • Jurisdiction.
95	The Contractor shall work with the Authority and ETTM System Contractor to take the necessary steps to correct identified errors from the automated review process so that they do not continue to occur. For example, an ETTM System may be mistaking the letter "E" for the letter "F" for the State of California so the Contractor would communicate the problem to the specific ETTM System Contractor and provide examples of the issue.

1.2.6. Owner Identification

Successful acquisition of accurate ROV information is critical to the success of the Authority's Violation enforcement program. The Contractor shall be completely responsible for establishing and maintaining both technical and operational relationships with the Registered Owner of Vehicle (ROV) Lookup Providers. The Contractor must ensure that the Authority is receiving the optimum number of current and accurate ROV matches.

96	The Contractor shall establish and maintain up-to-date agreements with each Registered Owner of Vehicle (ROV) Lookup Provider.
97	The Contractor shall provide the capability to track and follow the renewal Requirements for each Registered Owner of Vehicle (ROV) Lookup Provider. For example, a state may require that a DMV data access application form be submitted and approved annually.

98	The Contractor shall use online interfaces to the California, Arizona, Oregon and Nevada DMVs and other DMVs as they become available to manually look up individual license plates at the request of the Authority or in order to resolve customer disputes.
99	<p>The Contractor shall provide the following ROV-related activities, including but not limited to:</p> <ul style="list-style-type: none"> • Establish and maintain a relationship with each Registered Owner of Vehicle (ROV) Lookup Provider; • Manage current contracts and service level agreements with each Registered Owner of Vehicle (ROV) Lookup Provider; • Monitor and evaluate the number of successful matches by Jurisdiction; • Monitor and evaluate the number of successful matches by Registered Owner of Vehicle (ROV) Lookup Provider; • Monitor and evaluate the number of successful matches by type of license plate; • Identify issues with manual license plate identification and provide information to allow the ETTM System Contractor to correct the issue, including examples and training material; • Identify issues with automatic license plate identification and provide information to allow the ETTM System Contractor to fix the issue and • Identify areas where the ROV match is lower than the average, investigate potential solutions and provide recommendations to the Authority.
100	The Contractor shall coordinate with the ETTM System Contractor regarding BOS updates required due to any changes in ROV Requirements.
101	The Contractor shall monitor the success of ROV Lookup requests each month and when a change is made by the ETTM System Contractor reporting on the number of requests for which an ROV was obtained (successful lookup) and the number for which a request was not obtained (unsuccessful lookup) by Jurisdiction.
102	The Contractor shall identify Jurisdictions in which the percentage of successful requests decreases by more than five percent (5%) from the prior month and shall work with the appropriate Registered Owner of Vehicle (ROV) Lookup Provider to identify issues and solutions in collaboration with the ETTM System Contractor to ensure images are processed correctly.
103	The Contractor shall develop solutions to increase the ROV Lookup success.
104	The Contractor shall research and then input and manage the BOS Protected Plate data that associates an address with the agency names that are returned from the DMV or ROV Lookup Provider for license plates registered to a customer affiliated with federal, state or local agency that is allowed to shield addresses.
105	The Contractor shall facilitate the Protected Plate process of entering the correct agency address and resending the Violation Notice.

1.2.7. Customer Communications

1.2.7.1. *Outgoing Customer Notification*

The Contractor is responsible for all necessary customer communication in accordance with the Operations Plan. At its discretion, the Authority will choose to produce some outgoing customer correspondence within its reprographics department.

106	The Contractor shall make contact with customers, by using the Authority's required method of communication about account management, general information, marketing, changes to account and privacy policy.
107	The Contractor shall be responsible for printing, pdf creation, storing and associating with accounts, envelopes, mailing and postage for all communications.
108	The Contractor shall be responsible for acquiring and assembling all materials necessary for the mailing of transponders including, welcome kit, envelopes, sealing wafers, special inserts, stickers and mounting strips. The Contractor shall pay for mounting strips and other items not explicitly included in the pass-through list.
109	When directed by the Authority, the Contractor shall coordinate with the Authority's reprographics department for the production of outgoing correspondence. The Contractor shall be responsible for pick up, assembly and mailing.
110	The Contractor shall utilize the USPS/NCOA database services to validate a customer address prior to mailing correspondence.
111	The Contractor shall provide all postage meters and be responsible for payment of any postage meter fees.
112	The Contractor shall be required, at its own expense, to communicate to customers or the general public, including resending corrected notifications, any information related to issues or problems caused by the Contractor that affect customers, as further set forth in the Agreement.
113	The Contractor shall be responsible for printing, packaging and distributing printed information, developed by the Authority.
114	The Contractor shall manage the sending of e-blasts (sending of an email simultaneously to a group of people), developed by the Authority, to selected groups of customers or all customers using BOS functionality.

1.2.7.2. *Outgoing Communications (Future)*

The Authority may elect during the Term of the Agreement to offer video tolling for unregistered accounts (mailed invoices) as the first step of the Violations process. The Authority anticipates that video tolling transactions would be grouped in regular intervals, such as weekly or monthly, prior to mailing invoices to customers.

115	If directed by the Authority, the Contractor shall manage the mailing of invoices and the subsequent customer dispute and Violations process.
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1.2.7.3. Incoming Customer Communication

Incoming customer communication includes customer applications; replenishment payments; Violation payments; customer complaints; disputes; general public inquiries; legal notices (for example, bankruptcy, subpoena etc.); requests for account closures, account information updates and transponders. These communications will be received through all channels including but not limited to phone calls, faxes, texts, chat sessions, emails, Authority contacts, and mail.

Facilities and procedures are required to provide careful and efficient handling of all incoming customer communication, including the BOS providing for tracking of customer requests as Cases associated to the appropriate account(s).

116	The Contractor shall assume the responsibility of establishing all required post office boxes.
117	The Contractor is responsible for all mail pickup and transfer between Facilities as required.
118	The Contractor shall receive mail from the post office boxes for incoming mail.
119	All customer contacts handled directly through the Contractor staff shall be noted in the customer account in the BOS to maintain an accurate history of the customer's interaction with the CSC and Authority.
120	The Contractor shall provide a response for all correspondence received from the customer regardless of which channel the customer uses to communicate, including but not limited to, correspondence received by: <ul style="list-style-type: none"> • email; • fax; • text; • chat; • communication from the website's "Contact Us" feature and • delivered (USPS or by other means) correspondence.
121	The Contractor shall monitor and respond to customer requests received by phone, chat and text in real time when received during regular business hours.
122	The Contractor shall strive to provide first contact resolution and track the number of contacts resolved on first contact.
123	The Contractor shall encourage users receiving a Violation Notice to open a FasTrak account when they contact the CSC.

124	The Contractor shall ensure incoming correspondence (paper or electronic) is scanned (in the case of paper correspondence), saved and associated with the customer's account and any applicable Case(s). Non-customer correspondence shall also be scanned and catalogued for easy access. Paper copies shall be shredded, in accordance with security requirements, and policies agreed upon by the Authority, in adherence with the Security Standards and documented in the Operations Plan.
125	The Contractor shall use the same channel used by the customer or customers preferred channel to respond to the customer correspondence unless the Business Rules, Operations Plan or SOPs specify a different channel or if the nature of the customer issue necessitates the use of a different channel.
126	The Contractor shall monitor the communications channels used and frequency of all customer correspondence and recommend for consideration BOS configuration changes that improve the use of customer-friendly, efficient and cost- effective customer communication methods.
127	Some customer contact may involve questions about Image-Based Transactions/Trips. The Contractor shall utilize the BOS to view images related to the transaction/trip in question and if appropriate work with the ETTM System Contractor to correct issues.
128	All incoming mail shall be processed by the Contractor, in accordance with the SOPs and applicable standards, including but not limited to the Security Standards. Such requirements include but are not limited to: segregation of duties; date stamping the mail, categorization, scanning and/or saving into the BOS as Cases, and then assigning to the appropriate Contractor staff for processing.
129	The Contractor shall develop a workflow process that clearly documents the handling process for all incoming correspondence and communication through all channels, ensuring all incoming correspondence and communications are recorded, reviewed and properly routed (such as, operational correspondence, financial, contractual, etc.). This shall be documented in the Operations Plan and SOPs.
130	The Contractor shall ensure all correspondence handling processes and controls are documented and adhered to by operations staff. The Authority shall Approve the correspondence handling process and any changes to the handling process.
131	With the exception of customer requests regarding their own accounts, the Contractor shall only answer general inquiries as they relate to general information about the tolling facilities serviced and services provided by the CSC. All other inquires and communications shall be escalated to the Authority as a Case as set forth in the Operations Plan and SOPs, unless the Contractor is otherwise directed in writing by the Authority. This includes inquiries from or communications with the media, government agents, Public Records Act requests and individuals representing organizations for purposes other than directly related to their own customer account.
132	The Contractor shall keep a record of all information requests as a Case, inform the Authority immediately of inquiries from these entities and direct such inquiries to the Authority, according to the Operations Plan.

133	Customers may contact the Contractor regarding issues the Contractor does not control, for example debris on the roadway, or general tolling questions. The Contractor shall collect the required information and handle the issue in accordance with the Operations Plan. The Contractor shall create a Case and track the issue until it is accurately resolved or handed off to the appropriate party responsible for resolution in accordance with the Operations Plan.
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1.2.7.4. Returned Mail Processing

Returned mail shall be returned by the USPS and the Contractor shall update the BOS to reflect the status of the Notification and attempt to obtain a different address to mail the Notification to the customer if a forwarding address was not provided.

134	The Contractor shall scan each returned envelope and Notification and attach the scan to the correct customer account. Any physical pieces of returned mail received will follow the document disposal process after scanning.
135	The Contractor shall enter a forwarding address, if provided.
136	For addresses without a forwarding address, the Contractor shall mark the address as bad.
137	For bad addresses on FasTrak account correspondence, the Contractor shall attempt to determine a new address using the USPS/NCOA database and Skip Trace services.
138	For bad addresses on Violation Notices, the Contractor shall attempt to determine a new address using the USPS/NCOA database and Skip Trace services.
139	The Contractor shall utilize the USPS/NCOA database and Skip Trace services to find a customer address.
140	If a different, current address is provided, the Contractor shall update the address in the BOS and take the necessary steps for the BOS to re-issue the correspondence.

1.2.7.5. Collateral Materials for Customers

The Authority will provide the art work for all customer collateral, excluding system generated notices.

141	The Contractor shall print, deliver to and inventory all collateral materials according to the print specifications provided by the Authority.
142	The Contractor shall work with the USPS to obtain approval of printed material design to ensure compliance with the USPS requirements and to determine the lowest postage and staff handling effort for each mail piece type.
143	The Contractor shall modify/update as directed by the Authority and print the generic collateral material when changes to the information contained in the material necessitate a revision.

1.2.7.6. Customer Request Management

The BOS provides the capability to create, assign and manage requests made by customers or Authorized Users which cannot be completely resolved at the time of the request. These requests become Cases. Case management is the creation and management of Cases where a Case represents an activity or action required to satisfy the Authority, customer or general public need or inquiry.

144	Many customer issues or requests (such as, changing a customer's contact information), can be completely resolved at the time of the customer request. If the issue or request is completely resolved during the initial contact, the Contractor shall notate it in the customer's account.
145	Any customer issue or request that cannot be completely and accurately resolved at the time of request shall be entered into the BOS as a Case, for management, tracking and reporting. Contractor's staff shall work open Cases through to final resolution in a timely manner as required in the Operations Plan and in accordance with the Performance Measures.
146	The Contractor shall accurately resolve and respond to customer issues and requests by the customer's preferred method of contact (email and mail) if available and according to the Business Rules, or by letter, email, mail, phone or text depending on the circumstances of the issue/request. The escalation procedures for customer issues and requests shall be described in the Operations Plan.
147	The Contractor shall respond to customer Cases according to the Business Rules, Operations Plan and SOPs. The CSC Manager responsible for Case management shall review the list of open Cases on a daily basis and shall make sure they are accurately resolved in accordance with and within the timeliness set forth in the Operations Plan and the Performance Measures. The Authority shall be notified immediately if there are any critical comments or issues that need immediate attention.
148	The Contractor shall be responsible for the resolution of all customer disputes, which are managed as Cases, in accordance with the Authority's policies, the Business Rules, Operations Plan and SOPs.
149	The Contractor shall select the proper case type and case resolution.
150	The Contractor shall utilize pre-approved auto responses for case resolution as appropriate.
151	The Contractor shall process dispute Cases (Investigative Review) involving adjustments to vehicle class, transaction/trip adjustments and reversals, reassigning of Violations, and other resolutions. Specific types of disputes shall require supervisor/manager review and approval, and all waivers, adjustments and reversals shall be in accordance with the Operations Plan and SOPs.
152	The Contractor shall place the disputed transactions/trips and Violation Notices on hold and release the hold in the BOS in accordance with Operations Plan and Business Rules.

153	The Contractor shall ensure all supporting documentation from the customer to resolve a dispute Case, as required by the Operations Plan and Business Rules, is obtained. If the customer does not provide the supporting documentation, the Contractor shall contact the customer in accordance with the timeframes defined in the Business Rules and Operations Plan.
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1.2.7.7. Ongoing Customer Satisfaction Surveys

The Contractor shall work with their Customer Satisfaction Survey Provider Subcontractor to establish a program that provides customer feedback regarding the services the Contractor provides and the Express Lanes themselves.

154	The Contractor shall offer the survey opportunity to every customer each time they contact the CSC.
155	The Contractor shall contract with a third-party Customer Satisfaction Survey Provider Subcontractor.
156	The Contractor shall create a customer survey program to measure the quality of the services they provide.
157	The Contractor shall modify the program as needed or as directed by the Authority.
158	The Contractor shall make contact with each customer who rates their experience with an overall score below an agreed upon threshold, as noted in the Operations Plan, within five (5) Business Days of the customer submitting the survey.
159	The Contractor shall monitor the customer surveys and provide a report to the Authority monthly.
160	The Contractor shall provide training on the survey tool to CSRs and other applicable personnel, including the purpose of the survey and the use of the survey tool.
161	The Contractor shall review survey results with CSRs and other applicable personnel during periodic meetings regarding individual's performance.
162	The Contractor shall provide the Authority convenient, electronic access to the up to date and historic survey results.
163	The Contractor shall include the customer survey results, including trending, in as part of the Monthly Operations Report.

1.2.7.8. Customer Service Quality Monitoring and Reporting

The Contractor interacts with the Authority's customers directly through many different channels including, but not limited to, in person at the WIC, over the phone, in writing via chat, text, email and responses to the Cases. The quality of these interactions and the service provided to its customer is of utmost importance to the Authority. In addition to Customer Satisfaction Surveys, the Authority expects the Contractor to develop and enact quality programs for all aspects of its operation and to train its staff to use deliberate care in each interaction and in serving the Authority's customers.

164	The Contractor shall ensure all CSC staff is trained in a manner which ensures excellent customer service in every customer interaction as measured by the Performance Measures.
165	The Contractor shall record the reason(s) for each contact (via all contact channels) by using Approved call wrap-up codes, entering account notes or other tracking approach to document the reason for the contact and memorialize the resolution or required next steps.
166	The Contractor shall monitor and score both live and recorded CSR calls for accuracy, efficiency, professionalism and courteousness in accordance with the Approved Quality Plan.
167	The Contractor shall monitor and score WIC CSR interaction, resolution activities and outcomes for accuracy, efficiency, professionalism and courteousness in accordance with the Approved Quality Plan.
168	The Contractor shall review and score all customer interaction channels, resolution activities and outcomes for accuracy, efficiency, professionalism and courteousness in accordance with the Approved Quality Plan.
169	The Contractor shall review and score Case resolution activities and outcomes for accuracy, efficiency, professionalism and courteousness in accordance with the Approved Quality Plan.
170	The Contractor shall periodically monitor CSR screen navigations by remotely viewing the CSR's screen.
171	The Contractor shall track monitoring results and submit a monthly summary to the Authority as part of the Monthly Operations Report.
172	The Contractor shall track all escalated issues and resolutions and provide a monthly report to the Authority as part of the Monthly Operations Report.
173	The Contractor shall review information provided by the Authority upon their review of customer interaction and make any changes to improve customer service.
174	The Contractor shall provide the capability for the Authority to, at the Authority's discretion and without prior notification to the Contractor, monitor all live and recorded calls and all other types of correspondence.
175	The Contractor shall provide for review by the Authority all documentation related to the Contractor's quality program.
176	The Contractor shall conduct monthly quality monitoring calibration meetings for all Contractor staff who monitor customer interaction. The Authority shall be invited to attend these meetings.

1.2.8. Transponder Management

The Authority will purchase transponders and the Contractor shall perform all other work related to transponders.

177	The Contractor shall manage all aspects of the transponder lifecycle. This includes but is not limited to:
	• initiate a PO request;
	• receiving into inventory;
	• testing transponders upon receipt and prior to issuing;
	• programming transponders as necessary, for example programming a standard 6c transponder to indicate that the vehicle is a motorcycle;
	• assigning and issuing to customers;
	• tracking transponders through their life;
	• recycling (evaluating, cleaning and testing) for reissue;
	• managing transponder recalls;
	• warranty return and replacement and
	• disposal of transponders.
178	Upon customer request, the Contractor shall assign, and mail transponder(s) to customers.
179	The Contractor shall support the distribution of transponders by the Contractor and US mail.
180	The Contractor shall include user guide and mounting instructions, mounting strips and other materials, as may be determined by the Authority to be required with the distribution of each transponder. The camera-ready copy of any transponder kit materials will be provided by the Authority.

1.2.8.1. Transponder Inventory Management

The BOS shall have a transponder inventory and management system that tracks and maintains transponder inventory, identifies and supports the transponder recall program and tracks transponder warranty.

181	The Contractor shall be responsible for ordering (if requested by the Authority), tracking and transporting the transponders at all CSC Facilities ,including the OCTA Store WIC.
182	The Contractor shall ensure that an adequate supply of transponders is available at all times. When the inventory reaches a pre-determined level identified in the Operations Plan the Contractor shall initiate order requests with the Authority, based upon existing inventory and forecasted requirements.
183	The Contractor shall ensure that an adequate supply of transponder mounting strips, user guides and mounting instructions, and shielded envelopes for transponders are available at all times to accommodate the transponders issued by the I-405 CSC and WIC and the OCTA Store WIC.

184	CSC issues multiple types of transponders, and as such, the Contractor shall be required to manage multiple types of transponders, possibly from multiple manufacturers/providers.
185	The Contractor shall receive shipments of transponders and shall reconcile shipment contents with electronic manifests provided by the transponder manufacturer. The waybill shall be reconciled against the original purchase order and scanned into the BOS for tracking and reconciliation purposes.
186	Monthly, the Contractor shall conduct a physical audit of the transponders that are under its physical control, including for the various transponder types and statuses and quantities. The audit shall compare the physical counts with the BOS counts by transponder type, location and status and completely reconcile any discrepancies. Transponder audit reports shall be included in the Monthly Operations Report.
187	The Contractor shall support the Authority in their periodic transponder audits that will be no more frequent than quarterly unless discrepancies are found.
188	The Contractor shall distribute new and recycled transponders, if applicable, using the FIFO inventory method.

