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THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

I. PARTIES

A. Address

THIS AGREEMENT FOR SOFTWARE LICENSES, DESIGN, IMPLEMENTATION, AND MAINTENANCE SERVICES FOR PARKING MANAGEMENT INFORMATION SYSTEM ("Agreement") is made on the Countersignature Date between the **CITY OF HOUSTON, TEXAS** ("City"), a Texas home-rule city, and **T2 SYSTEMS, INC.** ("Contractor"), an Indiana corporation authorized to do business in Texas.

The initial addresses of the Parties, which one Party may change by giving written notice to the other Party, are as follows:

City	**Contractor**
City of Houston Director, General Services Department P.O. Box 1562 Houston, Texas 77251	T2 SYSTEMS, INC. Attn: Tim Maginn, Senior Vice President 7835 Woodland Dr., Suite 250 Indianapolis, IN 46278

The Parties agree as follows:

[Rest of page intentionally left blank.]

B. Table of Contents

This Agreement consists of the following sections:

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H. M/WBE SUBCONTRACT TERMS

C. Parts Incorporated

The above described exhibits are incorporated into this Agreement.

D. Controlling Parts

If a conflict among the sections and exhibits arises, the sections control over the exhibits.

E. Signatures

The Parties have executed this Agreement in multiple copies, each of which is an original.

T2 SYSTEMS, INC.
Signed by:

By: Tim Maginn
Name: Tim Maginn
Title: Senior Vice President
Tax ID No.

ATTEST/SEAL (if a corporation)
WITNESS (if not a corporation)

By: Karen Hartley
Name: Karen Hartley
Title: Sales Administrator

CITY OF HOUSTON, TEXAS

By: Bill White
Mayor

ATTEST/SEAL:

City Secretary

APPROVED:

Director, General Services Department

APPROVED:

Chief Information Officer

APPROVED:

City Purchasing Agent

COUNTERSIGNED BY:

City Controller

DATE COUNTERSIGNED:

7-9-09

APPROVED AS TO FORM:

Assistant City Attorney
L.D. No. 037090009700 1

II. DEFINITIONS

All capitalized terms in this Agreement have the meaning set out in this Section.

"Acceptance" is defined in the Statement of Work.

"Business Day" means Monday through Friday between the hours of 8:00 a.m. and 5:00 p.m. Central Time excluding the City's holidays.

"Central Time" means Houston time.

"Countersignature Date" means the date the City Controller countersigns this Agreement.

"Deliverables" are identified in the Statement of Work.

"Director" means the Director of the General Services Department and their designees or successors

"Original Contract Amount" means $1,514,850 including future year maintenance fees, subject to allocation.

"Services" means software consulting and professional services set out in the Statement of Work.

"Software Subscription Agreement" means the software subscription attached as Exhibit "C."

"Start Date" means a date for Contractor to start performance under this Agreement. The Parties shall agree on a Start Date within 30 days of the Countersignature Date.

III. DUTIES OF CONTRACTOR

A. Scope of Services

1. In consideration of the payments specified in this Agreement, Contractor shall furnish to the City:

   a. The services described in the Statement of Work, Exhibit "A", according to the technical specifications proposed by Contractor in response to City's RFP S17-T23907, which technical specifications are attached to and made part of this Agreement as Attachment 1 to Exhibit "A", and

   b. The Software Subscription as set out in Exhibit "C".

2. Contractor warrants that it will provide all the services, software, hardware, and maintenance set out in this Agreement and in its response to City's S17- T23907 for a total cost of $1,514,850.

3. Contractor warrants that the collection of software and hardware that comprises the

final, delivered solution it provides under this Agreement will meet requirements in Attachment 1 to Exhibit "A"..

B. Reports

Contractor shall submit all reports and progress updates required by the Statement of Work to the Director.

C. Schedule of Performance

1. Time of Performance

The Director shall provide Contractor a written Notice to Proceed specifying a Start Date. Contractor shall begin its performance no later than the Start Date and shall continue to perform diligently until this Agreement is terminated or all services are completed, whichever comes first.

2. Schedule

Contractor shall complete each task set out in the Statement of Work in accordance with a mutually agreed project plan. If Contractor fails to complete each task set out in the Statement of Work as a result of its own acts or omissions, the Director may in accordance with this Agreement terminate this Agreement or grant time extensions. The Parties may alter or revise the project plan upon mutual written agreement.

D. Time Extensions

If Contractor requests an extension of time to complete its performance, then the Director may, in his or her sole discretion, extend the time. The extension must be in writing but does not require amendment of this Agreement. Contractor is not entitled to damages for delay(s) regardless of the cause of the delay(s). Contractor will not be held responsible or be penalized or denied an extension for delays beyond Contractor's control, including, but not limited to changes or delays by City. Extensions of time shall not exceed a total of 90 days.

E. Additions (Change Orders)

1. Additional Products and Services

The Director may add additional services deliverables ("Additional Deliverables") by giving written notification to Contractor via a mutually agreed upon Change Order, which shall include services, time frames and price. For purposes of this Section, the Effective Date means the date on which Contractor receives written notification of the addition(s). As of the Effective Date, each additional Deliverable is subject to this Agreement, as if it had originally been a part, but the charge

for each item starts to accrue only on the Effective Date. If Contractor is unable to meet an original deadline due to any Additional Deliverable, then such delay shall not be deemed a default nor grounds for termination of this Agreement; however, Contractor shall meet the new deadline established in the Change Order identifying the Additional Deliverable(s).

2. Exclusion of Deliverables or Services

If a Deliverable or service that is subject to this Agreement is deleted, lost, stolen, destroyed, damaged, sold, replaced, or otherwise disposed of, the Director may exclude it ("Excluded Deliverables") from the operation of this Agreement by notifying Contractor by written Change Order, which shall include the services excluded, time impact and price changes.. The change takes effect immediately on its receipt by Contractor. More than one Change Order may be given. When a notice is received, Contractor shall delete the charge for the excluded Deliverable from the sum(s) otherwise due under this Agreement.

3. The total charges for additions and deletions to this Agreement must never exceed 25% of the Original Contract Amount unless:

a. the additions are exempt from the competitive bidding or proposal requirements, set forth in Tex. Local Govt. Code Chapter 252; or

b. the City acquires the additions from Contractor through a competitive bid or competitive proposal.