1.2.8.2. Transponder Testing

Transponders shall be tested at multiple times in the lifecycle because transponders that are defective or not functioning reliably cause problems for the customers and the Authority and increase costs. The Authority will provide Equipment for the testing and programming of transponders.

189	The Contractor shall test one hundred (100) percent of the switchable transponders and ten (10) percent of each roll of sticker tags in each shipment when the transponders are received from the manufacturer. This testing shall include but not be limited to
	<ul style="list-style-type: none"> • verifying that the transponders function and are correctly encoded;
	<ul style="list-style-type: none"> • reading the transponder serial number and verifying that the transponder label, barcode and internal coding are consistent and
	<ul style="list-style-type: none"> • ensuring the transponders can be read by simulating functionality on the road.
190	The Contractor shall return the transponders which fail the testing to the manufacturer in accordance with the Operations Plan.

1.2.8.3. Transponder Return to Manufacturer

When transponders are determined to be defective but have not exceeded their manufacturer's warranty, they are returned to the manufacturer for replacement under warranty.

191	The Contractor shall track transponder warranty status and manage and resolve all warranty issues with the transponder manufacturer.
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192	The Contractor shall be responsible for ensuring all transponders found to be defective and still under the manufacturer's warranty are returned to the manufacturer, according to the manufacturer's specified return material authorization (RMA) process.
193	The Contractor shall be responsible for storage of transponders subject to return until such time that the transponder manufacturer accepts the returned transponders.
194	The Contractor shall be responsible for shipment of the transponders identified for return to the manufacturer.
195	The Contractor shall track the warranty returns and confirm that the Authority receives the proper credit for the transponders returned under warranty in accordance with the Authority's agreements with the manufacturer.

1.2.9. Registration Hold

California law allows toll agencies to place a hold on DMV vehicle registrations due to unpaid toll Violations. Based on the Business Rules, Operations Plan and SOPs, a Registration Hold may be utilized to enforce payment of a Violation(s).

196	The Contractor shall place and release Registration Holds using BOS functionality and in accordance with the Business Rules, Operations Plan and SOPs.
197	The Contractor shall coordinate with the applicable DMV or Third-Party Service Provider responsible for placing Registration Holds on the vehicle registrations and respond to any requests that the entity may have.
198	The Contractor shall respond to requests from customers related to Registration Holds and the process for releasing the Registration Hold(s).
199	The Contractor shall initiate a release of the Registration Hold(s) in real-time for customers who have satisfactorily resolved the condition(s) which caused the Registration Hold(s).
200	The Contractor shall reconcile and account for all payments to the DMV for Registration Hold placement and for any payments collected by the DMV from the Authority's customers.
201	The Contractor shall support all DMV Registration Holds or other enforcement methods allowed by interstate Interoperability enforcement agreements.

1.2.10. Collections

This Collections process covers the assignment of past due amounts on delinquent FasTrak accounts, and delinquent Violations to the Collection Agencies provided by the Contractor. Non-payment of the Notice of Delinquent Toll Evasion Violation may result in the delinquent Violations escalating to Collections. Unpaid transactions/trips and fees on FasTrak accounts that are delinquent may also escalate to Collections.

Delinquent Violation debts are placed with a Collection Agency.

The process of assigning unpaid transactions/trips, Violations, fees and penalties to Collections is called Collections Placement, and is an automated BOS process. However, based on the Business Rules, each Collections Placement may require a quality review and/or the Authority's approval before the Collections Placement file is submitted to the applicable Collection Agency.

Prior to a Collections Placement, the Authority may require the Contractor to perform outgoing calls or mail a pre-collections letter to alert an individual of an impending Collections Placement and allow one more chance to make a payment.

The Collection Agencies will provide regular collection activity updates to the BOS by electronic interface. Payments for transactions/trips in Collections can be made to the Collections Agency or to the CSC. The Contractor will manage, monitor and reconcile the transfer of Collections Placement files and revenue collected by the Collection Agencies and the CSC.

202	The Contractor shall provide the Collection Agencies.
203	The Contractor shall support outbound collections calls and letters prior to Collections Placements.
204	The Contractor shall verify that the BOS is performing Collections Placements according to the Business Rules, Operations Plan and SOPs.
205	While it is expected that the Collection Agencies will be the primary payment processors for debts in Collections, the Contractor shall accept payments for amounts in Collections.
206	The Contractor shall verify that the Collection Agencies are accurately updating the BOS and shall work directly with the Collection Agencies to completely and accurately resolve any issues in a timely manner, including identification and resolution of any discrepancies between what the BOS identifies is in Collections and what Collection Agencies say is in Collections.
207	Using the BOS and other data sources as necessary, the Contractor shall perform reconciliations including but not limited to:
	<ul style="list-style-type: none"> reconcile files received from the Collection Agencies to the BOS to ensure the files received from the Collection Agencies are correctly Posted to the BOS;
	<ul style="list-style-type: none"> reconcile outstanding Collections balances per the BOS to outstanding Collections balances per the Collection Agencies on a monthly basis, and research and resolve discrepancies and
	<ul style="list-style-type: none"> reconcile amounts collected by the CSC in relation to Collections Placements sent to the Collection Agencies. There should be no duplicated revenue collections on the same Collections Placement.
208	The Contractor shall review and verify invoices submitted by Collection Agencies, along with required backup documentation and providing feedback to the Authority.
209	The Contractor shall provide a financial reconciliation between the BOS and the Collection Agencies for a specific customer account at the Authority's request.

210	The Contractor shall provide assistance to the Collection Agencies regarding the research of disputes when customers contact the Collection Agencies and shall coordinate the resolution with the Collection Agencies.
211	The Contractor shall update the BOS when notified by a Collection Agency that a customer has been allowed to establish a settlement arrangement to pay a lesser amount or to make periodic payments.

1.2.11. Bankruptcy

The Contractor shall receive and process Notification of bankruptcies related to amounts owed to the Authority by customers. The laws related to bankruptcy are very specific and must be followed closely from initial Notification through final resolution and potentially transaction Write-Off.

212	The Contractor shall comply with bankruptcy laws.
213	The Contractor shall document receipt of Notification of bankruptcy within the BOS and place applicable transactions on hold pending the outcome of the bankruptcy process.
214	The Contractor shall remove DMV Holds for trips subject to bankruptcy proceedings.
215	The Contractor shall communicate with the Collection Agencies, as necessary, related to a bankruptcy Notification.
216	The Contractor shall discontinue collection efforts with the Franchise Tax Board for trip subject to bankruptcy proceedings.
217	The Contractor shall update the status of the bankruptcy in the BOS upon notification of changes or the resolution and perform the necessary steps to ensure that the BOS accurately reflects the outcome including but not limited to dismissing amounts due, processing Write-Offs and reinstating Violations.
218	The Contractor shall send copies of bankruptcy Notifications to the Authority.
219	The Authority will notify the Contractor of any bankruptcy proceedings for which the Authority receives Notifications. The Contractor shall update the status of the bankruptcy in the BOS accordingly and notify the applicable Collection Agency.
220	The Contractor shall follow up with, provide information and respond to requests from all parties including but not limited to customers, attorneys, the bankruptcy courts and the Authority related to a customer bankruptcy proceeding.

1.2.12. Violation Investigative Review (Disputes), Administrative Review and Hearing Support

When a violator receives a Violation Notice, they can contest (dispute) it. Disputes shall be tracked as Cases in the BOS. The Contractor shall follow California Vehicle Code Section 40250 et seq. with respect to disputes and Administrative Review Hearings.

221	The Contractor shall manage disputes, subsequent resolutions, and support Administrative Reviews.
222	The Contractor shall receive, research, document and resolve all customer disputes.
223	The Contractor shall investigate all customer disputes to determine if the contesting person (ROV) is responsible for the Violation.
224	The Contractor shall mail the results of the investigation to the person who contested the Violation.
225	When the person contesting a Violation is not satisfied with the results of the Contractor's investigation, they may request an Administrative Review Hearing. The Contractor shall schedule all Administrative Review Hearings and collect payment from the customer in accordance with California Vehicle Code and Authority's Business Rules and SOPs.
226	The person contesting a Violation can request a waiver of deposit due to financial hardship. The Contractor shall verify that the person is eligible for financial hardship via verification of their W-9 or other Authority Approved process.
227	The Contractor shall adhere to the California Vehicle Code Violation dispute process and Authority policies.
228	Once an Administrative Review Hearing is requested, the Contractor shall again review the dispute and organize all related information, using primarily the Evidence Package reports from the BOS, and provide the Authority and the Administrative Hearing Officer with all relevant documentation in a comprehensive Evidence Package.
229	The Contractor shall develop the processes, for Approval by the Authority, for the hiring and scheduling of Administrative Hearing Officers in compliance with all applicable statutes and manage the entire Administrative Review and Hearing process.
230	The Contractor shall be readily available in-person to the Contractor-hired Administrative Hearing Officer during the Administrative Review Hearing. Contractor personnel shall be available and support the process per the SOPs and as requested by the Authority.
231	The Contractor shall provide a Spanish-speaking interpreter to attend and support all applicable Administrative Review Hearing.
232	The Contractor shall implement all required actions resulting from the Administrative Review Hearing process.
233	The Contractor shall offer and process reduced Violation penalties in accordance with the Business Rules, Operations Plan and SOPs.
234	The Administrative Review Hearing will result in either the Violation(s) being dismissed or violator being required to make payment. The Contractor shall make adjustments to the balance due and/or collect payment from the customer and provide notification.

1.2.13. Banking and Lockbox Services

The banking and merchant services for the CSC are comprised of the following:

- **Banking Services** – Banking Services are comprised of the Authority provided depository accounts into which merchant and other deposits are made. The Authority has selected and contracted with a Banking Services provider.
- **Merchant Services** – Contractor-provided merchant services are comprised of the payment processor and acquiring bank.
- **Refund Account(s)** – Bank Account(s) from which customer refunds are made. The Refund Account(s) is part of the Authority's Banking Services.
- **Lockbox** – The Contractor may elect to provide and use a Lockbox Service Provider to receive and process all mailed payments related to customer accounts and Violations.

The Authority will retain ownership of the Bank Accounts and will provide the Contractor with the necessary access to act and transact on behalf of the Authority. The Contractor will provide the Merchant Service Provider; the Authority will be the merchant of record for all Merchant Service Providers.

235	The Contractor shall reconcile the BOS reports to the bank, all customer payments, Lockbox (if applicable) and merchant accounts on a daily basis.
236	The Contractor shall utilize the Authority's Banking Services and Contractor's MSPs to fulfill the requirement(s) of the bank and MSPs.
237	The Contractor shall utilize and manage the Authority refund process and associated Refund Account(s) to disburse customer refunds which require the issuance of a check. The Contractor shall reconcile and report on the refund activities.
238	The Contractor shall coordinate with the Authority-provided armored services with daily pickup at the I-405 CSC and WIC.
239	The Contractor shall manage a Refund Account from which they will issue checks for the Authority.
240	The Contractor shall issue all refunds, including checks.
241	The Contractor shall process any Lockbox Exceptions transmitted by the Lockbox Service Provider within the same day the payment was received from the customer.

1.2.14. Closing Procedures

242	The Contractor shall perform closing procedures in an accurate and timely manner in accordance with the Performance Measures, including but not limited to:
	• perform Posting Day close to finalize counts and revenue for the Revenue Day;
	• perform month-end close on the last Posting Day of the calendar month and
	• perform year-end close on the last Posting Day of the Fiscal Year.

1.2.15. Escheatment (unclaimed property)

243	The Authority follows statutory requirements with regard to uncashed checks issued as a form of refund to customers, violators and other funds deemed unclaimed by the Authority.
244	The Contractor shall work with the Authority to follow the Escheatment process.
245	The Contractor shall maintain a register of all uncashed checks. The register shall indicate an unique identification number, such as account number or violator ID number, the name, address, check #, amount of check, check issue date, reason for check issuance, check reversal date, and reason for reversal, if applicable.
246	The Contractor shall provide the Authority with lists of the uncashed checks eligible for Escheatment and those that have completed the Escheatment process.
247	The Contractor shall provide information and conduct research as requested by the Authority related to uncashed checks and unclaimed funds.
248	The Contractor shall reissue checks at the Authority's direction.
249	The Contractor shall identify the funds as Escheated in the BOS as directed by the Authority.
250	Prior to Escheatment, the Contractor will advertise a Notice of Publication of Unclaimed Funds that will run once a week for two (2) weeks.
251	When no inquiries are received, the checks will revert back to the Authority. The Authority will provide the Contractor with a list of funds to either reissue a check for or to revert back to the Authority.

1.2.16. Write-Offs

The BOS will provide the capability for the Contractor to monitor, conduct, and report on Write-Offs of unpaid balances or aged amounts.

252	The Contractor shall develop a Write-Off procedure that complies with legislation and the Authority's policies.
253	Contractor shall configure BOS to perform automatic Write-Offs based on the Business Rules for unpaid balances which meet the Approved criteria.
254	Contractor shall monitor the automatic Write-Offs performed by the BOS and report on these to the Authority on a monthly basis.

1.2.17. Reconciliations

The Contractor shall be responsible for the management of the financial operations of the CSC, including the balancing and reconciliation of all Financial Transactions.

255	The Contractor's balancing and reconciliation activities, which shall be provided to the Authority on a weekly and monthly basis, shall include but are not limited to:
	<ul style="list-style-type: none"> perform daily balancing and close-out of all shifts;

	<ul style="list-style-type: none"> perform daily balancing of all mailed-in payments;
	<ul style="list-style-type: none"> perform daily and monthly reconciliation of all Bank Accounts;
	<ul style="list-style-type: none"> perform daily and monthly reconciliation of all merchant account activity and fees, including but not limited to Credit Cards and Debit Cards and
	<ul style="list-style-type: none"> perform daily and monthly reconciliation of all Lockbox activity.
256	The Contractor shall develop a process for identifying, reporting and resolving all errors and discrepancies, which shall be included in the Operations Plan.
257	<p>The Contractor shall perform other financial and transactional reconciliations in an accurate and timely manner, to be provided to the Authority for review, in accordance with the Performance Measures, including but not limited to:</p> <ul style="list-style-type: none"> perform daily, monthly and annual reconciliation of all transactions; perform daily, monthly and annual reconciliation of all Interoperable Agency transactions; perform daily, monthly and annual reconciliation of all transactions placed at a Collection Agency; perform daily, monthly and annual reconciliation of all Third-Party Service Provider payments and perform quarterly reconciliation and analysis of accounts receivable for the purpose of recording a provision for uncollectible accounts receivable journal entry.
258	The Contractor shall perform monthly reconciliations of all Financial Accounts, including roll-forward schedules from prior periods, which will be provided to the Authority for review.
259	The Contractor shall reconcile all payments received from all payment channels within one day of posting to the system. This shall include the identification and resolution of all reconciliation discrepancies.
260	<p>The Contractor shall perform reconciliations, including but not limited to:</p> <ul style="list-style-type: none"> detailed reconciliation of transactions/trips and revenue, by facility and transaction type; Bank Accounts; refunds by refund type; prepaid account balances; transponder deposits; aged accounts receivable; fees revenue;

	<ul style="list-style-type: none"> • penalties;
	<ul style="list-style-type: none"> • Write-Offs;
	<ul style="list-style-type: none"> • payment transactions and
	<ul style="list-style-type: none"> • other cost items and revenues.

1.2.18. Financial Reporting

The Authority reports on a Fiscal Year beginning July 1 and ending June 30. As a public-sector entity, the Authority's basic financial statements are presented in compliance with pronouncements in accordance with the Governmental Accounting Standards Board (GASB) and in conformity with GAAP.

While most Financial Transactions are captured automatically through the BOS, some level of manual entry may be required. Reports, including electronic reports and data exports from the BOS, are the primary means by which the Authority will capture financial information related to the operation of the CSC. The financial reports consist primarily of various BOS-generated reports which summarize the financial and operational performance of the CSC. While most reports are automated, the Contractor is expected to provide manual reports for information that is not automated as requested by the Authority.

261	The Contractor shall utilize BOS-generated reports Approved by the Authority to fulfill reporting needs as described in the Reporting and Reconciliation Plan.
262	The Contractor shall provide all financial reconciliation and reports to the Authority in a timely manner, but no later than the date(s) prescribed in the Performance Measures.
263	The Contractor shall provide all data to the Authority in compliance with pronouncements issued by GASB and in conformity with GAAP.
264	The Contractor shall perform ongoing review of reports at a frequency sufficient to guarantee all reports balance and reconcile to related reports.
265	<p>The Contractor shall balance, reconcile and verify the content of the reports, including but not limited to:</p> <ul style="list-style-type: none"> • daily receipts report (by payment method, payment channel and transaction type, including disbursements); • monthly receipts report (by payment method, payment channel and transaction type, including disbursements); • bank reconciliations; • prepaid toll balance; • refunds;

	<ul style="list-style-type: none"> • payments to DMVs and other Registered Owner of Vehicle (ROV) Lookup Provider for lookup and Registration Hold fees; • negative balance prepaid customer report; • transaction aging report; • customer aging report for Violation Notices, fees, etc.; • monthly adjustment report as required by the Authority and • transponder inventory reconciliation.
266	The Contractor shall enter journal entries, check payments and other Financial Transactions into the Authority's general ledger systems on a daily, weekly and monthly basis.
267	The Contractor shall, at the request of the Authority, provide new vendor setup, including soliciting and providing W9 of the new vendor and setting up vendor information in the Authority's accounting systems.

1.2.18.1. Audits

1.2.18.1.1. SSAE-18 Type II Audit

The Contractor shall engage an independent auditor to perform an SSAE-18 Type II audit to cover the operations of the CSC and provide the resulting SOC1 report to the Authority. The auditors have a fiduciary duty to the Authority; however, the coordination of the audit, including managing the audit and related requests, managing interviews with staff, and the preparation of any supporting documentation or schedules shall be the responsibility of the Contractor.

268	The Contractor shall engage an independent auditor, which has been Approved by the Authority to perform the SSAE-18 Type II audit.
269	The selected independent auditor shall be experienced and widely recognized in the United States for performing these types of audits. (i.e., the selected audit firm shall perform a minimum of ten (10) such similar audits each year).
270	The Contractor and auditor shall mutually agree on an audit plan, which shall be provided to the Authority for Approval, including regularly scheduled meetings.
271	The audit shall cover the period of April 1 to March 31 annually, supplemented by a bridge letter covering the period of April 1 through June 30 annually, with the first year covering the Agreement start date through March 31 and the last year covering April 1 through the end of the Agreement Term. The audit periods are deliberately set to include an offset and a bridge letter so that the Authority's auditors have the SOC1 report in time to start their audit work.
272	The final SOC1 report shall be provided to the Authority no later than June 30 each year.