4. Change Orders

The Director may request Change Orders to add Deliverables or services in an aggregate amount not to exceed 10% of the total contract amount (including all phases, if any) without the need to return to City Council for approval as long as City Council has appropriated sufficient funds to pay for such Change Orders. Change orders in excess of 10% must be approved by City Council. The aggregate of all Change Orders shall never increase the Original Contract Amount by more than 25%

F. Payment of Subcontractors

Contractor shall make timely payments to all persons and entities supplying labor, materials, or equipment for the performance of this Agreement. **CONTRACTOR SHALL DEFEND AND INDEMNIFY THE CITY FROM ANY CLAIMS OR LIABILITY ARISING OUT OF CONTRACTOR'S FAILURE TO MAKE THESE PAYMENTS.** Contractor shall submit disputes relating to payment of MWBE subcontractors, if any, to arbitration in the same manner as any other disputes under the MWBE subcontract. Contractor shall make timely payment for invoices that are not in dispute.

G. INDEMNIFICATION

CONTRACTOR AGREES TO AND SHALL DEFEND, INDEMNIFY, AND HOLD THE CITY, ITS AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES HARMLESS FOR ALL CLAIMS, CAUSES OF ACTION, LIABILITIES, FINES, AND EXPENSES (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES, COURT COSTS, AND ALL OTHER DEFENSE COSTS AND INTEREST) FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY ARISING AS A RESULT OF CONTRACTOR'S AND/OR ITS AGENTS', EMPLOYEES', OFFICERS', DIRECTORS', CONTRACTORS', OR SUBCONTRACTORS' ACTUAL OR ALLEGED NEGLIGENCE OR INTENTIONAL ACTS OR OMISSIONS IN CONNECTION WITH ITS PERFORMANCE UNDER THIS AGREEMENT, WHETHER CONTRACTOR IS IMMUNE FROM LIABILITY OR NOT.

H. INDEMNIFICATION - PATENT, COPYRIGHT, TRADEMARK, AND TRADE SECRET INFRINGEMENT

1. CONTRACTOR AGREES TO AND SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY, ITS AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES (COLLECTIVELY THE "CITY") FROM ALL CLAIMS OR CAUSES OF ACTION BROUGHT AGAINST THE CITY ALLEGING THAT THE CITY'S USE OF ANY EQUIPMENT, SOFTWARE, PROCESS, OR DOCUMENTS CONTRACTOR FURNISHES DURING THE TERM OF THIS AGREEMENT INFRINGES ON A PATENT, COPYRIGHT, OR TRADEMARK, OR MISAPPROPRIATES A TRADE SECRET, PROVIDED, HOWEVER, THAT SUCH CLAIMS OR CAUSE OF ACTION DO NOT RESULT FROM MODIFICATIONS MADE BY THE CITY OR USE BY THE CITY OTHER THAN THE INTENDED USE OF SUCH EQUIPMENT, SOFTWARE, PROCESS, OR DOCUMENTS. CONTRACTOR SHALL PAY ALL COSTS (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES, COURT COSTS, AND ALL OTHER DEFENSE COSTS, AND INTEREST) AND DAMAGES AWARDED.

2. CONTRACTOR SHALL NOT SETTLE ANY CLAIM ON TERMS WHICH PREVENT THE CITY FROM USING THE EQUIPMENT, SOFTWARE, PROCESS, AND DOCUMENTS WITHOUT THE CITY'S PRIOR WRITTEN CONSENT.

3. WITHIN 60 DAYS AFTER BEING NOTIFIED OF THE CLAIM, CONTRACTOR SHALL, AT ITS OWN EXPENSE, EITHER (1) OBTAIN FOR THE CITY THE RIGHT TO CONTINUE USING THE EQUIPMENT, SOFTWARE, PROCESS, AND DOCUMENTS OR, (2) IF BOTH PARTIES AGREE, REPLACE OR MODIFY THEM WITH COMPATIBLE AND

FUNCTIONALLY EQUIVALENT PRODUCTS.

I. INDEMNIFICATION - SUBCONTRACTOR'S INDEMNITY

CONTRACTOR SHALL REQUIRE ALL OF ITS SUBCONTRACTORS (AND THEIR SUBCONTRACTORS) TO RELEASE AND INDEMNIFY THE CITY TO THE SAME EXTENT AND IN SUBSTANTIALLY THE SAME FORM AS ITS RELEASE AND INDEMNITY TO THE CITY.

J. INDEMNIFICATION - PROCEDURES

1. Notice of Claims. If the City or Contractor receives notice of any claim or circumstances which could give rise to an indemnified loss, the receiving party shall give written notice to the other party within 10 days. The notice must include the following:

a. a description of the indemnification event in reasonable detail,

b. the basis on which indemnification may be due, and

c. the anticipated amount of the indemnified loss.

This notice does not estop or prevent either party from later asserting a different basis for indemnification or a different amount of indemnified loss than that indicated in the initial notice. If either party does not provide this notice within the 10 day period, it does not waive any right to indemnification except to the extent that the other party is prejudiced, suffers loss, or incurs expense because of the delay.

2. Defense of Claims

a. Assumption of Defense. Contractor may assume the defense of the claim at its own expense with counsel chosen by it that is reasonably satisfactory to the City. Contractor shall then control the defense and any negotiations to settle the claim. Within 10 days after receiving written notice of the indemnification request, Contractor must advise the City as to whether or not it will defend the claim. If Contractor does not assume the defense, the City shall assume and control the defense, and all defense expenses constitute an indemnification loss.

b. Continued Participation. If Contractor elects to defend the claim, the City, at its own expense, may retain separate counsel to participate in (but not control) the defense and to participate in (but not control) any settlement negotiations. Contractor may settle the claim without the consent or agreement of the City, unless it (i) would result in injunctive relief or other equitable remedies or otherwise require the City to comply with restrictions or limitations that adversely affect the City, (ii) would require the City to pay amounts that Contractor does not

fund in full, (iii) would not result in the City's full and complete release from all liability to the plaintiffs or claimants who are parties to or otherwise bound by the settlement.

K. Insurance

1. Contractor shall maintain in effect certain insurance coverage and shall furnish certificates of insurance, in duplicate form, before beginning its performance under this Agreement. All policies except Professional Liability and Workers' Compensation must name the City as an additional insured. The issuer of any policy (1) shall have a Certificate of Authority to transact insurance business in Texas or (2) shall be an eligible non-admitted insurer in the State of Texas and have a Best's rating of at least B+ and a Best's Financial Size Category of Class VI or better, according to the most current edition Best's Key Rating Guide. Contractor shall maintain the following insurance coverages in the following amounts:

a. Commercial General Liability insurance including Contractual Liability insurance:
$500,000 per occurrence; $1,000,000 aggregate

b. Workers' Compensation including Broad Form All States endorsement:
Statutory amount

c. Professional Liability $1,000,000 per occurrence; $1,000,000 aggregate

d. Automobile Liability insurance
$1,000,000 combined single limit

Defense costs are excluded from the face amount of the policy.

Aggregate Limits are per 12-month policy period unless otherwise indicated.

2. All insurance policies must require on their face, or by endorsement, that the insurance carrier waives any rights of subrogation against the City. Contractor shall give 30 days written notice to the Director before its policies may be canceled or nonrenewed. Within the 30 day period, Contractor shall provide other suitable policies in lieu of those about to be canceled or nonrenewed so as to maintain in effect the required coverage. If Contractor does not comply with this requirement, the Director, at his or her sole discretion, may:

a. immediately suspend Contractor from any further performance under this Agreement and begin procedures to terminate for default, or

b. purchase the required insurance with City funds and deduct the cost of the premiums from amounts due to Contractor under this Agreement.

L. Warranties

1. Contractor's performance shall conform to the professional standards prevailing in Harris County, Texas with respect to the scope, quality, due diligence, and care of the services and products Contractor provides under this Agreement.

2. Software Warranty. Contractor warrants that the software it provides under this Agreement will be free of any defects in workmanship or materials for a period starting from the date of delivery and ninety (90) days thereafter.

3. Third Party Software Warranty. Contractor shall provide the City with warranties, if any, provided by the licensor of the Third Party Software licensed to City under this Agreement.

4. Third Party Hardware Warranty. Contractor shall provide the City with the warranties, if any, provided by the manufacturer of all Third Party Hardware purchased for the City under this Agreement. Contractor shall assist the City in any warranty claims against such manufacturers related to the hardware provided pursuant to such warranty terms during the term of this Agreement and the manufacturer's warranty period. Contractor shall also assist the City in coordinating with manufacturer's technical support to ensure that any replacement parts required for the repair of the hardware are obtained from the manufacturer during manufacturer's warranty period and the term of this Agreement.

M. Confidentiality – Mutual Nondisclosure

1. In order for Contractor or City personnel to perform the obligations under this Agreement, it may become necessary for either party to receive or have access to specifications, designs, plans, drawings, software, data prototypes, or other technical or business information of the other party that either existed before performance of work or was subsequently developed independent of the parties performance of contract obligations ("Background Information"), which is considered proprietary or confidential by the other party. In addition, information developed in connection with the performance of this Agreement ("Delivered Information"), which is provided under this Agreement is proprietary and confidential. All Background Information and all Delivered Information are collectively referred to in this Section as "Information".

2. The party to whom Information is disclosed, shall:

   a. hold the Information in confidence and protect it in accordance with the security regulations by which it protects its own proprietary or confidential information;

   b. restrict disclosure of the Information solely to those employees, agents and representatives with a need to know; and

   c. advise those employees, agents and representatives of their obligations with

respect to the Information.

3. The party to whom Information is disclosed shall have no obligation to preserve the proprietary nature of any Information that:

a. was previously known to it free and clear of any obligation to keep it confidential;

b. except as otherwise provided under this Agreement, is disclosed to third parties by the disclosing party without restriction;

c. is or becomes publicly available by other than unauthorized disclosure;

d. is independently developed by it; or

e. is disclosed in response to requests made under the Texas Public Information Act or a court order. However, the party ordered to disclose the Information shall (i) give the disclosing party of the Information or Software prompt written notice of all such requests, and (ii) cooperate with the disclosing party's efforts to obtain a protective order protecting the Information or Software from disclosure.

4. Neither party shall be liable for the inadvertent or accidental disclosure of Information, if the disclosure occurs despite the exercise of a reasonable degree of care, which is at least as great as the care the party normally takes to preserve its own proprietary information of a similar nature.

5. All Information owned by Contractor or its suppliers and furnished to the City under this Agreement is the property of Contractor or the supplier, and unless otherwise expressly provided in the applicable Order, the City, its agents and representatives shall:

a. use Information only to install, operate, or maintain the product(s) for which originally furnished or to perform an audit conducted by City employees or a third party to assess Contractor's performance under the Agreement and the effectiveness of systems, software, and equipment provided by Contractor;

b. use Information only for the City's internal business purposes;

c. not reproduce or copy Information except as authorized under this Agreement unless the parties otherwise agree in writing;

d. not use the Information to develop other software;

e. return or destroy the Information and any copies when no longer needed or permitted for use with the product for which initially furnished; and

f. not remove Information from the United States.

6. Upon request, the receiving party shall return to the furnishing party all Background

Information received in tangible form that is not part of the Delivered Information.

N. Use of Work Products

1. The City may use all notes, plans, computations, databases, tabulations, exhibits, photographs, reports, underlying data and other work products (collectively, the "Documents") that Contractor prepares or obtains under this Agreement.

2. Contractor warrants that it owns the copyright to the Documents.

3. Contractor shall deliver the original Documents to the Director on request. Within five working days after this Agreement terminates, Contractor shall deliver to the Director the original Documents, and all other files and materials Contractor produces or gathers during its performance under this Agreement.

O. Acceptance/Testing

All criteria and standards for Testing and/or Acceptance of each service Deliverable are set forth in the Statement of Work.

P. Licenses and Permits

Contractor shall obtain, maintain, and pay for all licenses, permits, and certificates including all professional licenses required by any statute, ordinance, rule, or regulation to perform hereunder. Contractor shall immediately notify the Director of any suspension, revocation, or other detrimental action against his or her license.

Q. Compliance with Laws

Contractor shall comply with all applicable state and federal laws and regulations and the City Charter and Code of Ordinances.

R. Compliance with Equal Opportunity Ordinance

Contractor shall comply with the City's Equal Employment Opportunity Ordinance as set out in Exhibit "D."

S. Drug Abuse Detection and Deterrence

1. It is the policy of the City to achieve a drug-free workforce and workplace. The manufacture, distribution, dispensation, possession, sale, or use of illegal drugs or alcohol by contractors while on City Premises is prohibited. Contractor shall comply with all the requirements

and procedures set forth in the Mayor's Drug Abuse Detection and Deterrence Procedures for Contractors, Executive Order No. 1-31 ("Executive Order"), which is incorporated into this Agreement and is on file in the City Secretary's Office.