273	The Contractor shall comply with all changes to requirements under SSAE-18; in the event SSAE-18 is replaced by a new standard, the new standard shall apply and in the event the SOC1 is replaced by a new reporting form, the Contractor shall submit the new reporting form.
274	The Contractor shall promptly comply with all audit requests.
275	<p>The Contractor shall promptly notify the Authority of any concerns raised by the auditors, including but not limited to:</p> <ul style="list-style-type: none"> • any asserted weaknesses; • limitations on audit scope; • the auditors' inability to carry out the audit; • the Contractor's inability to carry out the audit; • any projected cost overruns and • time delays in scheduled audit completion.
276	If there is a material change to the Contractor's operations, the Contractor shall update the initial SOC 1 report and include it on the update to ensure the Contractor is in compliance with the SSAE-18 attestation standards.

1.2.18.1.2. Quality Audit

The Contractor shall conduct daily quality audits. These audits shall encompass all aspects of the CSC Operation as described in the Quality Plan. The Contractor must develop an audit report and provide it to the Authority monthly.

277	The Contractor shall conduct daily quality audits in accordance with the Contractor's Quality Plan. All deficiencies identified through the audit process shall be successfully corrected by the Contractor. The findings in the audits will result in a monthly report to the Authority.
278	The Contractor shall institute any corrective measures and procedural or operational changes as requested and Approved by the Authority as a result of audits at no additional cost to the Authority. Items identified by the Authority as critical shall be corrected immediately. Other items identified by the Authority as non-critical shall be corrected as soon as practicable in accordance with an Approved schedule.

1.2.18.1.3. Other Audits

Other aspects of the CSC are subject to audit by the Authority and/or third parties as well as the Contractor. Results of audits conducted by the Authority and/or third parties, including any prepared audit reports, will be shared with the Contractor, as applicable.

279	The Contractor shall conduct and/or support the Authority in any Contractor required or Authority led audits relating to the Authority's facilities, toll collection, BOS, and CSC Operations. For example, TIFIA, annual external audits, biennial and triennial audits.
280	<p>The Contractor shall conduct audits in accordance with the Quality Plan. These audits may include but are not limited to:</p> <ul style="list-style-type: none"> • internal control procedures; • revenue/transaction reporting; • physical inventory audit; • security audits; • financial audit; • facility inspections and • Authority processing and performance.
281	As the accountant for the CSC Operations, the Contractor shall supply the Authority's auditor(s) and management with information and schedules as requested and respond to requests from the Authority or its auditors in a timely manner.
282	The Contractor shall provide the Authority and their designee(s) access to the CSC for the purpose of conducting their audit(s).
283	The Contractor shall support the Authority by running reports and making all requested documentation available for review.
284	The Contractor shall support the Authority by making Contractor employees, consultants and other involved subcontractors and parties available for interview by auditors.
285	The Contractor shall successfully correct all deficiencies identified through the audit process.
286	The Contractor shall institute all corrective measures and procedural or operational changes as requested and Approved by the Authority as a result of audits at no additional cost to the Authority. Items identified by the Authority as critical shall be corrected immediately. Other items identified by the Authority as non-critical shall be corrected as soon as practicable in accordance with an Approved schedule.

1.2.19. Revenue Management

287	<p>The following forms of payment will be accepted by CSC. The Contractor shall account for, credit to the customers' accounts and deposit into the appropriate Bank Account(s) all payments in accordance with the Performance Measures:</p> <ul style="list-style-type: none"> • checks (including personal, business, e-check, certified and cashier's checks); • money orders;
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	<ul style="list-style-type: none"> • cash (United States currency);
	<ul style="list-style-type: none"> • Credit Card, including mobile payments and EMV chip integrated circuit card (at in-person locations only) and
	<ul style="list-style-type: none"> • Debit Card (PIN-less debit only).
288	Using the BOS, the Contractor shall accept payments from customers who use any combination of the above payment methods. For example, customers can choose to pay a portion of their balance using a check and another portion using a Credit Card, or using two (2) or more different Credit Cards.
289	The Contractor shall deposit and post to customer accounts all payments received from all payment channels within the same day the payment was received from the customer.
290	The Contractor shall deposit any checks received by the CSC electronically using bank-specified check scanners, which shall interface with the bank software.
291	The Contractor staff shall manually key in check information in the event of a check scan failure.
292	The Contractor shall manually apply in the BOS any fees which are not automatically applied through the BOS, in accordance with the Business Rules, Operations Plan and SOPs. Examples of these fee types are a returned check fee or a one-time paper statement fee, which must be selected by the user.
293	The Contractor shall post all customer payments received by operations into the BOS.
294	The Contractor shall develop a full-cycle chain of custody process (such as, how payments transfer from the mail room to an Authority employee for Posting to the bank for deposit) for all payments and cash balances which shall be included in the Operations Plan.
295	<p>The Contractor shall develop and implement money handling, counting and storage procedures that cover items including but not limited to:</p> <ul style="list-style-type: none"> • responsibility for all funds until custody of the funds has passed to the Authority; • all monies (checks and cash) collected shall be stored in a safe in a secure area until collected or deposited by the bank; • all money handling, counting and storage shall be performed in a secure area and under dual control at all times and • cash shall not be transported through public areas without appropriate security.
296	The Contractor shall deposit all monies received into the Authority's Bank Accounts.
297	On a daily basis, the Contractor shall reconcile, balance and report to the Authority all bank deposits of funds received.
298	The Contractor shall develop and implement customer refund procedures in accordance with the Business Rules to be included in the Operations Plan.

299	The Contractor shall remit monies to and collect monies from various parties in accordance with the Performance Measures and Operations Plan. Such remittances may be made by check, wire transfer, or book transfer, and may be made by either the Contractor or the Authority, in accordance with the Operations Plan and shall include but are not limited to payments to and from:
	• customers;
	• the Authority;
	• Interoperable Agencies;
	• Lockbox Service Provider;
	• DMV;
	• Collection Agencies and
	• Third-Party Service Providers.

1.2.20. Paper Document Storage

The CSC receives and generates paper documents over the course of daily business. These hard copy documents are scanned into the BOS for easy retrieval and association with applicable accounts and Cases on a timely basis and paper documents are shredded. It is anticipated that document storage needs will be minimal and any required space will be provided by the Authority at the I-405 CSC Facility.

300	The Contractor shall provide and Approved approach for the handling, storage, scanning and shredding of all paper documentation in accordance with the Security Standards.
301	The Contractor shall scan all paper documentation into the BOS associating each appropriately with applicable account(s) and Case(s).
302	The Contractor shall redact information in accordance with the Security Standards, Business Rules, Operations Plan and SOPs on the document prior to scanning the paper documentation into the BOS.
303	The Contractor shall shred and dispose of all paper documentation after it has been successfully scanned in accordance with the Security Standards.

1.2.21. Interoperability

The Authority is already Interoperable with the other toll agencies in California. Over the life of this Agreement, it is likely that Interoperability will expand to include all U.S. states and regions. The Authority will participate in regional and national Interoperability.

The Contractor will work in cooperation with all Interoperable Agencies and CSC facilities, and support the Authority with efforts to provide for efficient and successful operation.

304	Working with the Interoperable Agencies, the Contractor shall facilitate the resolution of interface related issues or errors.
305	The Contractor shall provide financial and transactional reconciliation with Interoperable Agencies.
306	The Contractor shall participate in periodic teleconferences and meetings related to Interoperability and other Interoperability organizations.
307	The Contractor shall provide a point of contact for resolution of issues arising with Interoperable transactions/trips and customer service including dispute resolution.
308	The Contractor shall monitor and manage the electronic file transfers within the BOS as required.
309	The Contractor shall manage and reconcile Interoperable receivables and payables.
310	The Contractor shall provide annual Credit Card rate analysis for the Interoperable Agencies and facilities with which the OCTA I-405 will have an agreement to net out Credit Card fees from revenue. The Contractor shall prepare the netting schedule that provides the net amount that the agencies/facilities transmit to each other.

1.2.22. CSC Operations Support for Ramp-Up Customer Services

During Ramp-up/Customer Services and approximately 90 days prior to the anticipated Go-Live and I-405 revenue operations commencement, the Contractor will begin providing customer service. It is anticipated that the mailing of transponders will be delayed until approximately one (1) month prior to the anticipated I-405 Go-Live and at that point I-405 customers will begin creating transactions on interoperable facilities.

311	During Ramp-up/Customer Services and approximately 90 days prior to the anticipated Go-Live and I-405 revenue operations commencement, the Contractor will begin providing customer service. It is anticipated that the mailing of transponders will be delayed until approximately one (1) month prior to the anticipated I-405 Go-Live and at that point I-405 customers will begin creating transactions on interoperable facilities.
	• customer contact;
	• account creation;
	• account management;
	• transponder management and distribution;
	• financial reconciliation;
	• support for customers using interoperable facilities;
	• interoperability agency support;
	• customer service at CSC WIC for walk-in customers;

	<ul style="list-style-type: none">• support of OCTA staff at the OCTA Store WIC and
	<ul style="list-style-type: none">• I-405 CSC and WIC facility support as required.

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EXHIBITS

Exhibit A – Definitions and Acronyms

Exhibit B - Scope of Work and Requirements

Exhibit C - Preliminary Implementation Schedule

Exhibit D - CONTRACTOR Price Proposal

Exhibit E – Milestone Payment Schedule

Exhibit F - Level 1 Health, Safety and Environmental Specifications

ATTACHMENTS

Attachment A - DBE Participation Commitment Form

PROPOSED AGREEMENT NO. C-0-2690

BETWEEN

ORANGE COUNTY TRANSPORTATION AUTHORITY

AND

THIS AGREEMENT is effective as of this _____ day of _____, 2021 ("Effective Date"), by and between the Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange, CA 92863-1584, a public entity (hereinafter referred to as "AUTHORITY"), _____, _____, _____ (hereinafter referred to as "CONTRACTOR") each individually known as "Party" and collectively known as the "Parties".

WITNESSETH:

WHEREAS, AUTHORITY requires assistance from CONTRACTOR to design, implement, install and maintain a Back Office System (BOS) and to operate a Customer Service Center (CSC) for the planned 405 Express Lanes (the "Project"); and

WHEREAS, the Work necessary to implement the Project cannot be performed by the regular employees of AUTHORITY; and

WHEREAS, CONTRACTOR has represented that it has the requisite personnel and experience, and is capable of performing the Work; and

WHEREAS, CONTRACTOR wishes to perform the Work; and

WHEREAS, AUTHORITY has entered into a cooperative agreement with the State of California, acting by and through its Department of Transportation ("Caltrans"), AUTHORITY AGREEMENT No. C-4-1847, for, among other things, the development of a new tolled express facility on Interstate 405 generally between State Route 73 and Interstate 605 ("405 Express Lanes"); and

WHEREAS, pursuant to Streets and Highways Code § 143, AUTHORITY has entered into a Toll Operating Agreement with Caltrans wherein AUTHORITY will, among other things, lease the 405 Express /

1 Lanes for a term of 40 years and operate and maintain a toll collection system on the 405 Express Lanes;
2 and

3 **WHEREAS**, AUTHORITY has entered into a contract with OC 405 Partners, Joint Venture
4 ("Design-Build Contractor"), to design and construct the 405 Express Lanes pursuant to AUTHORITY
5 Contract No. C-5-3843 (the "Design-Build Contract"); and

6 **WHEREAS**, AUTHORITY has entered into a contract with Kapsch TrafficCom USA, Inc. for the
7 405 Express Lanes Electronic Toll and Traffic Management System; and

8 **WHEREAS**, AUTHORITY will enter into a procurement for a roadside service contractor for the
9 I-405; and

10 **WHEREAS**, The Parties intend for this AGREEMENT to be a comprehensive agreement
11 obligating CONTRACTOR to perform all Work, as more particularly described in the AGREEMENT and
12 all attached documents; and

13 **WHEREAS**, the AUTHORITY's Board of Directors authorized this AGREEMENT on_____.

14 **NOW, THEREFORE**, it is mutually understood and agreed by AUTHORITY and
15 CONTRACTOR as follows:

16 **ARTICLE 1. COMPONENTS OF AGREEMENT/INTERPRETATION**

17 A. AGREEMENT: This AGREEMENT, including all attached documents, as defined in the
18 attached Exhibit A, entitled "Acronyms & Definitions", constitutes the complete and exclusive statement
19 of the terms and conditions of the agreement between AUTHORITY and CONTRACTOR for the Work
20 and supersedes all prior representations, understandings and communications. The invalidity in whole
21 or in part of any term or condition of this AGREEMENT shall not affect the validity of other terms or
22 conditions. Terms capitalized herein shall, unless otherwise defined herein, have the same meaning as
23 set forth in Exhibit A. Where this AGREEMENT uses the term "including" it shall mean including but not
24 limited to, unless otherwise specifically indicated.

25 B. AGREEMENT Interpretation: This AGREEMENT and each of the attached documents
26 are an essential part of the Parties' agreement and should be interpreted in a manner which harmonizes

their provisions. However, if an actual conflict exists, the following descending order of precedence shall apply:

1. AGREEMENT amendments adopted in accordance with this AGREEMENT;
2. This AGREEMENT, including Exhibit A attached hereto;
3. Exhibits B-F attached hereto;
4. RFP 0-2690, which is incorporated herein by reference;
5. The CONTRACTOR Proposal dated XXX yy, 2021 which is incorporated herein by reference; and
6. Other documents incorporated by reference under this AGREEMENT.

C. In the case of conflict, and notwithstanding the order of precedence, the most stringent requirement as determined by the AUTHORITY shall govern, unless otherwise agreed-to in writing by the AUTHORITY.

D. Performance by Parties: A Party's failure to insist in any one or more instances upon the other Party's performance of any terms or conditions of this AGREEMENT shall not be construed as a waiver or relinquishment of that Party's right to such performance by the defaulting Party or to future performance of such terms or conditions and that Party's obligation in respect thereto shall continue in full force and effect. Changes to any portion of this Agreement shall not be binding upon AUTHORITY except when specifically confirmed in writing by an authorized representative of the AUTHORITY by way of a written amendment to this Agreement and issue in accordance with the provisions of this Agreement

E. CONTRACTOR shall only commence work covered by an amendment after the amendment is executed and notification to proceed has been provided by AUTHORITY.

ARTICLE 2. AUTHORIZED DESIGNEES

A. The Chief Executive Officer of AUTHORITY, or designee, shall have the authority to act for and exercise any of the rights of AUTHORITY as set forth in this AGREEMENT.

B. In its letter of transmittal accompanying CONTRACTOR's Proposal, the CONTRACTOR designated [name] _____ as an officer of the CONTRACTOR, who

shall be authorized to sign this AGREEMENT and any amendments to this AGREEMENT and to speak for and make commitments on behalf of the CONTRACTOR.

ARTICLE 3. SCOPE OF WORK AND REQUIREMENTS

A. CONTRACTOR shall perform the Work in accordance with the attached Exhibit B, entitled "Scope of Work and Requirements", in a manner satisfactory to AUTHORITY.

B. In performing this AGREEMENT, CONTRACTOR shall be responsible for developing, operating, and maintaining a BOS that handles the funds of others, documents, and processes financial transactions, and maintains the integrity of customer personal information and financial records. With respect to its obligations under this paragraph B, the CONTRACTOR shall have a fiduciary duty to AUTHORITY, its customers, and to the users of the BOS. The CONTRACTOR shall exercise its responsibilities prudently and shall institute all appropriate mechanisms for the custody and administration of funds and records.

C. CONTRACTOR shall provide all resources, personnel, Equipment, Software and supplies necessary to perform the Work. The CONTRACTOR shall provide the Work in a competent and professional manner, in conformance with the highest industry standards, to the satisfaction of AUTHORITY. AUTHORITY shall be entitled to full and prompt cooperation by CONTRACTOR in all aspects of the Work. The AUTHORITY shall have the right to inspect the performance of such Work at any time, and CONTRACTOR shall fully and promptly cooperate with the AUTHORITY in the execution of such inspections.

ARTICLE 4. CONTRACTOR'S PERSONNEL

A. Non-Key Personnel:

1. CONTRACTOR agrees that it will at all times employ, maintain and assign a sufficient number of competent and qualified professionals and other personnel to perform the Work in a timely manner.

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2. CONTRACTOR warrants and represents that its staff personnel and Subcontractors have the proper skill, training, background, knowledge, experience, rights, authorizations, integrity, character, and licenses necessary to perform the Work in a competent and professional manner.

B. At the request of AUTHORITY, in its sole discretion, CONTRACTOR shall promptly remove from assignment to the performance of Work pursuant to this AGREEMENT any employee, Subcontractor, or any other person performing Work hereunder. AUTHORITY's request to remove an employee or Subcontractor shall have no bearing on CONTRACTOR's decision to retain the employee or Subcontractor for work outside of this AGREEMENT. AUTHORITY shall bear no responsibility for any such decision by CONTRACTOR.

C. Key Team Personnel:

1. CONTRACTOR's Project Manager identified in the Proposal is a "Key Team Personnel" and shall act as the primary point of contact in all matters on behalf of CONTRACTOR. The Project Manager shall assign other individuals as contacts with regard to specific functional areas of the Work, subject to the Approval of the AUTHORITY.

2. CONTRACTOR shall provide the personnel listed below, which are hereby designated as Key Team Personnel under this AGREEMENT:

Name	Function

3. Exhibit B, Scope of Work and Requirements, identifies certain other job categories as Key Team Personnel for the AGREEMENT. CONTRACTOR identified Key Team Personnel assigned to this Project in its Proposal, who shall be Approved as part of the Project Management Plan. CONTRACTOR acknowledges that the award of this AGREEMENT to CONTRACTOR was based in significant part on the qualifications of such Key Team Personnel and CONTRACTOR's representation that they will be made available to perform the Work to completion, which availability is a material term of

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1 this AGREEMENT. Key Team Personnel shall be required to work in the position indicated in the
2 Proposal and in the Approved Project Management Plan.

3 4. No Key Team Personnel shall be removed or replaced by CONTRACTOR, or
4 have any significant change in function or any significant reduction in the level of commitment, without
5 the prior written consent of AUTHORITY. Should AUTHORITY determine during the Term of the
6 AGREEMENT that the list of Key Team Personnel does not include personnel essential to the successful
7 performance of the Work, the AUTHORITY may require the CONTRACTOR to add any existing job
8 category/function to such list.