2. Before the City signs this Agreement, Contractor shall file with the Contract Compliance Officer for Drug Testing ("CCODT"):

a. a copy of its drug-free workplace policy,

b. the Drug Policy Compliance Agreement substantially in the form set forth in Exhibit "E," together with a written designation of all safety impact positions and,

c. if applicable (e.g. no safety impact positions), the Certification of No Safety Impact Positions, substantially in the form set forth in Exhibit "G."

If Contractor files a written designation of safety impact positions with its Drug Policy Compliance Agreement, it also shall file every 6 months during the performance of this Agreement or on completion of this Agreement if performance is less than 6 months, a Drug Policy Compliance Declaration in a form substantially similar to Exhibit "F." Contractor shall submit the Drug Policy Compliance Declaration to the CCODT within 30 days of the expiration of each 6-month period of performance and within 30 days of completion of this Agreement. The first 6-month period begins to run on the date the City issues its Notice to Proceed or if no Notice to Proceed is issued, on the first day Contractor begins work under this Agreement.

3. Contractor also shall file updated designations of safety impact positions with the CCODT if additional safety impact positions are added to Contractor's employee work force.

4. Contractor shall require that its subcontractors comply with the Executive Order, and Contractor shall secure and maintain the required documents for City inspection.

T. Minority and Women Business Enterprises

1. It is the City's policy to ensure that Minority and Women Business Enterprises ("MWBEs") have the full opportunity to compete for and participate in City contracts. The objectives of Chapter 15, Article V of the City of Houston Code of Ordinances, relating to City-wide Percentage Goals for contracting with MWBEs, are incorporated into this Agreement.

2. Contractor shall make good faith efforts to award subcontracts or supply agreements in at least 11% of the value of this Agreement to MWBEs. The City's policy does not require Contractor to in fact meet or exceed this goal, but it does require Contractor to objectively demonstrate that it has made good faith efforts to do so. To this end, Contractor shall maintain records showing

a. subcontracts and supply agreements with Minority Business Enterprises,

b. subcontracts and supply agreements with Women's Business Enterprises, and

c. specific efforts to identify and award subcontracts and supply agreements to MWBEs.

3. Contractor shall submit periodic reports of its efforts under this Section to the Affirmative Action Director in the form and at the times he or she prescribes.

4. Contractor shall require written subcontracts with all MWBE subcontractors and suppliers and shall submit all disputes with MWBE subcontractors to binding arbitration in Houston, Texas, if directed to do so by the Affirmative Action Director. All agreements must contain the terms set out in Exhibit "H". If Contractor is an individual person (as distinguished from a corporation, partnership, or other legal entity), and the amount of the subcontract is $50,000 or less, then the subcontract must also be signed by the attorneys of the respective parties.

U. Pay or Play

The requirements and terms of the City of Houston Pay or Play program, as set out in Executive Order No. 1-7, are incorporated into this Agreement for all purposes. Contractor has reviewed Executive Order No. 1-7 and shall comply with its terms and conditions as they are set out at the time of City Council approval of this Agreement.

V. Personnel of Contractor

Contractor shall replace any of its personnel or subcontractors whose work product is deemed unsatisfactory by the Director.

IV. DUTIES OF THE CITY

A. Payment Terms

Upon acceptance of the Deliverables, the City shall pay Contractor as set out in Exhibit "B", subject to appropriation of funds as set out below.

B. Taxes

The City is exempt from payment of Federal Excise and Transportation Tax and Texas Limited Sales and Use Tax. Contractor's invoices to the City must not contain assessments of any of these taxes. The Director will furnish the City's exemption certificate and federal tax identification

number to Contractor if requested.

C. Method of Payment

The City shall pay Contractor on the basis of invoices submitted no earlier than the time of Director's Acceptance of each Deliverable by Contractor showing the specific Deliverables accepted by the Director. The City shall make payment via Contractor within 30 Calendar Days after receipt of Contractor's invoice.

D. Method of Payment - Disputed Payments

If the City disputes any items in an invoice Contractor submits for any reason, including lack of supporting documentation, the Director shall temporarily delete the disputed item and pay the remainder of the invoice. The Director shall promptly notify Contractor of the dispute and request remedial action. After the dispute is settled, Contractor shall include the disputed amount on a subsequent regularly scheduled invoice or on a special invoice for the disputed item only.

E. Limit of Appropriation

1. The City's duty to pay money to Contractor under this Agreement is limited in its entirety by the provisions of this Section.

2. In order to comply with Article II, Sections 19 and 19a of the City's Charter and Article XI, Section 5 of the Texas Constitution, the City has appropriated and allocated the sum of $909,816 to pay money due under this Agreement (the "Original Allocation"). The executive and legislative officers of the City, in their discretion, may allocate supplemental funds for this Agreement, but they are not obligated to do so. Therefore, the parties have agreed to the following procedures and remedies:

3. The City makes a Supplemental Allocation by issuing to Contractor a Service Release Order, or similar form approved by the City Controller, containing the language set out below. When necessary, the supplemental Allocation shall be approved by motion or ordinance of City Council.

"NOTICE OF SUPPLEMENTAL ALLOCATION OF FUNDS

By the signature below, the City Controller certifies that, upon the request of the responsible director, the supplemental sum set out below has been allocated for the purposes of the Agreement out of funds appropriated for this purpose by the city council of the City of Houston. This supplemental allocation has been charged to such appropriation.

$ _____".

4. The Original Allocation plus all supplemental allocations are the Allocated Funds. The City shall never be obligated to pay any money under this Agreement in excess of the Allocated Funds. Contractor must assure itself that sufficient allocations have been made to pay for services it provides. If Allocated Funds are exhausted, Contractor's only remedy is suspension or termination of its performance under this Agreement, and it has no other remedy in law or in equity against the City and no right to damages of any kind.

F. Access to Data

The City shall, to the extent permitted by law, allow Contractor to access and make copies of documents in the possession or control of the City or available to it that are reasonably necessary for Contractor to perform under this Agreement, and as described in the Statement of Work. The City does not, however, represent that all existing conditions are fully documented, nor is the City obligated to develop new documentation for Contractor's use.

G. Access to Sites

Contractor may enter and leave the premises in which the System or any part of it is installed at all reasonable times without charge. Contractor and its employees may use the common areas and roadways of the premises where it is to perform the services together with all facilities, equipment, improvements, and services provided in connection with the premises for common use. Excluding normal wear and tear, Contractor shall repair any damage caused by it or its employees as a result of its use of the common areas. Contractor shall comply with City personnel policies attached hereto, including, but not limited to, dress codes and security policies.

V. TERM AND TERMINATION

A. Agreement Term

This Agreement is effective on the Countersignature Date and remains in effect for five years unless sooner terminated under this Agreement (the "Initial Term").

B. Renewals

Upon expiration of the Initial Term, and so long as the City makes sufficient supplemental allocations, this Agreement will be automatically renewed for up to two successive one-year terms

on the same terms and conditions unless the City or Director chooses not to renew this Agreement. If the Director chooses not to renew this Agreement, the Director shall notify Contractor in writing of non-renewal at least 60 days before the expiration of the then-current term.

C. Termination for Convenience by City

1. The Director may terminate this Agreement at any time by giving 30 calendar days written notice to Contractor. The City's right to terminate this Agreement for convenience is cumulative of all rights and remedies which exist now or in the future. SUBJECT TO Guaranteed Minimum Commitment (Exhibit C Section 8.1).

2. On receiving the notice, Contractor shall, unless the notice directs otherwise, immediately discontinue all services under this Agreement and cancel all existing orders and subcontracts that are chargeable to this Agreement.

3. TERMINATION OF THIS AGREEMENT AND RECEIPT OF PAYMENT AS PROVIDED IN THIS AGREEMENT ARE CONTRACTOR'S ONLY REMEDIES FOR THE CITY'S TERMINATION FOR CONVENIENCE, WHICH DOES NOT CONSTITUTE A DEFAULT OR BREACH OF THIS AGREEMENT. CONTRACTOR WAIVES ANY CLAIM (OTHER THAN ITS CLAIM FOR PAYMENT AS SPECIFIED IN THIS SECTION) IT MAY HAVE NOW OR IN THE FUTURE FOR FINANCIAL LOSSES OR OTHER DAMAGES RESULTING FROM THE CITY'S TERMINATION FOR CONVENIENCE.

D. Termination for Cause by Contractor

Contractor may terminate its performance under this Agreement only if the City defaults and fails to cure the default after receiving written notice of it. Default by the City occurs if the City fails to perform one or more of its material duties under this Agreement. If a default occurs and Contractor wishes to terminate the Agreement, then Contractor must deliver a written notice to the Director describing the default and the proposed termination date. The date must be at least 30 days after the Director receives notice. Contractor, at its sole option, may extend the proposed termination date to a later date. If the City cures the default before the proposed termination date, then the proposed termination is ineffective. If the City does not cure the default before the proposed termination date, then Contractor may terminate its performance under this Agreement on the termination date.

E. Termination for Cause by City

1. If Contractor defaults under this Agreement, the Director may either terminate this

Agreement or allow Contractor to cure the default as provided below. The City's right to terminate this Agreement for Contractor's default is cumulative of all rights and remedies which exist now or in the future. Default by Contractor occurs if:

a. Contractor fails to perform any of its duties under this Agreement;

b. Contractor becomes insolvent;

c. all or a substantial part of Contractor's assets are assigned for the benefit of its creditors; or

d. a receiver or trustee is appointed for Contractor.

2. If default occurs, the Director may, but is not obligated to, deliver a written notice to Contractor describing the default and the termination date. The date must be at least 30 days after the Contractor receives notice. The Director, at his or her sole option, may extend the termination date to a later date. If Contractor cures the default then the proposed termination is ineffective. If Contractor does not cure the default before the termination date, then the Director may terminate this Agreement on the termination date, at no further obligation of the City. Upon the occurrence of a second event of default by Contractor, the Director shall not be obligated to give written notice and opportunity to cure, but may terminate this agreement immediately.

VI. MISCELLANEOUS

A. Independent Contractor

Contractor is an independent contractor and shall perform the services provided for in this Agreement in that capacity. The City has no control or supervisory powers over the manner or method of Contractor's performance under this Agreement. All personnel Contractor uses or provides are its employees or subcontractors and not the City's employees, agents, or subcontractors for any purpose whatsoever. Contractor is solely responsible for the compensation of its personnel, including but not limited to: the withholding of income, social security, and other payroll taxes and all workers' compensation benefits coverage.

B. Force Majeure

1. Timely performance by both parties is essential to this Agreement. However, neither party is liable for reasonable delays in performing its obligations under this Agreement to the extent the delay is caused by Force Majeure that directly impacts the City or Contractor. The event of Force Majeure may permit a reasonable delay in performance but does not excuse a party's obligations to complete performance under this Agreement. Force Majeure means: fires,

interruption of utility services, epidemics in the City, floods, hurricanes, tornadoes, ice storms and other natural disasters, explosions, war, terrorist acts against the City or Contractor, riots, strikes, court orders, and the acts of superior governmental or military authority, and which the affected party is unable to prevent by the exercise of reasonable diligence. The term does not include any changes in general economic conditions such as inflation, interest rates, economic downturn or other factors of general application; or an event that merely makes performance more difficult, expensive or impractical. Force Majeure does not entitle Contractor to extra Reimbursable Expenses or payment.

2. This relief is not applicable unless the affected party does the following:

   a. uses due diligence to remove the effects of the Force Majeure as quickly as possible and to continue performance notwithstanding the Force Majeure; and

   b. provides the other party with prompt written notice of the cause and its anticipated effect.

3. The Director will review claims that a Force Majeure that directly impacts the City or Contractor has occurred and render a written decision within 14 days. The decision of the Director is final.

4. The City may perform contract functions itself or contract them out during periods of Force Majeure. Such performance is not a default or breach of this Agreement by the City.

5. If the Force Majeure continues for more than 10 days from the date performance is affected, the Director may terminate this Agreement by giving 7 days' written notice to Contractor. This termination is not a default or breach of this Agreement. **CONTRACTOR WAIVES ANY CLAIM IT MAY HAVE FOR FINANCIAL LOSSES OR OTHER DAMAGES RESULTING FROM THE TERMINATION EXCEPT FOR AMOUNTS DUE UNDER THE AGREEMENT UP TO THE TIME THE WORK IS HALTED DUE TO FORCE MAJEURE.**

C. Severability

If any part of this Agreement is for any reason found to be unenforceable, all other parts remain enforceable unless the result materially prejudices either party.