9 5. If AUTHORITY becomes dissatisfied with the performance of any person
10 designated as Key Team Personnel, AUTHORITY shall notify CONTRACTOR in writing. Within fourteen
11 (14) Business Days of receipt of such Notice, the CONTRACTOR shall either propose a replacement
12 person for evaluation and Approval by AUTHORITY or present to AUTHORITY a thirty (30) Calendar
13 Day plan for correcting the incumbent's performance deficiencies. If AUTHORITY rejects the
14 replacement person for evaluation, then CONTRACTOR shall propose another replacement person
15 within fourteen (14) Business Days, which process shall be followed until CONTRACTOR proposes a
16 replacement person acceptable to AUTHORITY. If AUTHORITY rejects the plan of correction, or
17 Approves the plan of correction, but the incumbent's performance deficiencies are not corrected to
18 AUTHORITY's satisfaction within thirty (30) Calendar Days of AUTHORITY's Approval of the correction
19 plan, then the CONTRACTOR shall, propose to AUTHORITY a replacement person for evaluation and
20 Approval by AUTHORITY within the time and manner set forth above.

21 6. Should the services of any Key Team Personnel become no longer available to
22 CONTRACTOR, CONTRACTOR shall, within one (1) Business Day from the day CONTRACTOR
23 becomes aware that the Key Team Personnel is or will no longer be available, provide Notice to
24 AUTHORITY. The resume and qualifications of the proposed replacement shall be submitted to
25 AUTHORITY for Approval as soon as possible, but in no event later than fourteen (14) Business Days
26 after CONTRACTOR becomes aware that the Key Team Personnel is or will not be available.

AUTHORITY will respond to CONTRACTOR within seven (7) Business Days following receipt of these qualifications concerning Approval of the replacement. As used in this paragraph, "no longer available to CONTRACTOR" means that the Key Team Personnel is no longer employed by CONTRACTOR or is otherwise physically unable to perform as required by this AGREEMENT for reasons such as health, for a period of more than thirty (30) Calendar Days. In the event a Key Team Personnel member was rendered physically unable to perform, but later is physically able to perform, CONTRACTOR shall notify AUTHORITY and may return such Key Team Personnel to his or her position, subject to the AUTHORITY's reasonable Approval. CONTRACTOR inability to provide a suitable replacement for a period of more than thirty (30) Calendar Days whatever the reason, shall trigger the liquidated damages for Unavailability set forth in Article 18.C.2 or 18.C.3, depending upon the position.

7. Reassignment by CONTRACTOR of a Key Team Personnel member without the express Approval of AUTHORITY will automatically trigger liquidated damages for Unavailability set forth in Article 18.C. 2 or 18.C.3, depending upon the position.

ARTICLE 5. TERM OF AGREEMENT

A. Initial Term: This AGREEMENT shall commence upon the Effective Date, and shall continue in full force and effect for a period of up to nine (9) years through _____ ("Initial Term"), unless earlier terminated or extended as provided in this AGREEMENT. The Initial Term is composed of an Implementation Phase, and an Operations and Maintenance (O&M) Phase, beginning at Go-Live, of six (6) years.

B. Extensions: AUTHORITY, at its sole discretion, may elect to extend the Initial Term of this AGREEMENT up to an additional thirty-six months (36) months or any portion thereof ("Option Term 1"), and thereupon require CONTRACTOR to provide the Work and otherwise perform in accordance with the Scope of Work and Requirements, and at the rates set forth in Exhibit D, entitled "CONTRACTOR Price Proposal." AUTHORITY, at its sole discretion, may elect to extend the Initial Term, as extended by Option Term 1, up to an additional twenty-four (24) months or any portion thereof ("Option Term 2"), and thereupon require CONTRACTOR to continue to provide Work and otherwise perform in accordance with

the Scope of Work and Requirements and at the rates set forth in Exhibit D, CONTRACTOR Price Proposal. The Initial Term and any extensions thereof shall be referred to as "Term" in this AGREEMENT.

C. Extensions Not Constituting Waiver: AUTHORITY's election to extend the Initial Term under Option Term 1 and/or Option Term 2, shall not diminish its right to terminate the AGREEMENT for AUTHORITY's convenience or CONTRACTOR's default as provided elsewhere in this AGREEMENT. The maximum Term of this AGREEMENT shall be ~~thirteen (13)~~fourteen (14) years from the Effective Date.

ARTICLE 6. TIME AND SCHEDULE/COMPLETION DATES

A. Schedule and Submittals:

1. CONTRACTOR's Submittal requirements and Submittal schedule shall be as set out in CONTRACTOR's Approved Project Management Plan and CONTRACTOR's Approved Baseline Implementation Schedule, in accordance with the Scope of Work and Requirements.

2. AUTHORITY's written Approval will be required for Submittals.

3. Within fifteen (15) Calendar Days from the Effective Date CONTRACTOR shall submit a Baseline Implementation Schedule in a format acceptable to AUTHORITY for AUTHORITY's review and Approval. The Preliminary Implementation Schedule at the time of the execution of the AGREEMENT, included as Exhibit C, shall be the basis for the development of CONTRACTOR's submitted Baseline Implementation Schedule. The Baseline Implementation Schedule shall propose dates by which CONTRACTOR will (a) submit required permits, documents, applications, and design; and (b) develop; deliver; install; test, and implement the required BOS, including all necessary documents, Submittals, and Deliverables in support thereof. Sufficient information shall be shown on the Baseline Implementation Schedule to enable proper control and monitoring of the tasks and subtasks in the Scope of Work and Requirements.

4. Upon completion of the Baseline Implementation Schedule by the CONTRACTOR to the satisfaction of AUTHORITY, the AUTHORITY will Approve the schedule, and it

will thereafter be deemed the Approved Baseline Implementation Schedule and will constitute the schedule for the submittals set forth in paragraph 5 of this Article 6.

5. Progress of Work shall be measured against the Approved Baseline Implementation Schedule and submitted to AUTHORITY monthly until the Project Implementation Phase has been completed. Submission of monthly progress updates to the schedule shall not release or relieve CONTRACTOR from full responsibility for completing the Work within the time set forth in the Approved Baseline Implementation Schedule.

6. CONTRACTOR shall furnish sufficient resources to ensure the performance of the Work in accordance with the Approved Baseline Implementation Schedule. If CONTRACTOR falls behind in the performance of the Work as indicated in the Approved Baseline Implementation Schedule, CONTRACTOR shall take such steps as may be necessary to improve its progress to ensure its performance in accordance with the Approved Baseline Implementation Schedule. CONTRACTOR shall manage the risks to the Approved Baseline Implementation Schedule to avoid any potential delays or make every effort to work around any potential delays and mitigate the impact of delay.

7. CONTRACTOR shall be responsible for all delays in the Approved Baseline Implementation Schedule, except delays in Approvals caused by Force Majeure events. However, nothing in this section relieves CONTRACTOR of its responsibility to provide complete and accurate Submittals and Deliverables that meet the requirements of the Scope of Work and Requirements. Submittals rejected by AUTHORITY due to the CONTRACTOR's failure to meet the requirements of the Submittal or Deliverable or to address the previous comments provided by AUTHORITY are not Force Majeure events or otherwise excused events and CONTRACTOR shall be held responsible for all associated delays.

8. If comments forms are established in the Project Management Plan to be used for the resolution of questions and issues on a Submittal, the Submittal shall not be considered Approved until all written comments are addressed to the satisfaction of the AUTHORITY. Such lack of Approval shall be considered a rejection until such time as the comments are fully resolved.

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B. Guaranteed Completion Dates:

In executing this AGREEMENT CONTRACTOR is guaranteeing that the BOS will be fully operational by the following specified dates, "Guaranteed Completion Dates", subject to any extensions thereof Approved by AUTHORITY in accordance with this AGREEMENT:

1. The BOS shall have achieved Commencement of Ramp-up/Customer Services as determined by AUTHORITY, within thirty (30) Calendar Days of Notice to Proceed for Ramp-up/Customer Services, with such Notice to Proceed provided by AUTHORITY no earlier than one hundred twenty (120) days prior to Go-Live date Approved by the AUTHORITY.

2. The 405 Express Lanes BOS shall have achieved Readiness for Go-Live as determined by AUTHORITY, within seven hundred thirty-eight (738) Calendar Days from the Effective Date.

3. In addition to all other rights and remedies available to AUTHORITY, if CONTRACTOR fails to meet a Guaranteed Completion Date, as such Guaranteed Completion Date may be extended pursuant to this AGREEMENT, the CONTRACTOR shall be subject to liquidated damages as specified in Article 18, Liquidated Damages.

C. Delays:

1. If at any time CONTRACTOR fails to complete any activity by the completion date in the Approved Baseline Implementation Schedule, unless previously excused by AUTHORITY in writing, CONTRACTOR will be required, within seven (7) Calendar Days of AUTHORITY's request, to submit to AUTHORITY a statement as to how it plans to return to compliance, including a recovery schedule if directed by AUTHORITY.

2. If CONTRACTOR fails or refuses to implement measures sufficient to bring its Work back into conformity with the Approved Baseline Implementation Schedule, it shall be considered an Event of Default and AUTHORITY may exercise all rights provided herein therefor, including permitting CONTRACTOR to proceed under specified conditions required by AUTHORITY.

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3. No AUTHORITY review or Approval of a schedule submitted by CONTRACTOR shall release or relieve CONTRACTOR from full responsibility for the accurate, complete and timely performance of the Work, including the accuracy and completeness of the schedules, or any other duty, obligation or liability imposed on it by this AGREEMENT. AUTHORITY's Approval of a schedule shall not constitute a representation by AUTHORITY that CONTRACTOR will be able to proceed or complete the Work in accordance with the dates contained in said schedule.

ARTICLE 7. START AND PHASES OF WORK

A. Implementation Phase: The Implementation Phase shall commence upon the Effective Date and shall continue until Final Acceptance. CONTRACTOR shall not begin performing Work until the Effective Date and shall not be entitled to any compensation for any Work performed or costs incurred prior to the Effective Date.

B. Conditions precedent to AUTHORITY executing the AGREEMENT are CONTRACTOR furnishing the Form I, Performance Bond, Form J, Payment Bond, and applicable certificates of insurance and endorsements thereof as required by this AGREEMENT. CONTRACTOR shall furnish said documents within ten (10) Business Days after notification of award of this AGREEMENT from AUTHORITY.

C. O&M Phase: The O&M Phase shall commence upon achieving commencement of Ramp-up/Customer Services and shall continue through the end of the Term.

D. The AUTHORITY may change the Go-Live date shown in the Approved Baseline Project Implementation Schedule by up to ninety (90) Calendar Days prior to, or ninety (90) Calendar Days after, the date in the Approved Baseline Project Implementation Schedule with no impact to Contractor price or performance and not subject to an equitable adjustment. The AUTHORITY shall give at least one hundred twenty (120) Calendar Days' Notice of such change from the then current Approved Go-Live Date or the new Go-Live date, whichever date is earlier. If such schedule change is made by the AUTHORITY, the new Go-Live date shall become the Guaranteed Completion Date for Readiness for Go-Live in

accordance with the terms of Article 6. Any change to the Go-Live date made under this sub-paragraph D will also apply to the Notice to Proceed for Ramp-up/Customer Services with an equal adjustment to the Guaranteed Completion Date thereof. For example, if the Go-Live date is moved forward by thirty (30) Calendar Days, the Notice to Proceed for Ramp-up/Customer Services will also be moved forward by thirty (30) Calendar Days.

ARTICLE 8. PAYMENT

A. Payment of AUTHORITY Maximum Obligation: AUTHORITY shall pay to CONTRACTOR up to its Maximum Obligation amount, for CONTRACTOR's full and complete performance of its obligations under this AGREEMENT on a fixed and variable unit price basis in accordance with the following provisions set forth in paragraphs B through M of this Article 8.

B. Payments for Implementation Phase: Payments to CONTRACTOR for the Implementation Phase will be in the amounts and percentages as indicated in the CONTRACTOR Price Proposal, and Exhibit E, Milestone Payment Schedule. Payments for BOS design, development, integration and testing, installation and other Deliverables will be made using fixed prices for completed and Approved Deliverables as provided in the Milestone Payment Schedule and the CONTRACTOR Price Proposal.

C. Payments for Maintenance: Payments for Maintenance will be made on a monthly basis, based on variable unit prices in accordance with the CONTRACTOR Price Proposal. Adjustments to these payments may be made for CONTRACTOR performance which falls below required Performance Measures as further set forth in the Scope of Work and Requirements.

D. Payments for Operations: Payments for Operations will be made on a monthly basis, based on variable unit prices and Approved pass-through costs, in accordance with the CONTRACTOR Price Proposal. Adjustments to these payments (excluding pass-through costs) may be made for CONTRACTOR performance which falls below required Performance Measures as further set forth in the Scope of Work and Requirements.

E. Full and Complete Compensation: All Work performed by CONTRACTOR in meeting the

requirements of the AGREEMENT shall be paid under one of the above payment methods, which shall constitute full compensation for the Work, including but not limited to: (a) the cost of all insurance and bond premiums, home office, job site and other overhead, and profit relating to CONTRACTOR's performance of the Work; (b) the cost of performance of each and every portion of the Work (including all costs of all Work provided by Subcontractor(s) and third-party licenses and Software; (c) the cost of obtaining all governmental approvals; (d) all costs of compliance with and maintenance of such governmental approvals; (e) all risk of inflation, unless otherwise noted, currency risk, interest and other costs of funds associated with the payment terms for the Work as provided herein; and (f) payment of any taxes, duties, permits and other fees and/or royalties imposed with respect to the Work and any Equipment, materials or labor included therein.

F. Schedule of Fixed Payment for Implementation: The following schedule shall establish the firm fixed payment to CONTRACTOR by AUTHORITY for the Implementation Phase set forth in the Scope of Work and Requirements:

TYPE OF PAYMENT	PAYMENT AMOUNT (\$)
Fixed Price	\$0.00
Total Implementation Phase	\$0.00

The total firm fixed price (lump sum) as specified in Paragraph F of this Article shall not be exceeded, unless authorized by an amendment to this Agreement.

G. Schedule of variable price, fixed Transition and Succession Costs, and pass-through payment for O&M: The following schedule shall establish the basis for payment to CONTRACTOR by AUTHORITY for the O&M Phase set forth in the Scope of Work and Requirements. The schedule also shows the Maximum Obligation of AUTHORITY for the combined Implementation and Operation and Maintenance Phases,

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TYPE OF PAYMENT	PAYMENT AMOUNT (\$)
Variable Costs Based on Unit Prices	\$0.00
Fixed Transition and Succession Costs	\$0.00
Pass through Costs	\$0.00
Total O&M Phase	\$0.00
MAXIMUM OBLIGATION FOR IMPLEMENTATION AND O&M PHASES	\$0.00

The amount due for Fixed Transition and Succession Costs is payable to CONTRACTOR only under the circumstances detailed elsewhere in this Agreement.

H. CONTRACTOR shall not commence performance of work or services until this Agreement has been approved by AUTHORITY and notification to proceed has been issued by AUTHORITY. No payment will be made prior to approval of any work, or for any work performed prior to approval of this Agreement.

I. For personnel subject to prevailing wage rates as described in the California Labor Code, all salary increases, which are the direct result of changes in the prevailing wage rates are reimbursable

J. During the Implementation Phase: CONTRACTOR shall invoice AUTHORITY on a monthly basis for payments corresponding to the Work actually completed by CONTRACTOR and Approved by AUTHORITY and in accordance with the payment methods as set forth in paragraph B of this Article 8.

K. Invoice requirements following commencement of Ramp-up/Customer Services and Go-Live: CONTRACTOR shall invoice AUTHORITY in accordance with the payment methods as set forth in paragraphs C and D of this Article 8. Such payments shall be monthly in arrears, beginning one month after commencement of Ramp-up/Customer Services.

L. Deliverables completed and Approved by AUTHORITY and Work performed shall be documented in a monthly progress report prepared by CONTRACTOR, which shall accompany each invoice submitted by CONTRACTOR. At its sole discretion, AUTHORITY may decline to make full

1 payment for any Deliverable or Work performed until such time as CONTRACTOR has documented to
2 AUTHORITY's satisfaction, that CONTRACTOR has completed all Work required under the invoice.
3 AUTHORITY's payment in full for any task or Deliverable completed shall not constitute AUTHORITY's
4 Final Acceptance of CONTRACTOR's Work under such invoice.

5 M. As partial security against CONTRACTOR's failure to satisfactorily fulfill all its obligations
6 under this Agreement, AUTHORITY shall retain ten percent (10%) of the amount of each invoice
7 submitted for payment by CONTRACTOR, and shall make prompt and regular incremental acceptances
8 of portions/milestones/tasks, as determined by AUTHORITY, of the Agreement work, and pay retainage
9 to CONTRACTOR based on these acceptances. The CONTRACTOR, or subconsultant, shall return all
10 monies withheld in retention from a subconsultant within thirty (30) calendar days after receiving payment
11 for work satisfactorily completed and accepted including incremental acceptances of
12 portions/milestones/tasks of the Agreement work by the AUTHORITY. CONTRACTOR shall invoice
13 AUTHORITY for the release of the retention in accordance with this Article.

14 L. The prime CONTRACTOR, or subcontractor, shall return all monies withheld in retention
15 from a subconsultant within thirty (30) days after receiving payment for work satisfactorily completed and
16 accepted. Any subcontract entered into as a result of this Agreement shall contain all of the provisions
17 of this section. Federal law, CFR Title 49, Part 26.29, requires that any delay or postponement of payment
18 over thirty (30) days may take place only for good cause and with the AUTHORITY's prior written
19 approval. Any violation of this provision shall subject the violating prime consultant or subconsultant to
20 the penalties, sanctions and other remedies specified in Section 7108.5 of the Business and Professions
21 Code. These requirements shall not be construed to limit or impair any contractual, administrative, or
22 judicial remedies, otherwise available to the prime consultant or subconsultant in the event of a dispute
23 involving late payment or nonpayment by the prime consultant, deficient subconsultant performance, or
24 noncompliance by a subconsultant. This provision applies to both DBE and non-DBE CONSULTANT
25 and subconsultants.

26 M. All retained funds shall be released by AUTHORITY and shall be paid to CONTRACTOR

within sixty (60) calendar days of payment of final invoice, unless AUTHORITY elects to audit CONSULTANT's records in accordance with Article 17 entitled "Audit and Inspection of Records", of this Agreement. If AUTHORITY elects to audit, retained funds shall be paid to CONTRACTOR within thirty (30) calendar days of completion of such audit in an amount reflecting any adjustment required by such audit. During the term of the Agreement, at its sole discretion, AUTHORITY reserves the right to release all or a portion of the retained amount based on CONSULTANT's satisfactory completion of certain portions/milestones/tasks. CONTRACTOR shall invoice AUTHORITY for the release of the retention in accordance with this Article.