D. Entire Agreement

This Agreement merges the prior negotiations and understandings of the Parties and embodies the entire agreement of the Parties. No other agreements, assurances, conditions, covenants (express or implied), or other terms of any kind, exist between the Parties regarding this

Agreement.

E. Written Amendment

Unless otherwise specified elsewhere in this Agreement, this Agreement may be amended only by written instrument executed on behalf of the City (by authority of an ordinance adopted by the City Council) and Contractor. The Director is only authorized to perform the functions specifically delegated to him or her in this Agreement.

F. Applicable Laws

This Agreement is subject to the laws of the State of Texas, the City Charter and Ordinances, the laws of the federal government of the United States, and all rules and regulations of any regulatory body or officer having jurisdiction. Venue for any litigation relating to this Agreement is Harris County, Texas.

G. Notices

All notices to either party to the Agreement must be in writing and must be delivered by hand, facsimile, United States registered or certified mail, return receipt requested, United States Express Mail, Federal Express, Airborne Express, UPS or any other national overnight express delivery service. The notice must be addressed to the party to whom the notice is given at its address set out in Section I of this Agreement or other address the receiving party has designated previously by proper notice to the sending party. Postage or delivery charges must be paid by the party giving the notice.

H. Captions

Captions contained in this Agreement are for reference only, and therefore, have no effect in construing this Agreement. The captions are not restrictive of the subject matter of any section in this Agreement.

I. Non-Waiver

1. If either party fails to require the other to perform a term of this Agreement, that failure does not prevent the party from later enforcing that term and all other terms. If either party waives the other's breach of a term, that waiver does not waive a later breach of this Agreement.

2. An approval by the Director, or by any other employee or agent of the City, of any part of Contractor's performance does not waive compliance with this Agreement or establish a standard

P. Parties In Interest

This Agreement does not bestow any rights upon any third party, but binds and benefits the City and Contractor only.

Q. Successors and Assigns

This Agreement binds and benefits the Parties and their legal successors and permitted assigns; however, this provision does not alter the restrictions on assignment and disposal of assets set out in the following paragraph. This Agreement does not create any personal liability on the part of any officer or agent of the City.

R. Business Structure and Assignments

1. Contractor shall not assign this Agreement at law or otherwise or dispose of all or substantially all of its assets without the Director's prior written consent. Nothing in this clause, however, prevents the assignment of accounts receivable or the creation of a security interest as described in §9.406 of the Texas Business & Commerce Code. In the case of such an assignment, Contractor shall immediately furnish the City with proof of the assignment and the name, telephone number, and address of the Assignee and a clear identification of the fees to be paid to the Assignee.

2. Contractor shall not delegate any portion of its performance under this Agreement without the Director's prior written consent.

S. Remedies Cumulative

Unless otherwise specified elsewhere in this Agreement, the rights and remedies contained in this Agreement are not exclusive, but are cumulative of all rights and remedies which exist now or in the future subject to the terms in Exhibit "C". Neither party may terminate its duties under this Agreement except in accordance with its provisions.

T. CONTRACTOR DEBT

IF CONTRACTOR, AT ANY TIME DURING THE TERM OF THIS AGREEMENT, INCURS A DEBT, AS THE WORD IS DEFINED IN SECTION 15-122 OF THE HOUSTON CITY CODE OF ORDINANCES, IT SHALL IMMEDIATELY NOTIFY THE CITY CONTROLLER IN WRITING. IF THE CITY CONTROLLER BECOMES AWARE THAT CONTRACTOR HAS INCURRED A DEBT, HE OR SHE SHALL IMMEDIATELY NOTIFY CONTRACTOR IN WRITING. IF CONTRACTOR DOES NOT PAY THE DEBT WITHIN 30 DAYS OF EITHER SUCH NOTIFICATION, THE CITY

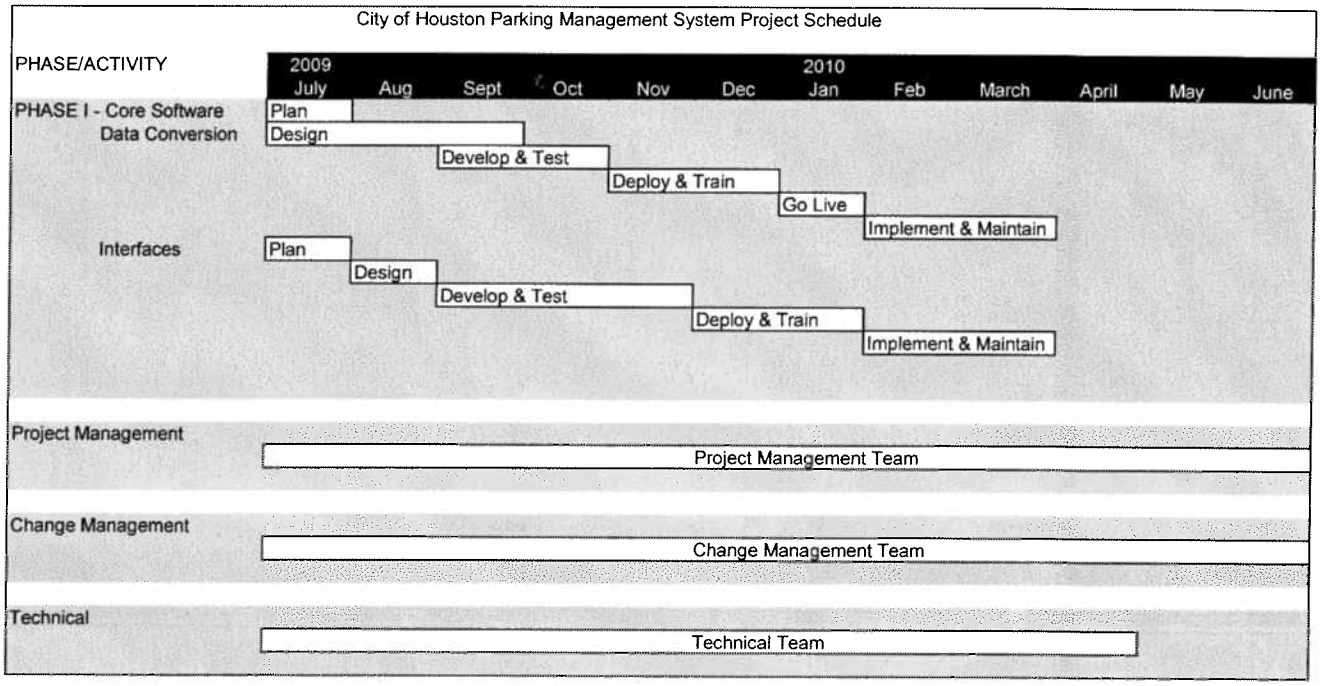
CONTROLLER MAY DEDUCT FUNDS IN AN AMOUNT EQUAL TO THE DEBT FROM ANY PAYMENTS OWED TO CONTRACTOR UNDER THIS AGREEMENT, AND CONTRACTOR WAIVES ANY RECOURSE THEREFOR.