N. Submission of Invoices: Invoices shall be submitted by CONTRACTOR in duplicate to AUTHORITY's Accounts Payable office. CONTRACTOR may also submit invoices electronically to AUTHORITY's Accounts Payable at vendorinvoices@octa.net. Each invoice shall be accompanied by the monthly progress report specified in paragraph J of this Article, and the Scope of Work and Requirements. AUTHORITY shall remit payment within thirty (30) Calendar Days of the receipt and Approval of each invoice. Each invoice shall include the following information:

1. AGREEMENT No. C-0-2690;
2. The specific phase number for which payment is being requested;
3. BOS generated reports to validate quantities for the unit priced items, where applicable;
4. AUTHORITY Project Manager's Approval of the payment request;
5. Identification of the relevant line item price in the CONTRACTOR Price Proposal, and if milestone payment, identification of the milestone name, number, and amount in the Payment Schedule;
6. The time period covered by the invoice;
7. Total monthly invoice (including Project-to-date, cumulative invoice amount) and retention for the time period covered by the invoice and cumulative retention held, if applicable;
8. Monthly Progress Report and Approved Baseline Implementation Schedule

during Implementation Phase or, Monthly Operations Report during the O&M Phase;

9. Weekly certified payroll for personnel subject to prevailing wage requirements, if applicable;

10. Certification signed by the CONTRACTOR that a) The invoice is a true, complete and correct statement of reimbursable costs and progress; b) The backup information included with the invoice is true, complete and correct in all material respects; c) All payments due and owing to Subcontractors and Suppliers have been made; d) Timely payments will be made to Subcontractors and Suppliers from the proceeds of the payments covered by the certification and; e) The invoice does not include any amount which CONTRACTOR intends to withhold or retain from a Subcontractor or Supplier unless so identified on the invoice; and

11. Any other information as agreed or requested by AUTHORITY to substantiate the validity of an invoice.

O. Failure to comply with AUTHORITY's direction: CONTRACTOR shall not be entitled to have any invoices processed or to have any payment made for Work performed if it has failed to comply with any lawful or proper direction from AUTHORITY concerning the Work, following receipt of Notice from AUTHORITY that the CONTRACTOR has failed to comply and that the AUTHORITY will exercise its right to withhold payment of invoices within five (5) Business Days of the date of such Notice, unless and until such time as compliance is achieved.

ARTICLE 9. MAXIMUM OBLIGATION

Notwithstanding any provisions of this AGREEMENT to the contrary, AUTHORITY and CONTRACTOR mutually agree that AUTHORITY's maximum cumulative payment obligation (including obligation for CONTRACTOR's profit) for all Work during the Initial Term shall be _____ Dollars (\$____.00) (the "Maximum Obligation"). This is based on fixed and variable price components and includes, but is not limited to, all amounts payable by AUTHORITY to CONTRACTOR for its subcontracts, leases, pass-throughs, materials and costs arising from, or due to termination of, this AGREEMENT and as further set forth in Article 8, Payment.

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ARTICLE 10. PROMPT PAYMENT CLAUSE

A. AUTHORITY has adopted a prompt payment provision on all U.S. DOT-assisted contracts to facilitate timely payment to all Subcontractors in accordance with regulatory mandates. Pursuant to 49 CFR Part 26.29, AUTHORITY will include the following clause in each U.S. DOT-assisted contract:

B. "CONTRACTOR agrees to pay each Subcontractor under this AGREEMENT for satisfactory performance of its contract no later than seven (7) days from the receipt of each payment CONTRACTOR receives from AUTHORITY. CONTRACTOR agrees further to return retainage payments to each Subcontractor within thirty (30) days after receiving payment for Work satisfactorily completed and accepted including incremental acceptances of portions of the AGREEMENT Work by AUTHORITY. Any delay or postponement of payment from the above referenced time frame may take place only for good cause and with AUTHORITY's prior Approval." CONTRACTOR shall incorporate this clause verbatim, set forth above, in all subcontract, broker, dealer, vendor, supplier, purchase order or other source agreements issued to both DBE and non-DBE firms.

C. Any violation of the provisions listed above shall subject the violating CONTRACTOR to the penalties, sanctions, and other remedies specified in Section 7108.5 of the California Business and Professions Code. This requirement shall not be construed to limit or impair any contractual, administrative or judicial remedies otherwise available to CONTRACTOR or Subcontractor in the event of a dispute involving late payment or nonpayment by CONTRACTOR; deficient Subcontractor performance and/or noncompliance by a Subcontractor.

D. Failure to comply with this provision without prior Approval from AUTHORITY will constitute noncompliance, which may result in the application of appropriate administrative sanctions, including, but not limited to, a penalty of two percent (2%) of the invoice amount due per month, for every month that full payment is not made.

ARTICLE 11. NOTICES

All Notices hereunder and communications regarding the interpretation of the terms of this

AGREEMENT, or changes thereto, shall be effected by delivery of said Notices in person or by depositing said Notices in the U.S. mail, registered or certified mail, returned receipt requested, postage prepaid or sent by electronic e-mail; provided that the recipient of the electronic Notice acknowledges receipt of such transmission by email. Personal or courier delivery shall be deemed given upon actual delivery to the intended recipient at the designated address. Mailed Notices shall be deemed given upon the date of the actual receipt as evidenced by the return receipt. Electronic e-mail Notices shall be deemed given upon the date the email is acknowledged as received by the recipient; provided that if acknowledgement is received after 5 p.m., delivery shall be deemed received as of 8 a.m. the following Business Day. Any Notice shall be sent, transmitted or delivered, as applicable, to the applicable Party the following address:

To: CONTRACTOR	To: Orange County Transportation Authority
	550 South Main Street P.O. Box 14184 Orange, CA 92863-1584
ATTENTION:	Mr. Robert Webb Principal Contract Administrator and Ms. Ellen Lee Project Manager
	R Webb Phone: (714) 560-5743 E Lee Phone: (714) 560-5988
	Email: rwebb@octa.net ; elee@octa.net

ARTICLE 12. INDEPENDENT CONTRACTOR

A. CONTRACTOR's relationship to AUTHORITY in the performance of this AGREEMENT is that of an independent contractor. CONTRACTOR's personnel performing Work under this AGREEMENT shall at all times be under CONTRACTOR's exclusive direction and control and shall be employees of CONTRACTOR and not employees of AUTHORITY. CONTRACTOR shall pay all wages,

salaries and other amounts due its employees in connection with this AGREEMENT and shall be responsible for all reports and obligations respecting them, such as social security, income tax withholding, unemployment compensation, workers' compensation and similar matters.

B. Should CONTRACTOR's personnel or a state or federal agency allege claims against AUTHORITY involving the status of AUTHORITY as employer, joint or otherwise, of said personnel, or allegations involving any other independent contractor misclassification issues, CONTRACTOR shall defend and indemnify AUTHORITY in relation to any allegations made.

ARTICLE 13. BONDS

A. All bonds required by this AGREEMENT shall be issued by sureties authorized to do business in the State of California with an A.M. Best Rating of A-, Class VIII, or better, or as otherwise Approved by AUTHORITY in its sole discretion, referred to hereinafter as "Eligible Surety". Notwithstanding any other provision set forth in this AGREEMENT, performance by a surety of any obligations of CONTRACTOR shall not relieve CONTRACTOR of any of its obligations under this AGREEMENT.

B. As partial security against CONTRACTOR's failure to satisfactorily fulfill all Work and obligations under this AGREEMENT, CONTRACTOR shall submit and keep in place until both 1) Go-Live and 2) CONTRACTOR provision of applicable Operations and Maintenance Bond (hereinafter referred to as an "O&M Bond") as described in paragraphs C and D below, a Performance Bond, and a Payment Bond referred to hereinafter as "Bonds", in the forms respectively set forth in Forms I and J, and attached to this AGREEMENT. The Bonds shall each be in the sum of one-hundred (100%) percent of the Total BOS Implementation Costs (as shown in Sheet 1 of the CONTRACTOR Price Proposal entitled Project Summary, cell C5, BOS Implementation Costs. If the Total BOS Implementation Costs are increased in connection with an Amendment, AUTHORITY may, in its sole discretion, require a corresponding increase in the amount of the Bonds or new Bonds covering the Amendment.

C. An O&M Bond shall be required for the BOS in the form of Form K, attached to this AGREEMENT, as a condition of Go-Live Approval. The initial bonding level for the O&M Phase shall be

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provided at one-hundred (100%) percent of Years 1 to 3 of O&M (not including pass-through costs) as shown on CONTRACTOR Price Proposal Sheet 4, Projected Bond Amounts Table (cell C25).

D. The O&M Bond (not including pass-through costs) shall be renewed each year at the anniversary date of Go-Live through the end of the Term. For subsequent years after the first year of O&M, the renewed O&M Bond shall be submitted to AUTHORITY at least fifteen (15) Business Days prior to the anniversary date of Go-Live. Upon Approval thereof, AUTHORITY will release the prior year's Bonds.

E. The value of the O&M Bond for years 2 through 6 and shall be determined as follows:

1. Year 2 O&M Bond = Estimated total combined cost of O&M for years 2 and 3 (not including pass-through costs) as shown on Sheet 4, Projected Bond Amounts table (cell C26).

2. Each of Years 3 through 6 O&M Bond = Estimated cost of total combined cost of O&M for upcoming year only as provided on Sheet 4, Project Bond Amounts Table for the respective upcoming year (cells C27, C28, C29, C30, as applicable).

F. The estimated value of the O&M costs for any given year with regard to bonded amount shall be based on the value presented in the CONTRACTOR Price Proposal for total O&M costs for the referenced year(s) as provided in paragraph E of this article, as adjusted for any Approved change orders that have affected these Price Proposal cells and any updates in the estimated O&M volumes for the year(s) provided by AUTHORITY at its sole determination.

G. If any Bond previously provided becomes ineffective, or if the Eligible Surety that provided the Bond no longer meets the AGREEMENT requirements, CONTRACTOR shall provide a replacement Bond in the same form issued by an Eligible Surety within five (5) Business Days of CONTRACTOR's knowledge of same. CONTRACTOR shall provide Notice to AUTHORITY promptly following such Bond being rendered ineffective or when such Bond's surety is no longer an Eligible Surety, in no case later than three (3) Business Days thereafter.

H. Additionally, the Performance Bond shall meet the following requirements:

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1. Identify AUTHORITY and AGREEMENT No. C--0-2690 for which the Performance Bond is provided; and

2. Upon Notice by AUTHORITY that CONTRACTOR has defaulted under this AGREEMENT, the Eligible Surety will have ten (10) Business Days to make a determination on the claim and to notify AUTHORITY accordingly.

ARTICLE 14. INDEMNIFICATION

A. CONTRACTOR shall indemnify, defend and hold harmless AUTHORITY, Caltrans, FHWA, and their officers, directors, employees and agents, (hereafter, the "Indemnitees") from and against any and all claims (including attorneys' fees and reasonable expenses for litigation or settlement) for any loss or damages, bodily injuries, including death, damage to or loss of use of property caused by the negligent acts, omissions or willful misconduct by CONTRACTOR, its officers, directors, employees, agents, Subcontractors or Suppliers in connection with or arising out of the performance of this AGREEMENT. In addition to any other defense and indemnity obligations that CONTRACTOR has assumed under this AGREEMENT, CONTRACTOR shall defend, indemnify and hold harmless the Indemnitees from and against any and all liabilities, actions, suits, claims, and legal expenses, including attorneys' fees, which arise out of any claim asserting a cause of action for trespass, inverse condemnation or any other unlawful entry onto property by CONTRACTOR, its Subcontractors, agents or employees. Any monies owed may be deducted from any monies due or to become due to CONTRACTOR hereunder or under any other agreement between CONTRACTOR and AUTHORITY.

B. Intellectual Property:

1. CONTRACTOR shall be liable and responsible without limitation for any and all claims made against AUTHORITY for infringement of Intellectual Property rights, by the use or supplying of any Equipment or Software in the course of performance or completion of, or in any way connected with, the Work, or AUTHORITY's continued use of such Equipment or Software. The CONTRACTOR shall indemnify AUTHORITY against and save it harmless from all loss and expense incurred in the

defense, settlement or satisfaction of any claims in the nature of Intellectual Property infringement arising out of or in connection with AUTHORITY's use, pursuant to this AGREEMENT, of the Equipment and Software.

2. Without limiting any other rights or remedies available to AUTHORITY under the AGREEMENT, in law and/or equity, in the event that any Intellectual Property, Equipment or Software employed to provide Work pursuant to this AGREEMENT, or portion thereof, is held to constitute an infringement and its use is or may be enjoined, the CONTRACTOR shall have the obligation at AUTHORITY's option to do one or more of the following:

a. Require CONTRACTOR to, at its own expense, supply, temporarily or permanently, replace the Intellectual Property, Equipment or Software of similar quality and function which is not subject to such an infringement or injunction;

b. Require CONTRACTOR to, at its own expense, remove all such Intellectual Property, Equipment and Software and refund to AUTHORITY the cost thereof or equitably adjust compensation;

c. Take such steps as is necessary to ensure compliance by AUTHORITY with such injunction;

d. Modify, or require that the applicable Subcontractor or Supplier modify, the alleged infringing Intellectual Property at its own expense, without impairing in any respect the functionality or performance thereof that is non-infringing; and/or

e. Procure for AUTHORITY, at CONTRACTOR's expense, the rights provided under this AGREEMENT to use the infringing Intellectual Property, Equipment or Software.

3. CONTRACTOR shall be solely responsible for determining and informing AUTHORITY whether a prospective Supplier or Subcontractor is a party to any litigation involving Intellectual Property infringement or misappropriation or any injunction related thereto, or arising out of any Intellectual Property, Equipment and/or Software provided hereunder. The CONTRACTOR shall enter into agreements with all Suppliers and Subcontractors at its own risk. AUTHORITY may reject any

Intellectual Property, Equipment or Software, which it believes to be the subject of any such litigation or injunction, or if, in AUTHORITY's judgment, use thereof does not meet the objectives of Work, restricts or impairs AUTHORITY's rights in any Intellectual Property, or is unlawful.

ARTICLE 15. INSURANCE

A. CONTRACTOR shall procure at its own expense and maintain during the Term of this AGREEMENT or longer as provided herein, insurance coverage as specified in this Article 15 or as otherwise agreed to by AUTHORITY. CONTRACTOR shall provide the following insurance coverage:

1. Commercial General Liability at least as broad as Insurance Services Office Commercial General Liability Coverage (occurrence form CG 0001 or equivalent) with a minimum limit of \$5,000,000.00 per occurrence and \$10,000,000.00 general aggregate. and is acceptable to AUTHORITY;

2. Automobile Liability at least as broad as Insurance Services Office Business Auto Coverage (form CA 0001, code 1, any auto, or equivalent), with a minimum combined single limit of \$5,000,000.00 per occurrence and is acceptable to AUTHORITY;

3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance. Employer's liability limits shall be no less than \$1,000,000 each accident, each employee for bodily injury, and policy limit for bodily injury. The policy shall be endorsed to waive the insurer's right of subrogation against the AUTHORITY and its respective officers, directors, employees and agents;

4. Commercial Crime with limits no less than \$5,000,000 per claim and in the aggregate to include: Employee dishonesty, Forgery & Alteration, Monies & Securities, Computer Crime; and

5. Technology Errors & Omissions Including Privacy and Network Security- covering liability for errors or omissions in rendering computer or information technology services including 1) systems analysis 2) systems programming 3) data processing 4) systems integration 5) outsourcing development and design 6) systems design, consulting, development and modification 7) training

services relating to computer Software or Hardware 8) management, repair and maintenance of computer products, networks and systems 9) marketing, selling, servicing, distributing, installing and maintaining computer Hardware or Software 10) data entry, modification, verification, maintenance, storage, retrieval or preparation of data output, and 11) Privacy and Network Security (Cyber Liability) insurance covering liability arising from a) hostile action, or a threat of hostile action ("ransomware"), b) "malware" including computer viruses, Trojan horses, worms and any other type of malicious or damaging code c) dishonest, fraudulent, malicious, or criminal use of a computer system by a person, whether identified or not, and whether acting alone or in collusion with other persons, d) denial of service for which the insured is responsible that results in the degradation of or loss of access to internet or network activities or normal use of a computer system e) loss of service that results in the inability of a third-party, who is authorized to do so, to access a computer system and conduct normal activities. The policy limit shall be not less than fifteen million dollars (\$15,000,000) per claim and annual aggregate.

B. Proof of such coverage, in the form of a certificate of insurance, a copy of the insurance policy and/or an insurance company issued policy endorsement shall be provided to AUTHORITY. Proof of insurance coverage and endorsements evidencing the requirements for additional insureds must be received by AUTHORITY within ten (10) Calendar Days from notification of award of this AGREEMENT. Such insurance shall be primary and non-contributory to any insurance or self-insurance maintained by AUTHORITY. AUTHORITY reserves the right to request certified copies of all related insurance policies.

C. CONTRACTOR shall include on the face of the Certificate of Insurance the AGREEMENT Number and AUTHORITY'S Contract Administrator's Name, Robert Webb, Principal Contracts Administrator.

D. AUTHORITY and the California Department of Transportation, their officers, directors, employees and agents (the "Indemnitees") must be named as additional insured on Commercial General Liability and Automobile Liability Certificates and on the insurance policy endorsement with respect to performance hereunder.

E. CONTRACTOR shall also include in each subcontract the requirement that

Subcontractors shall maintain appropriate insurance coverage in the amounts as required by CONTRACTOR and include the Indemnitees as additional insureds on general and automobile liability policies. Such coverage shall be in effect at all times that a Subcontractor is performing Work under the AGREEMENT. CONTRACTOR shall have responsibility to enforce Subcontractor compliance with these or similar insurance requirements provided that CONTRACTOR shall upon AUTHORITY'S request provide acceptable evidence of insurance for any Subcontractor. The CONTRACTOR shall assume all responsibility for risks or casualties of every description, for any and all damage, loss or injury, to persons or property arising out of the nature of the Work, including but not limited to the negligence or failure of its Subcontractors (as well as CONTRACTOR's employees) to comply with this AGREEMENT.

F. CONTRACTOR shall be required to immediately notify AUTHORITY of any modifications or cancellation of any required insurance policies.

G. CONTRACTOR shall at all times during the Term of this AGREEMENT maintain insurance in such form as is satisfactory to AUTHORITY, and will furnish AUTHORITY with continuing evidence of insurance as provided below. All insurance policies shall be issued by companies licensed to do business in the State of California, with an A.M. Best Rating of A-, Class VII, or better, or as otherwise approved by AUTHORITY. CONTRACTOR shall at all times comply with the terms of such insurance policies, and all requirements of the insurer under any such insurance policies, except as they may conflict with existing California laws or this AGREEMENT.

H. CONTRACTOR shall provide AUTHORITY with certificates showing the required coverage to be in effect and a copy of the insurance policy or endorsements evidencing the requirements for the additional insureds. Such policies shall provide that the insurance shall not be materially modified or cancelled except upon thirty (30) Calendar Days prior written Notice to AUTHORITY. Copies of all insurance policies and endorsements shall be provided to AUTHORITY upon request.

I. AUTHORITY reserves the right to review all insurance coverage and amounts of insurance coverage on an annual basis and to require the CONTRACTOR to adjust the insurance coverage and amounts of insurance coverage based on industry standards for contracts of this size and

1 type. CONTRACTOR shall timely pay all premiums and deductibles when due for all insurance coverage
2 required herein. The above insurance shall not contain a self-insurance retention (SIRs) unless Approved
3 by AUTHORITY.

4 J. Pertaining to the above paragraphs regarding professional liability, technology errors and
5 omissions, and cyber liability insurance, if coverage is written on a claims made basis, such insurance
6 shall be maintained in force at all times during the Term and for a period of three (3) years thereafter for
7 Work completed during the Term. Additionally, if a sub-limit applies to any elements of coverage, the
8 policy endorsement evidencing the coverage above must specify the coverage section and the amount
9 of the sub-limit.

10 K. Providing and maintaining adequate insurance coverage described herein is a material
11 obligation of the CONTRACTOR and is of the essence for this AGREEMENT. The limits of coverage
12 under each insurance policy maintained by CONTRACTOR shall not be interpreted as limiting the
13 CONTRACTOR's liability and obligations under the AGREEMENT.

14 L. Subcontractors' Insurance: CONTRACTOR shall either require each Subcontractor to
15 obtain and maintain Workers' Compensation Insurance, Commercial General Liability, Business
16 Automobile Liability and Professional Liability coverage similar to those required above in this section for
17 the CONTRACTOR, or any other coverage deemed necessary to the successful performance of the
18 AGREEMENT, or cover Subcontractors under the CONTRACTOR's policies. Such coverage shall be in
19 effect at all times that a Subcontractor is performing Work under the AGREEMENT. The CONTRACTOR
20 shall have responsibility to enforce Subcontractor compliance with these or similar insurance
21 requirements; provided the CONTRACTOR shall upon AUTHORITY's request provide acceptable
22 evidence of insurance for any Subcontractor. The CONTRACTOR shall assume all reasonability for risks
23 or casualties of every description, for any and all damage, loss or injury, to persons or property arising
24 out of the nature of the Work, including but not limited to the negligence or failure of its Subcontractors
25 (as well as CONTRACTOR's employees) to comply with this AGREEMENT.

26 M. Waivers: AUTHORITY and CONTRACTOR waive all rights against each other, against

each of their agents and employees and their respective members, directors, officers, employees, agents and consultants for any claims to the extent covered by insurance obtained pursuant to this Article 15, except such rights as they may have to the proceeds of such insurance. CONTRACTOR shall require all Subcontractors to provide similar waivers in writing in favor of AUTHORITY and its respective officers, officials, employees and volunteers except as otherwise agreed to by AUTHORITY.

ARTICLE 16. CHANGES

A. By written Notice or order, AUTHORITY may, from time to time, order Work suspension, add or deduct Work and/or make changes in the general Scope of Work and Requirements of this AGREEMENT hereinafter collectively referred to as "Changes". Changes include, but are not limited to, the Work furnished to AUTHORITY by CONTRACTOR as described in the Scope of Work and Requirements.

B. Any such Changes to Work that are considered by AUTHORITY to be a Change(s) to the current Scope of Work and Requirements shall result in the issuance of an Amendment signed by both AUTHORITY and the CONTRACTOR. No Change shall be compensated or time extensions therefore permitted, except pursuant to an Approval. A Work suspension issued by AUTHORITY, via a stop notice, which results in an increase or decrease to the maximum obligation due CONTRACTOR, will require an Amendment.

C. Any Change considered by AUTHORITY to be within the current Scope of Work but that has not been specifically tasked or separately identified in CONTRACTOR Price Proposal, will not require a Contract Amendment and will be identified as an Additional Work Order, subject to Approval by AUTHORITY.

D. If any such suspension of Work or Change causes an increase or decrease in the price of this AGREEMENT or in the time required for its performance, CONTRACTOR shall promptly notify AUTHORITY thereof and assert its claim for adjustment within ten (10) Calendar Days after the Change or Work suspension is ordered, and an equitable adjustment shall be negotiated. However, nothing in this clause shall excuse CONTRACTOR from proceeding immediately with the requested Change.

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E. In determining additional compensation to be paid for Change, the Parties shall use the labor, Equipment, unit and material costs and rates included in the CONTRACTOR Price Proposal for labor and material only where deemed appropriate and Approved by the AUTHORITY in preparing the Amendment. Labor rates shall be calculated in accordance with the Price Instructions, Section 2.6 Additional Service Rates and Section 2.9 CPI Actual Cost Adjustments. For Equipment, applications, tools and/or materials not covered in the Price Proposal or covered in the Price Proposal but not deemed appropriate or Approved by the AUTHORITY, a catalog or market price of a commercial product sold in substantial quantities shall be used as the basis for proposed costs.

F. If the cost of Change cannot be established on this basis or on the basis of prices set by the AGREEMENT, law or regulation, CONTRACTOR shall submit detailed cost breakdowns, including information on Equipment, Software, labor and materials costs and other direct costs.

G. CONTRACTOR agrees that it will accept as full compensation for the Change, in the case of paragraph B, a price mutually agreed upon in writing, via an Amendment by the AUTHORITY and CONTRACTOR or in the case of paragraph C, an Additional Work Order by the AUTHORITY and CONTRACTOR.

H. If the CONTRACTOR disagrees with the amount of compensation or time extension proposed by AUTHORITY in the Amendment, AUTHORITY may issue a Work Directive. CONTRACTOR shall submit a written dispute to AUTHORITY within fifteen (15) Calendar Days after the receipt of the Work Directive. Notwithstanding CONTRACTOR'S disagreement, CONTRACTOR shall proceed diligently with performance if directed by AUTHORITY. The dispute shall state the points of disagreement and, if possible, the AGREEMENT Scope of Work and Requirements references, quantities and costs involved. If a written dispute is not submitted within the above period, payment will be made as set forth in the Work Directive and such payment shall constitute full compensation for all Work included therein or required thereby. An undisputed Work Directive will be considered as executed Amendment.

I. CONTRACTOR shall promptly notify AUTHORITY in writing when it receives direction,

instruction, interpretation or determination from any source other than AUTHORITY that may lead to or cause change in the Work. AUTHORITY shall Approve before CONTRACTOR acts on said direction, instruction, interpretation or determination.

J. CONTRACTOR shall only commence Work covered by an Amendment after the Amendment is executed by AUTHORITY, or it is considered an executed Amendment under the terms of paragraph H, or if a Work Directive has been issued.

ARTICLE 17. DISPUTES

A. Except as otherwise provided in this AGREEMENT, when a dispute arises between CONSULTANT and AUTHORITY, the project managers shall meet to resolve the issue. If project managers do not reach a resolution, the dispute will be decided by AUTHORITY's Director of Contracts Administration and Materials Management (CAMP), who shall reduce the decision to writing and mail or otherwise furnish a copy thereof to CONTRACTOR. The decision of the Director, CAMP, shall be the final and conclusive administrative decision.

B. Pending final decision of a dispute hereunder, CONTRACTOR shall proceed diligently with the performance of this AGREEMENT and while awaiting the decision of AUTHORITY's Director, CAMP. Nothing in this AGREEMENT, however, shall be construed as making final the decision of any AUTHORITY official or representative on a question of law, which questions shall be settled in accordance with the laws of the State of California, with venue in Orange County, CA. In lieu of litigation the Parties may upon terms agreed to by the Parties, elect mediation or arbitration, binding or otherwise.

ARTICLE 18. LIQUIDATED DAMAGES

A. If CONTRACTOR fails to: (1) complete the Work by the Guaranteed Completion Dates or any Approved extension thereof, or (2) provide Key Team Personnel in accordance with the AGREEMENT, or (3) meet the O&M Performance Measures of the AGREEMENT established in the Scope of Work and Requirements, the actual damage to AUTHORITY will be difficult or impossible to determine. Therefore, the Parties have agreed to stipulate to the amount payable to the AUTHORITY as liquidated damages in order to fix and limit CONTRACTOR's costs and to avoid later disputes over

what amount of damages are proper. The Parties agree that the amount of liquidated damages are reasonable in light of the anticipated or actual damage to the AUTHORITY and do not constitute a penalty. Liquidated damages may be assessed at the AUTHORITY's sole discretion as follows:

B. Implementation Phase Delays:

1. In the event that CONTRACTOR has not completed the Work required for Ramp-up/Customer Services by the Guaranteed Completion Date, CONTRACTOR shall be assessed per Calendar Day on a cumulative basis, commencing the day following the Guaranteed Completion Date as follows:

- 1-30 Calendar Days following Guaranteed Completion Date: \$2,300 per Calendar Day
- 31-60 Calendar Days following Guaranteed Completion: \$5,700 per Calendar Day
- Greater than 60 days following the Guaranteed Completion Date: \$11,400 per Calendar Day

2. In the event that CONTRACTOR has not completed the Work required for Implementation of the 405 BOS and has not achieved Readiness for Go-Live by the Guaranteed Completion Dates, CONTRACTOR shall be assessed \$45,000 per Calendar Day, commencing the day following the Guaranteed Completion Date, but not to exceed sixty (60) Calendar Days or \$2,700,000. Upon commencement of assessment of the liquidated damages for not achieving Readiness for Go-Live under this paragraph B. 2, any liquidated damages provided for in B. 1 for not meeting the Guaranteed Completion Date for Ramp-up/Customer Services shall cease to continue to accrue; however, any cumulative Ramp-up/Customer Services' liquidated damages incurred prior to that date in accordance with the above sub-paragraph B-1 shall still be in effect.

C. Key Team Personnel:

1. CONTRACTOR acknowledges that the award of this AGREEMENT by AUTHORITY was based in significant part on the qualifications and experience of the Key Team Personnel listed in CONTRACTOR's Proposal and representation that they would be available to perform the Work.

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2. In the event that CONTRACTOR Project Manager and/or other Personnel identified in Table below become Unavailable to perform the Work, subject to the conditions set forth in Article 4, CONTRACTOR's Personnel, AUTHORITY may assess CONTRACTOR liquidated damages for each occasion of such Unavailability as follows:

Key Team Personnel Liquidated Damages

POSITION	LIQUIDATED AMOUNT
Project Manager – Implementation Phase	\$ 150,000
Project Manager - O&M Phase	\$150,000
Operations Manager	\$ 50,000
Installation Manager	\$ 25,000

3. In addition to the amounts payable for positions identified in the above table, CONTRACTOR shall pay AUTHORITY a further liquidated amount of \$20,000, if any other Key Team Personnel is Unavailable.

4. The amounts payable under this Article 18 for Unavailability apply for each occasion of Unavailability for each of the Key Team Personnel.

D. Failure to Meet Performance Measures:

1. Performance Measures establish a minimum level of service for O&M Phase Work. These Performance Measures include compliance with Security Standards identified in the Scope of Work and Requirements, including but not limited to data security, payment card industry (PCI), and Personally Identifiable Information (PII) standards.

2. Failure to meet such Performance Measures shall result in the assessment of liquidated damages in the form of Adjustments as set forth in the Scope of Work and Requirements. These Adjustments shall result in a reduction of the amount of the monthly fee AUTHORITY would otherwise pay to CONTRACTOR for the Work. Standard reports shall be developed by

CONTRACTOR to measure whether the Performance Measures have been met. The format and content of such reports shall be Approved during the design period, shall be generated by the BOS, and shall be run on a scheduled basis by CONTRACTOR and provided to AUTHORITY on a monthly basis, unless another frequency is otherwise specified in the Scope of Work and Requirements or as otherwise directed by AUTHORITY.

E. AUTHORITY may deduct liquidated damages from any monies due or that may become due to CONTRACTOR under the AGREEMENT. AUTHORITY is not obligated, however, to make such a deduction or to provide notice thereof. If such deducted monies are insufficient to recover the liquidated damages owing, CONTRACTOR or CONTRACTOR's Surety shall pay to AUTHORITY any deficiency prior to Final Acceptance of Implementation Phase or closeout of O&M Phase, as applicable, or upon termination of this AGREEMENT.

F. The failure of AUTHORITY to assess any liquidated damages authorized under this Article 18 shall not constitute a waiver of AUTHORITY's right to assess such Adjustments or liquidated damages at a future date. Further, failure to impose liquidated damages does not constitute a waiver of CONTRACTOR's obligations to perform in accordance with the AGREEMENT and Scope of Work and Requirements.

G. Liquidated damages are separate and cumulative and are not in lieu of Actual Damages covered under Article 19, Actual Damages.

ARTICLE 19. ACTUAL DAMAGES

A. During the O&M Phase, CONTRACTOR shall reimburse AUTHORITY for lost revenue which AUTHORITY or CONTRACTOR identifies as having been lost due to the fault of the CONTRACTOR. Lost revenue includes, but is not limited to, such events as processing errors, lost transactions, lost images, unprocessed transactions, lost data, revenue lost due to data security breach, and transactions that are not able to be collected due to failures or delays in transaction processing. If actual data is available for the affected time period, such data will be considered in the calculation of actual damages as applicable. If AUTHORITY does not have actual transactional, financial, or other

relevant operational data from the affected period, such actual damages shall be calculated based on a determination of a comparable period made by AUTHORITY, and shall consider the day, month, time of day, location, season, whether the day is a weekday, weekend or Holiday, and such other factors as are reasonable. AUTHORITY may choose, in its sole discretion, to recover such lost revenue from the CONTRACTOR by deducting such amounts from payments otherwise due and owing from AUTHORITY to the CONTRACTOR.

B. In addition to other actual damages, CONTRACTOR shall be responsible for all additional costs associated with any PII, PCI, data or security breach associated with CONTRACTOR's provision of Work, including but not limited to, special mailings notifying customers of a mistake in their monthly statements due to inaccurate reporting of information by CONTRACTOR and providing credit monitoring services to customers.

ARTICLE 20. RISK OF LOSS

A. CONTRACTOR shall bear all risk of damage or loss to the BOS except to the extent the damage and loss is caused by the sole negligence or willful misconduct of AUTHORITY or Force Majeure.

B. In the case of damage or loss that AUTHORITY agrees was caused by the sole negligence or willful misconduct of AUTHORITY or Force Majeure, CONTRACTOR shall promptly replace the damaged or lost portions of the System at CONTRACTOR's cost after such cost is pre-Approved by AUTHORITY, and submit the amount(s) thus expended to AUTHORITY for reimbursement as a clearly identified, separate item on its next invoice to AUTHORITY.

ARTICLE 21. DEFAULT

A. Event of Default:

1. An "Event of Default" shall mean a material breach of this AGREEMENT by the CONTRACTOR. Without limiting the generality of the foregoing and in addition to those instances referred to elsewhere in this AGREEMENT as a breach, an Event of Default shall include the following:

a. CONTRACTOR fails to timely remit or credit revenues due AUTHORITY pursuant to this AGREEMENT;

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b. CONTRACTOR fails to timely deliver and/or maintain Deliverables to AUTHORITY, which Deliverables include, but are not limited to, all insurance, bonds or other performance security required by this AGREEMENT or to maintain in force and effect any such insurance, bonds or performance security;

c. CONTRACTOR fails to promptly perform the Work following Effective Date of AGREEMENT; to diligently perform the Work in accordance with the Approved Baseline Implementation Schedule; suspends or otherwise ceases to perform the Work (excepting therefrom excused suspensions directed by AUTHORITY or due to Force Majeure); or promptly resume performance of the Work which have been suspended as directed by AUTHORITY;

d. CONTRACTOR fails to perform the Work in accordance with this AGREEMENT, including, but not limited to, the Scope of Work and Requirements;

e. CONTRACTOR fails to supply enough properly skilled workers or proper materials to perform the Work required under this AGREEMENT;

f. CONTRACTOR fails to make prompt payment to Subcontractors or Suppliers in accordance with this AGREEMENT absent a valid dispute as between the CONTRACTOR and its Subcontractors or Suppliers;

g. CONTRACTOR fails to make any payment due AUTHORITY under this AGREEMENT, including but not limited to, liquidated damages;

h. CONTRACTOR commences any suit or any suit is commenced against CONTRACTOR, under any bankruptcy, insolvency or similar law to liquidate, reorganize or dissolve CONTRACTOR, or which seeks the appointment of a receiver, trustee, custodian or other similar official to attach, execute or such similar process for any substantial part of CONTRACTOR's assets; or CONTRACTOR assigns the proceeds received from this AGREEMENT for the benefit of its creditors, or it has taken advantage of any insolvency statute or debtor/creditor law or if the CONTRACTOR's property or affairs have been put in the hands of a receiver; or any of the foregoing events occur with respect to

any Surety, which Surety is not promptly replaced by CONTRACTOR;

i. CONTRACTOR fails to obtain the Approval of AUTHORITY where required by this AGREEMENT;

j. CONTRACTOR fails to provide adequate assurances as required under paragraph 2. below;

k. CONTRACTOR has failed in the representation of any warranties stated herein;

l. Any person authorized to act on CONTRACTOR's behalf makes a statement to any person authorized to act on AUTHORITY's behalf, indicating that CONTRACTOR cannot or will not perform any one or more of its obligations under this AGREEMENT;

m. CONTRACTOR has a pattern of repeated failures to provide the Work and meet the Scope of Work and Requirements of this AGREEMENT;

n. CONTRACTOR fails to remedy Pervasive Defects; or

o. The suspension or revocation of any license, permit, or registration necessary for the performance of the CONTRACTOR's obligations under this AGREEMENT.

2. When, in the opinion of AUTHORITY, reasonable grounds for uncertainty exist with respect to the CONTRACTOR's ability to perform the Work or any portion thereof, AUTHORITY may request that the CONTRACTOR, within the time frame set forth in AUTHORITY's request, provide adequate assurances to AUTHORITY, in writing, of CONTRACTOR's ability to perform in accordance with the terms of this AGREEMENT. Until AUTHORITY receives such assurances, AUTHORITY may suspend all payments or portions thereof to CONTRACTOR. In the event that CONTRACTOR fails to provide to AUTHORITY the requested assurances within the prescribed time frame, AUTHORITY may:

a. Treat such failure as an Event of Default;

b. Resort to any remedy for breach provided herein or at law or equity, including, but not limited to, taking over the performance of the Work or any part thereof either by itself or through others;

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c. Remove all technical documentation deposited with the Escrow Agent pursuant to the Escrow Agreement executed in accordance with Article 25, Intellectual Property, and Article 26, Intellectual Property Escrow, with the purpose of competitively procuring any Equipment or Software or providing any Work based on such documentation; and

d. Terminate CONTRACTOR's performance hereunder.

3. The enumeration in this Article or elsewhere in this AGREEMENT of specific rights or remedies of AUTHORITY shall not be deemed to limit any rights or remedies which AUTHORITY would have in the absence of such enumeration and no exercise by AUTHORITY of any right or remedy shall operate as a waiver of any other of AUTHORITY's rights or remedies not inconsistent therewith or to stop AUTHORITY from exercising such other rights or remedies.