Exhibit "A"

Statement of Work

Scope of Services

The following depicts the timeline City and Contractor will follow to implement T2 Flex. City will begin formal project implementation preparation within thirty days of issuing the Notice to Proceed with the intent of going live with T2 Flex Permit and Enforcement Plus within approximately six (6) months from the Notice to Proceed. Meter and sign functionality will be implemented once functionality is developed, currently estimated for first quarter of the City's 2010 fiscal year.



Contractor will implement the T2 Flex software, convert the legacy system data, and develop the system interfaces as stages of the project.

Project is broken into five stages:

1. Plan
2. Design
3. Develop & Test
4. Deploy & Train
5. Implement & Maintain

Items in Scope:
This implementation will include two server environments (test, and production), and use the following modules/components of T2 Flex:

<u>T2 Flex v6.5</u>

- Appeals Manager
- Boot/Tow Manager

- Bulk Permits Manager
- Citations Manager
- Customer Manager
- Facilities Manager
- Finance Manager
- Letter Manager
- Permits Manager
- Properties Manager
- Query Manager
- Report Manager
- Task Scheduler
- Third Party Billing Manager
- Vehicles Manager
- Web Services
- Asset Manager

Data Conversion

- Contractor will convert up to five (5) years of data for the City of Houston from three (3) data sources.
- The City of Houston will be provided with three (3) data samples. Any additional data samples can be made available for an additional charge.
- Contractor will convert citations, customers, vehicles and permits. Data includes the record and historical information that can be posted to a notes field in T2 Flex.
- Three (3) data sources include -
    - Courtview ICMS Oracle database
    - City Permit Pit Stop MS SQL Server 2000 database
    - City Valet MS Access database

Interfaces

- Contractor will create, test, implement and provide documentation on the following interfaces -
    - Export of cash receipts to SAP
    - Export customer refunds to SAP
    - Daily transfer of delinquent citations to collection agency
    - Exporting letter data to a third party printer
    - Import of stolen vehicles
    - Import of citation payments from lockbox vendor
    - Letter tasks for Boot and PK letters

Peripheral Hardware: Contractor will provide the following hardware:

- Fifty-three (53) Casio IT-3100 handheld devices with integrated printer and scan engine
- Fifty-three (53) Casio cradles and power cords
- Fifty-three (53) 802.11b wireless cards
- Fifty-three (53) T2 Flex handheld enforcement software licenses
- Fifty-three (53) Cases with shoulder strap

- Five-hundred thousand 6-inch tickets for the Casio IT-3100 handhelds. There are one-hundred (100) 6-inch tickets per roll.
- Fourteen (14) Motorola-Symbol MC75 w/ all Functionality and Connectivity Options
- Fourteen (14) Motorola-Symbol MC75 Single Slot Charger
- Fourteen (14) Motorola-Symbol MC75 USB Client Cable
- Fourteen (14) Motorola-Symbol MC75 Magnetic Stripe Reader Add-on Module
- Fourteen (14) Motorola-Symbol MC75 Batt Plus Door 2.5X
- Fourteen (14) Motorola-Symbol MC75 Fabric Holster
- Fourteen (14) Motorola-Symbol MC75 Rigid Holster
- Four (4) Point of Sale hardware bundles. Each bundle consists of a receipt printer with check endorsement, electronic cash drawer and barcode scanner gun with stand.

Contractor will provide agreed upon functionality as outlined in the Requirements Matrix. The Requirements matrix shall be included as Attachment 1 to this Exhibit "A".

Items Not in Scope:

Discussions held between City and Contractor confirmed the following areas to be out of scope:

- Any data conversion in excess of five (5) years.
- Any interfaces in excess of the seven (7) identified.
- Any customizations required to eBusiness web site.
- Credit card processing and payment gateways will be handled by the customer. Contractor will provide any requirements and/or information needed to setup the eBusiness site.
- Any paper manuals in excess of one (1).
- PermitDirect (third party permit fulfillment service)
- PermitNow (in the field event permit issuance)
- T2 Flex Access and Revenue Control
- Digital Payment Technologies Interface

Project Approach

Contractor' scope of work under this SOW will consist of five stages. An overview of each stage, which includes associated tasks, deliverables, and respective City and Contractor responsibilities, is shown within each section.

The milestones and deliverables for each stage are listed under "Deliverable" in the Responsibility Matrix. These deliverables will help ensure all objectives of the project are accomplished. The term "Accountable" indicates the party ultimately responsible for the deliverable, while "Contributing" indicates the party that is subordinate to the "Accountable" party, but has significant involvement in its completion and who could, by substantially failing to fulfill their responsibilities, jeopardize the project. Involvement may be in resource time and/or knowledge and information. Each deliverable will have a "sign-off" form that will be used to confirm acceptance by City.

The Accountable Party is ultimately responsible for the timely completion of a task or deliverable assigned to it. If the Accountable Party is prevented from the timely completion of a task or deliverable because of the Contributing Party's failure to perform a task or take action for which the Contributing Party is responsible, the Accountable Party shall give prompt written notice to the Contributing Party for such deficiency. Upon receipt of such notice, the Contributing Party must either remedy the deficiency within a reasonable time or resolve the alleged deficiency through the Issue Resolution Process set out in the SOW. The Accountable Party's time to complete the task or deliverable shall be extended by a period corresponding to the time it takes the Contributing Party to remedy the deficiency, or the parties to resolve the issue through the Issue Resolution Process.