B. Notice of Default - Chance to Cure:

If, in the determination of AUTHORITY, an Event of Default has occurred, AUTHORITY will notify CONTRACTOR by delivery of a Notice hereinafter referred to as "Default Notice" specifying the default claimed, and advising the CONTRACTOR that such default must be cured as set forth therein or this AGREEMENT may be terminated. Prior to declaring an Event of Default AUTHORITY shall allow the CONTRACTOR to cure the default to AUTHORITY's reasonable satisfaction within fifteen (15) Calendar Days, or such shorter time if the default requires it; provided that AUTHORITY is not required to issue a Default Notice if there is an Event of Default which by nature cannot be cured. Failure to provide a Default Notice shall not preclude AUTHORITY from exercising other available remedies short of termination. AUTHORITY may extend the opportunity to cure beyond the fifteen (15) Calendar Day period if the default is one AUTHORITY agrees requires additional time to cure, so long as the CONTRACTOR has commenced curing such default and is effectuating a cure with diligence and continuity during such fifteen (15) Calendar Day period extension thereof which AUTHORITY prescribes.

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C. Remedies in the Event of Default:

1. If CONTRACTOR does not cure the Event of Default within the time prescribed or the default is not subject to cure, AUTHORITY may declare an Event of Default, which shall be in writing and provided to CONTRACTOR, and, as appropriate the Surety. In addition to all other rights and remedies under this AGREEMENT and/or the bonds, AUTHORITY shall, upon declaration of an Event of Default, have the right to terminate this AGREEMENT, in whole or in part, pursuant to issuance of a Notice of Termination for Cause, specifying the effective date thereof and/or perform or cause to be performed the Work or any portion thereof, which are required of CONTRACTOR. In exercising such rights, AUTHORITY may immediately take possession of, and CONTRACTOR shall deliver, all applicable Equipment, Software and data, and facilities that house such items as AUTHORITY may direct. AUTHORITY shall also have the right to complete the Work with CONTRACTOR's Subcontractors as AUTHORITY directs and CONTRACTOR shall assign such subcontracts as AUTHORITY directs. AUTHORITY, as part of its right to complete the Work, may take possession of and use, and CONTRACTOR shall be required to deliver to AUTHORITY, any or all of the materials, plants, tools, Equipment, Hardware, supplies, and property of every kind, provided, purchased, maintained, leased, owned, or rented by CONTRACTOR, including but not limited to all technical specifications, drawings, source code, and object code placed into Escrow. AUTHORITY may make available such escrowed materials to third parties; third party licenses and Software, and/or procure other materials, plant, tools, Equipment, Hardware, and supplies. AUTHORITY may charge CONTRACTOR and the CONTRACTOR shall be liable to AUTHORITY for the expense of said labor, materials, plant, tools, Equipment, Hardware, supplies and property reasonably necessary in performing or completing the Work.

2. If AUTHORITY declares an Event of Default, CONTRACTOR shall be liable for those damages provided herein resulting from the default, including but not limited to:

a. Losses as defined in Article 20, Risk of Loss;

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b. The difference between the actual costs incurred by AUTHORITY in completing the Work and the compensation AUTHORITY would otherwise have paid CONTRACTOR under this AGREEMENT for completing such Work;

c. Liquidated damages; and

d. Actual damages.

The CONTRACTOR shall remain liable for any other liabilities and claims related to CONTRACTOR's default. All damages and costs may be deducted and paid out of any monies due from AUTHORITY to CONTRACTOR.

D. If an Event of Default occurs, CONTRACTOR and any Surety shall be jointly and severally liable to AUTHORITY for all losses and damages incurred by AUTHORITY. Upon the occurrence of an Event of Default and for so long as it occurs, AUTHORITY may withhold all of any portion of further payments to CONTRACTOR until the date that AUTHORITY accepts the Project as complete at which time AUTHORITY will determine if CONTRACTOR is entitled to any further payments. AUTHORITY will deduct, from any moneys due or which become due to CONTRACTOR or its Surety, all costs and charges incurred by AUTHORITY, including attorneys, accountants and expert witness fees and costs. If AUTHORITY's losses or damages exceed payments owing CONTRACTOR, then the CONTRACTOR and its Surety shall be liable and pay such amount to AUTHORITY within ten (10) Calendar Days of AUTHORITY's written demand. If CONTRACTOR or its Surety fail to pay such demand within such timeframe, AUTHORITY may collect interest thereon at the lesser of 10% per annum or the maximum rate allowed under State law from the date of the written demand.

E. In the event that it is later determined that the AGREEMENT was terminated upon grounds which did not justify a termination for Event of Default, such termination shall be deemed a termination for convenience pursuant to Article 22, Termination for Convenience.

F. Performance by Surety: Upon receipt of a demand from AUTHORITY requiring Surety

to complete the Work, Surety shall diligently and promptly take charge of the Work and complete this AGREEMENT pursuant to its terms at its own expense, receiving the balance of the funds due CONTRACTOR, minus any permissible deductions under this AGREEMENT. In the event AUTHORITY undertakes to complete the Work with its own forces or by way of contract, all costs incurred by AUTHORITY shall be deducted from the amounts due or may become due to CONTRACTOR. If such expense exceeds the sum payable under this AGREEMENT, then CONTRACTOR and Surety shall be jointly and severally liable for the amount of the excess expense up to the amount of the Performance Bond in existence at the time this AGREEMENT is terminated.

ARTICLE 22. TERMINATION FOR CONVENIENCE

A. AUTHORITY may terminate this AGREEMENT for its convenience at any time in whole or in part, by giving CONTRACTOR written Notice thereof. AUTHORITY shall terminate by delivering to CONTRACTOR a written Notice of Termination for Convenience specifying the extent of termination and its effective date. Upon termination, CONTRACTOR shall discontinue performance of all or that portion of Work, as set forth in such Notice and AUTHORITY shall pay CONTRACTOR its allowable costs incurred to date of that portion terminated. The rights, duties and obligations of the parties shall be construed in accordance with the applicable provisions of CFR Title 48, Chapter 1, Part 49, of the Federal Acquisition Regulation (FAR) and specific subparts and other provisions thereof applicable to termination for convenience. If AUTHORITY sees fit to terminate this AGREEMENT for convenience, said notice shall be given to CONTRACTOR in accordance with the provisions of the FAR referenced above and Article 11, Notices, herein. Upon receipt of said notification, CONTRACTOR shall immediately proceed with all obligations, regardless of any delay in determining or adjusting any amounts due under this Article, and agrees to comply with all applicable provisions of the FAR pertaining to termination for convenience. Thereafter, CONTRACTOR shall have no further claims against AUTHORITY under this AGREEMENT.

B. Upon termination, AUTHORITY shall be entitled to all Work, including but not limited to, reports, investigations, appraisals, inventories, studies, analyses, drawings and data estimates performed

to that date, whether completed or not.

C. AUTHORITY may temporarily suspend this Agreement. Upon AUTHORITY providing written notice of such suspension to CONTRACTOR, CONTRACTOR shall immediately suspend all activities under this Agreement; provided that AUTHORITY agrees to reimburse CONTRACTOR only for costs necessarily incurred in ceasing such activities. A temporary suspension may be issued concurrent with the notice of termination.

ARTICLE 23. ACCEPTANCE

A. BOS Acceptance of Implementation Phase:

1. The phases of the Project are set forth in Article 7, Start and Phases of Work.

2. AUTHORITY, in its sole discretion, may grant BOS Acceptance of the Implementation Phase if it deems that the Work on the Implementation Phase is substantially complete, and the following conditions have been met:

a. CONTRACTOR has passed the On-Site Installation and Commissioning Test, and Go-Live has been Approved in accordance with the Scope of Work and Requirements;

b. CONTRACTOR has substantially passed and has been given conditional Approval of the BOS Acceptance test; and

c. CONTRACTOR has committed to completing remaining punch list items and provided proof to AUTHORITY's satisfaction thereof.

3. AUTHORITY shall issue a written Notice of BOS Acceptance for the Implementation Phase upon satisfaction of the conditions listed above in items 2a through 2c. The occurrence of BOS Acceptance shall not relieve CONTRACTOR of any of its continuing obligations hereunder.

B. Final Acceptance of Implementation Phase:

Final Acceptance of an Implementation Phase shall be deemed to have occurred when all of the following conditions have been met:

1. CONTRACTOR has provided a Final Acceptance letter certification to close out

1 the Implementation Phase. The certification shall include but not be limited to: total costs associated with
2 the Implementation Phase, date of Work completion for that phase and any additional required
3 information contained in items 2 through 8 below:

4 2. Any and all punch list items have been satisfactorily completed and Approved by
5 AUTHORITY and final Approval of the Acceptance Test, has been granted by AUTHORITY;

6 3. Escrowed Software has been delivered to AUTHORITY in accordance with the
7 Escrow Agreement;

8 4. CONTRACTOR has delivered and AUTHORITY has Approved all Deliverables,
9 including As-Built Documentation/Drawings, as defined in the Scope of Work and Requirements;

10 5. An affidavit has been delivered to AUTHORITY signed by the CONTRACTOR,
11 stating all debts and claims of Suppliers and Subcontractors have been paid and/or settled;

12 6. All CONTRACTOR claims for the Implementation Phase are deemed to be
13 resolved by AUTHORITY, and the CONTRACTOR has submitted a statement that no such requests or
14 disputes will be applied for; any and all claims under this AGREEMENT are resolved, and that no such
15 claims will be made;

16 7. All of CONTRACTOR's other obligations, including payment of liquidated
17 damages under the Implementation Phase, shall have been satisfied in full or waived in writing by
18 AUTHORITY; and

19 8. AUTHORITY shall have delivered to the CONTRACTOR a Notice of Final
20 Acceptance for the phase.

21 C. Closeout of O&M Phase:

22 Closeout of the O&M Phase shall be deemed to have occurred when all of the following conditions
23 have been met:

24 1. The CONTRACTOR shall have provided a letter certification to close out the O&M
25 Phase. The certification shall include but not be limited to: total costs associated with the phase, date of
26 phase completion and any additional required information contained in items 2 through 10 below:

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2 2. Delivery by the CONTRACTOR and Approval by AUTHORITY of all Deliverables,
3 including As-Built Documentation/Drawings, as required in the Scope of Work and Requirements;

4 3. The CONTRACTOR has met all transition and succession requirements pursuant
5 to the Scope of Work and Requirements;

6 4. All licenses and leases subject to transfer or assignment to AUTHORITY have
7 been transferred or assigned;

8 5. Any and all CONTRACTOR action items associated with the phase have been
9 satisfactorily completed and Approved by AUTHORITY;

10 6. An affidavit has been delivered to AUTHORITY signed by CONTRACTOR, stating
11 all debts and claims of Suppliers and Subcontractors have been paid and/or settled;

12 7. All CONTRACTOR claims for the phase are deemed to be resolved by
13 AUTHORITY, and CONTRACTOR has submitted a statement that no such requests or disputes will be
14 applied for; any and all claims under this AGREEMENT are resolved, and that no such claims will be
15 made;

16 8. The CONTRACTOR shall provide AUTHORITY with all required materials,
17 fixtures, furnishings, Equipment and Software; documentation and manuals, either owned by or licensed
18 to AUTHORITY, pursuant to this AGREEMENT. All such materials have been verified by AUTHORITY
19 to be in good working order;

20 9. All of CONTRACTOR's other obligations under the O&M Phase, including
21 liquidated damages, shall have been satisfied in full or waived in writing by AUTHORITY; and

22 10. AUTHORITY shall have delivered to CONTRACTOR a Notice of Closeout for the
23 phase.

24 D. AUTHORITY's beneficial use of the Deliverables during any phase prior to AGREEMENT
25 closeout shall not constitute Acceptance of any Deliverable, nor shall such use give rise to a claim for
26 equitable adjustment.

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ARTICLE 24. INSPECTION

A. All Work, Sites, and Facilities shall be subject to inspection and testing by AUTHORITY at all reasonable times. Any inspection, test or Approval is for the sole benefit of AUTHORITY and shall not relieve CONTRACTOR of the responsibility of providing Quality Control measures to assure that the Work strictly complies with requirements of this AGREEMENT. No inspection or test or Approval by AUTHORITY or its representative shall be construed as constituting or implying Acceptance unless all criteria for Acceptance have been met in accordance with Article 23, Acceptance. Inspection or test or Approval shall not relieve CONTRACTOR of responsibility for damage to or loss of the material prior to Acceptance, nor in any way affect the continuing rights of AUTHORITY after Acceptance of the completed Work.

B. CONTRACTOR shall furnish promptly, without additional charge, all facilities, labor, Equipment and material reasonably needed for performing inspection and testing in a safe and convenient manner as may be required by AUTHORITY and as further set forth in the Scope of Work and Requirements. All inspections and tests by AUTHORITY shall be performed in such manner as to not unnecessarily delay the Work. AUTHORITY reserves the right to charge to CONTRACTOR any additional cost of inspection or test when material or workmanship is not ready at the time specified by CONTRACTOR for inspection or test or when re-inspection or retest is necessitated by prior rejection.

ARTICLE 25. INTELLECTUAL PROPERTY

A. Project Intellectual Property:

1. CONTRACTOR acknowledges and agrees that all Intellectual Property authored, created, and invented under this AGREEMENT and/or for the purposes of the Project, in any medium, is either owned by AUTHORITY or specially ordered or commissioned by AUTHORITY including works made for hire in accordance with Section 101 of the Copyright Act of the United States ("Project Intellectual Property"), CONTRACTOR hereby irrevocably and exclusively assigns to AUTHORITY, immediately upon creation, authorship, development or invention of the Project

Intellectual Property and without any restriction or condition precedent, (i) all rights, title and interest in and to such Intellectual Property and (ii) physical possession and all rights, title and interest in any executable code and all Source Code, programmer notes, and other documentation and other relevant Software (collectively, the "IP Materials"). To perfect or register AUTHORITY Intellectual Property rights under this Section, CONTRACTOR agrees to execute such further documents and to do such further acts as may be necessary to perfect, register, or enforce AUTHORITY ownership of such rights, in whole or in part. If CONTRACTOR fails or refuses to execute any such documents, CONTRACTOR hereby appoints AUTHORITY as CONTRACTOR's attorney-in-fact (this appointment to be irrevocable and a power coupled with an interest) to act on CONTRACTOR's behalf and to execute such documents. AUTHORITY hereby grants to CONTRACTOR a limited, non-exclusive license to use, exploit, manufacture, distribute, reproduce, adapt and display AUTHORITY Intellectual Property developed and owned by AUTHORITY independently of this AGREEMENT ("AUTHORITY Intellectual Property") and Project Intellectual Property, solely in connection with and limited to: (a) incorporation of relevant Intellectual Property into the Project or Work; (b) performance, provision, furnishing and discharge of the Work; and (c) licensing to other entities (to the extent required for Interoperability). Except as provided in this Article 25, no Intellectual Property rights of AUTHORITY, including the AUTHORITY's name and other trademarks, are granted to CONTRACTOR and all other rights are reserved to AUTHORITY. All rights granted in this Article 25.A.1 only, shall terminate at the expiration of the Term or upon earlier termination subject to Articles 21 or 22.

2. CONTRACTOR shall deliver to AUTHORITY all AUTHORITY Materials, documents, results and related materials created in the development of Project Intellectual Property as soon as (i) incorporated into Project, or any Deliverable, Work, service(s), and/or Software, including any Upgrades, Updates or Enhancements, (ii) required by the AGREEMENT or Scope of Work and Requirements, or (iii) reasonably practicable, provided that all such IP Materials, shall be delivered to AUTHORITY not later than the effective termination date of this AGREEMENT, including expiration date of the Term.

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B. CONTRACTOR Intellectual Property:

1. CONTRACTOR hereby grants to AUTHORITY an irrevocable, perpetual, non-exclusive, transferable (solely to an AUTHORITY assignee or successor in interest), fully paid-up right and license to use, distribute, reproduce, adapt and display, and prepare derivative works of the CONTRACTOR Intellectual Property solely for the Project or any Deliverable, Work, service(s), and/or Software, including any Upgrades, Updates or Enhancements. CONTRACTOR Intellectual Property shall mean Intellectual Property authored, created or invented by CONTRACTOR either (a) prior to the Effective Date or (b) independently of the AGREEMENT. The rights granted herein shall survive the termination, expiration or cancellation of this AGREEMENT or any rights related thereto.

2. CONTRACTOR shall identify and disclose all CONTRACTOR Intellectual Property required by, incorporated in or integrated into the Project, or any Deliverable, Work, service(s), and/or Software, including any Upgrades, Updates or Enhancements, including (when reasonably available): full and specific information detailing Intellectual Property claimed, date of authorship, creation and/or invention, date of application(s), application number(s) and registering entity(ies), date of registration(s), registration number(s) and registering entity(ies), if any, and owner including person or entity name and address. Subject to the Intellectual Property deposit requirements of Article 27, CONTRACTOR shall not be required to identify or disclose CONTRACTOR Intellectual Property only to the extent that doing so would eliminate or substantially limit the legal protections for such Intellectual Property.

C. Third-Party Intellectual Property:

1. CONTRACTOR shall secure license(s) in the name of AUTHORITY to use, execute, perform, sublicense, distribute, reproduce, adapt, display, and prepare derivative works of Third-Party Intellectual Property in connection with or any Deliverable, Work, Service(s), and/or Software, including any Upgrades, Updates or Enhancements, including a representation and

warranty that the Third-Party Intellectual Property does not infringe the rights, including Intellectual Property rights, of any other person or entity. Third-Party Intellectual Property shall mean Intellectual Property owned by any person or entity unrelated to CONTRACTOR which is incorporated into the Project, Work or services. AUTHORITY shall review and Approve, in its sole discretion, any license(s) pursuant to this Article and in no event shall CONTRACTOR incorporate Third-Party Intellectual Property into the Project, or any Deliverable, Work, service(s), and/or Software, including any Upgrades, Updates or Enhancements without first securing such licenses and subject to AUTHORITY's prior review and Approval.

2. CONTRACTOR shall Identify and disclose to AUTHORITY all Third-Party Intellectual Property contained, or included, i) in the Project Intellectual Property, including (when reasonably available): or (ii) in the Project, or any Deliverable, Work, service(s), and/or Software, including any Upgrades, Updates or Enhancements, including (when reasonably available): full and specific information detailing Intellectual Property claimed; date of authorship, creation and/or invention; date of application(s); application number(s) and entity(ies); date of registration(s), registration number(s) and registering entity(ies), if any, and owner, including person or entity name and address.

3. CONTRACTOR shall obtain from each owner of the Third-Party Intellectual Property prior consent to have the relevant Third-Party Intellectual Property deposited into an Escrow in accordance with Article 26, Intellectual Property Escrows, or, to the extent the owner of the relevant Third-Party Intellectual Property has not provided such consent, obtain AUTHORITY's prior written Approval for a waiver of this requirement.

4. CONTRACTOR shall not incorporate Third-Party Intellectual Property into the Project without first obtaining (a) the licenses described in Article 25.C.1 and (b) consent for the delivery or deposit of IP Materials from each owner of the Third-Party Intellectual Property, or unless such requirement is waived by AUTHORITY in accordance with Article 25.C.3. The rights granted in Article 25.C.1 shall survive the termination, expiration or cancellation of this AGREEMENT or any rights related thereto.

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D. Delivery of IP Materials: CONTRACTOR shall deliver CONTRACTOR and Third-Party IP Materials into Escrow in accordance with Article 26, Intellectual Property Escrow and Article 27, Escrow Agreement Dates.

E. Payments Inclusive: CONTRACTOR acknowledges and agrees that the payments provided for in Article 8 include all royalties, fees, costs and expenses arising from or related to the Project Intellectual Property, including without limitation any fees pursuant to Articles 25, 26, and 27. CONTRACTOR acknowledges that AUTHORITY is a public agency subject to state laws, including the California Public Records Act (California Government Code §6250, et seq.) (the "Public Records Act"). Notwithstanding any designation or communication by CONTRACTOR that any CONTRACTOR information or materials provided under this AGREEMENT may be confidential or proprietary, CONTRACTOR consents in advance to AUTHORITY's disclosure of the same if AUTHORITY determines that it is required by law to disclose. Such disclosure shall not constitute a breach of this AGREEMENT. AUTHORITY will provide reasonable notice to CONTRACTOR of any request for disclosure of information or materials identified by CONTRACTOR as "confidential", "trade secret" or "proprietary" or otherwise considered confidential under this AGREEMENT. If CONTRACTOR wishes to oppose any such disclosure, CONTRACTOR shall assume the opposition to such disclosure(s) or shall indemnify AUTHORITY for all costs incurred (including attorneys' fees and court costs) in connection with any opposition to such disclosure.

ARTICLE 26. INTELLECTUAL PROPERTY ESCROW

A. CONTRACTOR acknowledges that AUTHORITY must be ensured access to CONTRACTOR and Third-Party IP Materials at any time and must be assured that such IP Materials are delivered to Escrow pursuant to Article 26 and Articles 27.

B. CONTRACTOR or an owner of Third-Party Intellectual Property shall deposit the IP Materials with an Escrow Agent. AUTHORITY and CONTRACTOR shall: (a) mutually select an escrow

company ("Escrow Agent") engaged in the business of receiving and maintaining escrows of software source code and/or other intellectual property; (b) establish an Escrow (with the Escrow Agent on terms and conditions substantially similar to terms and conditions of the Form of Intellectual Property Escrow AGREEMENT, Form H), for the deposit, retention, upkeep, authentication, confirmation and release of IP Materials to AUTHORITY pursuant to this AGREEMENT; (c) adhere to the deposit dates set forth in Article 27 and (c) determine a process for releasing from Escrow the IP Materials to be delivered to AUTHORITY pursuant to this AGREEMENT. Intellectual Property Escrows also may include Affiliates as parties and may include deposit of their Intellectual Property.

C. CONTRACTOR shall be responsible for the fees and costs of establishing and maintaining the Escrow Agent for the Term. AUTHORITY shall be responsible for all costs arising in connection with the maintenance of the Escrow referred to in this Article beyond the Term.

D. The Escrow shall survive expiration or earlier termination of this AGREEMENT regardless of the reason.

E. The IP Materials shall be released and delivered to AUTHORITY in any of the following circumstances:

1. This AGREEMENT is terminated for any reason including expiration of the Term;
2. A voluntary or involuntary bankruptcy or insolvency of CONTRACTOR occurs;
3. CONTRACTOR is dissolved or liquidated; and
4. CONTRACTOR or any third party, pursuant to a license under Article 25.C.2, (a) fails or ceases to provide services as necessary to permit continued use of any such Intellectual Property or (b) otherwise ceases to engage in the ordinary course of the business of manufacturing, supplying, maintaining and servicing the software, product, part or other item containing the IP Materials pursuant to a license or any sublicense thereof.

F. Any CONTRACTOR Intellectual Property released and delivered to AUTHORITY under the terms of this AGREEMENT shall be deemed confidential and not disclosed or distributed to any third party without a non-disclosure agreement to ensure such confidentiality. Without limiting the license

grants provided in this Article and subject to the confidentiality obligations of this section, any and all rights to CONTRACTOR Intellectual Property granted to AUTHORITY pursuant to paragraph B of Article 25 shall include the right to sublicense and disclose such CONTRACTOR Intellectual Property to AUTHORITY employee, agent, representative, vendor, assignee or affiliate in its sole discretion.

ARTICLE 27. ESCROW AGREEMENT

A. Within forty-five (45) Calendar Days from the Effective Date, AUTHORITY, an Escrow Agent, and CONTRACTOR shall enter into an Escrow AGREEMENT substantially as set forth in Article 26.

B. AUTHORITY may at its sole discretion require an initial deposit of the complete CONTRACTOR IP Materials within sixty (60) Calendar Days of AGREEMENT Effective Date.

C. Additional deposits shall be made to the Escrow within ten (10) Calendar Days of Go-Live and within ten (10) Calendar Days of BOS Acceptance.

D. In the event CONTRACTOR updates, revises or supplements any of the IP Materials deposited or revises, supplements or creates additional information, CONTRACTOR shall deposit a complete set of such revised, supplemented, or additional information with the Escrow Agent as soon as reasonably practicable, but in no event more than thirty (30) Calendar Days after such revision, supplement or addition and shall indicate with each deposit what information and which documents and pages have been revised, supplemented or added since the last deposit.

E. CONTRACTOR shall make deposits of the complete set of IP Materials current at the time of deposit, at a minimum of semi-annually if no deposits provided for in paragraph D have occurred within the relevant preceding six-month period.

ARTICLE 28. WARRANTIES

A. CONTRACTOR warrants the following:

1. All guarantees and warranties made herein are fully enforceable by AUTHORITY acting in its own name.

2. The Equipment, Hardware, and Software CONTRACTOR installs and places into

operation will not result in any damage to existing facilities, walls or other parts of adjacent, abutting or /
overhead buildings, railroads, bridges, roadway, structures, surfaces, or cause any physical or mental injury to any person.

3. All provided Hardware and Equipment is new unless otherwise specifically Approved by AUTHORITY.

B. BOS Warranty:

The CONTRACTOR shall provide a full BOS warranty on all System Equipment, Hardware, and Software beginning from the date of Readiness for Go-Live through the end of the O&M Phase hereinafter referred to as "BOS Warranty Period", warranting that the full System shall be as set forth in the Scope of Work and Requirements. During the BOS Warranty Period, AUTHORITY shall not be charged for any Maintenance or Software Support Services performed on the BOS, other than Maintenance payments identified in the CONTRACTOR Price Proposal. In the period after installation and prior to the commencement of the O&M Phase, all Maintenance and Software Support Services shall also be at CONTRACTOR's sole expense. Further, at all times during the Term, CONTRACTOR shall promptly repair or replace, at its own cost or expense, including, the cost of removal, installation and transportation, any unit of Equipment, Hardware, or Software, or part or component thereof, which proves defective or otherwise fails to comply with Exhibit B, Scope of Work and Requirements, such that it complies with the Scope of Work and Requirements. All fees associated with restocking cancelled or returned orders shall be the responsibility of CONTRACTOR.

C. Software Warranties:

CONTRACTOR warrants that the Software needed to operate the BOS shall be as set forth in the Scope of Work and Requirements, and that commencing upon Go-Live, and for the Term, the Software and each module or component and function thereof shall:

1. Be free from defects in materials and workmanship under normal use;
2. Remain in good working order, be free from viruses; trap doors; disabling devices;

Trojan horses; disabling codes; back doors; time bombs; drop-dead devices; worms, and any other type of malicious or damaging code or other technology or means which has the ability to interfere with the use of the BOS by AUTHORITY or its designees, or permit access to AUTHORITY's computing systems without its knowledge or contrary to its system connectivity policies or procedures;

3. Not interfere with toll collection;

4. Operate and function fully, properly and in conformity with the warranties in this AGREEMENT;

5. Operate fully and correctly in the operating environment identified in the Scope of Work and Requirements, including by means of the full and correct performance of the Software, and all Updates, Upgrades, Enhancements, or new releases of the Software, on or in connection with the Equipment, any Updates, Upgrades, Enhancements, or new releases to such Equipment, and any other Software used by or in connection with any such Equipment;

6. Be fully compatible and Interface completely and effectively with the Equipment, including other Software programs provided to AUTHORITY hereunder, such that the Software and other Equipment combined will perform and continuously attain the standards identified in the Scope of Work and Requirements; and

7. Accurately direct the operation of the BOS, as required by the Scope of Work and Requirements, and the descriptions, specifications and documentation set forth therein and herein.

D. Software Maintenance Services:

During the Term, CONTRACTOR shall, at its own cost and expense, provide Maintenance and Software Support Services to keep the Software in good working order and free from defects such that the BOS shall perform in accordance with this AGREEMENT, including Scope of Work and Requirements.

1. The CONTRACTOR shall provide technical support and shall, at its own cost and expense, timely remedy any failure, malfunction, defect or non-conformity in Software, in accordance with Scope of Work and Requirements.

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3 2. CONTRACTOR shall provide AUTHORITY the most current release of all
4 Software available on the date of delivery of the BOS Software to maintain optimum performance
5 pursuant to this AGREEMENT.

6 3. CONTRACTOR shall promptly provide Notice to AUTHORITY in writing of any
7 defects or malfunctions in the Software, regardless of the source of information. CONTRACTOR shall
8 promptly correct all defects or malfunctions in the Software or documentation discovered and shall
9 promptly provide AUTHORITY with corrected copies of same, without additional charge. If Software can
10 only be corrected in conjunction with additional or revised Hardware, CONTRACTOR shall provide such
11 Hardware to AUTHORITY, and the cost of such Hardware shall be borne by CONTRACTOR, and not be
12 reimbursable by AUTHORITY.

13 a. No Updates, Upgrades, or Enhancements shall adversely affect the
14 performance of the BOS, in whole or in part, or result in any failure to meet any Requirements of the
15 Scope of Work and Requirements.

16 b. The CONTRACTOR shall ensure continued satisfactory performance by
17 the current operating system of the Software in accordance with all provisions of this Article.

18 c. In the event that the Software does not satisfy the conditions of
19 performance set forth in the Scope of Work and Requirements, the CONTRACTOR is obligated to
20 promptly repair or replace such Software at the CONTRACTOR's sole cost and expense or, if expressly
21 agreed to in writing by AUTHORITY, provide different Software, and perform Work required to attain the
22 performance Requirements set forth in the Scope of Work and Requirements.

23 d. In the event of any defect in the media upon which any tangible portions
24 of the Software are provided, the CONTRACTOR shall provide AUTHORITY with a new copy of the
25 Software.

26 e. Without releasing the CONTRACTOR from its obligations for warranty

(during an applicable warranty period), support or Maintenance of the Software, AUTHORITY shall have the right to use and maintain versions of the Software provided by the CONTRACTOR which are one or more levels behind the most current version of such Software and to refuse to install any Updates, Upgrades or Enhancements if, in AUTHORITY's discretion, installation of such Updates, Upgrades or Enhancements would interfere with its Operations. CONTRACTOR shall not, however, be responsible or liable for the effect of any error or defect in the version of the Software then in use by AUTHORITY that occurs after the CONTRACTOR has both (i) offered, by written Notice to AUTHORITY, a suitable correction (by way of Update, Upgrade, Enhancement, or otherwise) of such error or defect and (ii) provided AUTHORITY a reasonable opportunity to implement such existing correction, provided that the CONTRACTOR establishes that neither the implementation nor the use of such correction would limit, interfere with, adversely affect, or materially alter the interoperability, functionality or quality of the BOS.

E. Third-Party Warranties

CONTRACTOR shall assign to AUTHORITY, and AUTHORITY shall have the benefit of, any and all Subcontractors' and Suppliers' warranties and representations with respect to the BOS and Work provided hereunder. The CONTRACTOR's agreements with Subcontractors, Suppliers and any other third parties shall require that such parties (a) consent to the assignment of such warranties and representations to AUTHORITY, (b) agree to the enforcement of such warranties and representations by AUTHORITY in its own name, and (c) furnish to AUTHORITY, the warranties set forth herein. The CONTRACTOR shall obtain maintenance agreements for third-party Software. CONTRACTOR shall secure such maintenance agreements for the same duration and upon the same terms and conditions as the Maintenance provisions between the CONTRACTOR and AUTHORITY. At AUTHORITY's request, CONTRACTOR shall provide supporting documentation which confirms that these warranties are enforceable in AUTHORITY's name.

F. Data Accuracy

CONTRACTOR acknowledges and understands that the data and/or information it collects, processes and/or provides to AUTHORITY will be relied upon by AUTHORITY and other persons or

entities that are now or will in the future be under agreement with AUTHORITY in accordance with the Scope of Work and Requirements. Should CONTRACTOR become aware that information derived and provided by CONTRACTOR is inaccurate and may cause AUTHORITY to incur damages or additional expenses, the CONTRACTOR shall immediately place any applicable insurance carrier on notice of a potential claim. This provision shall survive termination of this AGREEMENT, and the CONTRACTOR agrees to waive any applicable limitation periods consistent with enforcement of this provision.

G. Neither Final Acceptance of the Implementation Phase of the BOS and Work or payment therefor, nor any provision in this AGREEMENT, nor partial or entire use of the BOS and Work by AUTHORITY shall constitute Approval of Work not performed in accordance with this AGREEMENT or relieve the CONTRACTOR of liability for any express or implied warranties or responsibility for faulty materials or workmanship.

H. The obligations set forth in this Article shall be in addition to any other warranty obligations set forth in this AGREEMENT. All provisions of this Article, referring or relating to obligations to be performed pursuant to an applicable warranty period that extends beyond the Term, shall survive the expiration, cancellation or earlier termination of this AGREEMENT.

ARTICLE 29. ADDITIONAL CONTRACTOR WARRANTIES

A. CONTRACTOR warrants that it is fully experienced and properly qualified, licensed, equipped, organized and financed to perform all the Work.

B. CONTRACTOR warrants that all Work will be provided in accordance with this AGREEMENT.

C. CONTRACTOR warrants that (1) all Work performed and all Equipment, Software, Hardware and other material provided under this AGREEMENT by CONTRACTOR or any of its Subcontractors or Suppliers conforms to the requirements herein and is free of any defects; and (2) Equipment, Software, and Hardware furnished by CONTRACTOR or any of its Subcontractors or Suppliers at any tier, shall be of modern design, in good working condition, and fit for use of its intended purpose. For any Equipment, Software, or Hardware purchased within twelve (12) months of the end of

the Term, such warranty shall continue for a period of one (1) year from the end of the Term or for the manufacturer's standard warranty, whichever is longer.

ARTICLE 30. DEFECTS/FAILURE

A. Upon discovery of any defect or failure in the Software, Equipment or Hardware, CONTRACTOR shall promptly provide AUTHORITY notice thereof and repair or replace same at its sole cost and expense. If expressly agreed to in writing by AUTHORITY, CONTRACTOR may provide different Software, Equipment or Hardware. In the event of any defect in the media upon which any tangible portions of the Software are provided, the CONTRACTOR shall provide AUTHORITY with a new copy of the Software. In addition, CONTRACTOR shall remedy at its own expense any damage to AUTHORITY owned or controlled real or personal property, when that damage arises out of such defects.

B. In the event AUTHORITY determines there is a defect or failure in the Software, Equipment or Hardware or damage to AUTHORITY property, AUTHORITY shall notify CONTRACTOR in writing within a reasonable time after the discovery of same. CONTRACTOR has seven (7) Calendar Days from receipt of notice from AUTHORITY to respond and indicate how CONTRACTOR will remedy the failure, defect, or damage. If AUTHORITY is not satisfied with CONTRACTOR'S proposed remedy, CONTRACTOR and AUTHORITY shall, within three (3) Business Days, meet and mutually agree when and how CONTRACTOR shall remedy such violation. In the case of an emergency requiring immediate corrective action, CONTRACTOR shall implement such action necessary to remedy the defect, failure or damage as required by AUTHORITY.

C. Should CONTRACTOR fail to remedy any failure, defect or damage within a reasonable time to the reasonable satisfaction of AUTHORITY, AUTHORITY shall have the right with its own forces or other contractors, to replace, repair or otherwise remedy such failure, defect or damage at CONTRACTOR's expense. In addition, CONTRACTOR shall be liable for all damages arising out its failure to promptly remedy the defect, failure or damage.

D. CONTRACTOR agrees to promptly remedy, at no cost to AUTHORITY, any defects determined by AUTHORITY to be Pervasive, such that if AUTHORITY determines that any Equipment,

Hardware, component, sub-component or Software is experiencing continued or repetitive failure that requires constant replacement or repair, CONTRACTOR agrees that a "Pervasive Defect" shall be deemed to be present in such affected types of Equipment, Hardware, or Software. CONTRACTOR shall perform an investigation of the issues and prepare a report that includes a reason for the failure and its plan for resolution. This report and a resolution plan shall be produced by CONTRACTOR and submitted to AUTHORITY within seven (7) Calendar Days of notification by AUTHORITY of the Pervasive Defect. The report and plan shall include the investigation results, remediation steps performed to-date, and a plan and schedule to complete the Pervasive Defect resolution. Such resolution shall be in a manner satisfactory to AUTHORITY and that permanently addresses the problem and corrects the defect so that such defect does not continue to occur. The status shall be updated and briefed in weekly meetings until resolution is complete. Notwithstanding the foregoing, AUTHORITY does not waive any of their other rights enumerated in paragraphs A through C of this Article.

E. The obligations set forth in this Article shall be in addition to any warranty obligations set forth in this AGREEMENT. The provisions of this Article shall survive the expiration or earlier termination of this AGREEMENT.

F. All Subcontractors, manufacturers, and Suppliers' warranties, expressed or implied, respecting any Work, Equipment, Software or Hardware furnished hereunder, shall, at the direction of AUTHORITY, be enforced by CONTRACTOR for the benefit of AUTHORITY.

G. If directed by AUTHORITY, CONTRACTOR shall require any such warranties to be executed in writing to AUTHORITY.

H. The obligations and remedies specified in this Article shall not limit AUTHORITY's rights and remedies provided elsewhere in this AGREEMENT.

ARTICLE 31. COORDINATION WITH OTHER CONTRACTORS

A. During the course of this AGREEMENT, AUTHORITY may undertake or award other agreements for additional work, including but not limited to separate agreements with different contractors related to the Scope of Work and Requirements, including the Electronic Toll and Traffic Management