In the event any such delay by the Contributing Party impacts the schedule for future tasks or deliverables, the parties shall mutually agree on a revised schedule for such tasks and deliverables in accord with the Request for Change process set forth in the SOW. The parties agree that once a deliverable has been accepted by City, neither party shall bring action against the other party for any delays in the completion of such deliverable or the tasks associated with such deliverable. The Accountable Party shall not be excused for failure to timely complete a task or deliverable due to the Contributing Party's failure to perform a task or take action if the Accountable Party has not given the Contributing Party written notice of the Contributing Party's deficiency.

Project: Core Software, Data Conversion, and Interfaces

Each of the five stages described here shows a description of the deliverables followed by a Responsibility Matrix specific to that stage.

Stage 1: Plan (Project Preparation)

The purpose of Stage 1 is to perform initial planning and preparation for the City project with respect to the overall implementation effort. Activities during this stage will include:

- Confirming the project goals and objectives
- Clarifying the scope of the implementation
- Reviewing/confirming the implementation strategy, and defining the overall project schedule and implementation sequence
- Assisting the City Project Management Team in establishing the project organization and governance structure
- Assigning resources based on the needs of the project
- Develop a list and prepare high-level development specifications for data conversion

Stage 1 Deliverables & Responsibilities

Contractor begins each project with a Kick-off meeting to introduce the Contractor and City Core Project Teams, review the goals and objectives of the project, and make initial project task assignments.

Contractor assigns to every project of this size and importance a Project Manager to serve as the primary point of contact for City Project Manager. The Contractor Project Manager will coordinate all Contractor project activities. The primary responsibilities of the Contractor Project Manager are:

- Coordinate Contractor project resources to meet milestones efficiently and cost effectively
- Conduct periodic meetings with City's Project Manager to review project progress
- Prepare and present all specifications, and negotiate any resulting changes in project scope

City will appoint a project leader and a City Core Project Team with representatives from all functional or operational areas of City's business to actively participate in the Business Process Engineering stage. This core group will have the authority and charter to make appropriate decisions regarding the T2 Flex implementation. The core group representatives will have complete knowledge and familiarity with City's operations and objectives, and will form the majority of the training team later in the project. The City Core Project Team will also have authority to establish City-wide standards for coding and system configuration.

Additionally, City will assemble its own Parking management Project Team that is similar in make-up to the Core Project Team, but made up solely of members from that department parking management operation. These groups will have responsibility for supporting the implementation of T2 Flex in their respective operations, and with making decisions regarding their own configuration and work-flows.

City will be responsible for purchasing all requisite network hardware and installing the hardware in its data center. City will also be responsible for establishing network connectivity, installation of all firewall and network security software, and installation of the relational database application – Oracle.

Contractor will install all of the required software for the T2 Flex system on City's servers. This software will include T2 Flex in the test and production environments. City will be responsible for creating the corresponding shell database instances within its standard test, and production database environments. Contractor will execute, with City's assistance, the installation scripts to create the database schemas, and populate the starter database instances.

Contractor will test the installation, complete an installation profile, and provide basic technical training to City's technical resources. Contractor will also provide support during the implementation with the installation of scheduled version upgrades and periodic maintenance patches.

T2-1.A Project Kick-Off Preparation and Conference Call

Contractor will initiate a conference call with City's designated Project Manager to discuss how to proceed with the implementation. Key points for this initial call include:

- Planning for installation of the software
- Scheduling the Project Kick-Off Meeting
- Reviewing deliverables and terms
- Identifying any City issues that may impact the implementation

While each topic listed has importance to the overall project, the two critical topics are planning for installation of the system, and the scheduling of the Project Kick-Off Meeting. Contractor will be prepared to initiate the Kick-Off Meeting as soon as City can define and assemble its own project team.

T2-1.B Project Kick-Off Workshop

The Kick-Off Workshop is devoted to obtaining information regarding the project. This workshop will be two days and includes detailed discussion and review of the following topics:

- T2 Flex system orientation
- City's current business practices
- Potential changes to business practices
- Deliverables requirements
- Review of integration/interface points
- Data conversion process

T2-1.C Data Conversion Plan

City's vendor maintains a single Oracle database and includes Parking Management's citation operations.

Contractor will perform the data conversion in two parts: pre-production and production. The pre-production conversion is a sample conversion of citation and permits. The production conversion is a full conversion of citation and permits less than five (5) years old.

T2-1.D Project Team Organizational Chart

This deliverable will be a pictorial representation of team organization including members of both the City and Contractor teams. City is responsible for establishing the overall team structure with consultation from Contractor. Each party is responsible for staffing their key positions.

T2-1.E Communication Plan

This deliverable will be a plan by City for communicating progress and happenings of the City project.

T2-1.F Overall Change Management Plan

A plan that addresses:

- Case for action (why the change is happening)
- Organization & Stakeholder assessment
- Review of current plans & activities
- High-level Change Strategy to guide activities

T2-1.G Risk Assessment

Identify the risks, their likelihood, their potential impact on the project, and mitigation strategy.

T2-1.H Issue Resolution Plan

The plan to identify, document, and resolve any project issues that may arise.

T2-1.J Project Status Meetings/Reports

Contractor will communicate with the City Project Manager and project sponsor the status of any project issues as well as proposed corrective actions that will alleviate or resolve the issue. Contractor will work with City Project Manager to establish standard meeting times to discuss project task statuses, and identify areas of concern before they impact overall project progress.

Contractor will prepare periodic progress reports that will include:

- An updated project schedule with explanations of all deviations from the approved schedule together with any plan to recover the schedule within the project budget or revise the schedule and budget
- An updated documentation schedule highlighting the documents transmitted for City review
- An updated list of project action items, their status and due dates
- A summary of planned activities
- A summary of any change requests and contract questions
- A summary of current and anticipated project problem areas and resolutions

Responsibility Matrix Key:
A = Accountable C = Contributing

Responsibility Matrix	T2	CITY
T2-1.A Project Kick-Off Preparation and Conference Call	A	C
T2-1.B Project Kick-Off Workshop	A	C
T2-1.C Data Conversion Plan	A	C
T2-1.D Project Team Organizational Chart	C	A

T2-1.E Communication Plan	C	A
T2-1.F Overall Change Management Plan	A	C
T2-1.G Risk Assessment	C	A
T2-1.H Issue Resolution Plan	C	A
T2-1.J Project Status Meetings/Reports	A	C

Stage 2: Business Processes
The purpose of Stage 2 is to review business processes obtained during the project kickoff workshop.

The Business Process Review deliverable will incorporate a master document that describes the design of the proposed solution and implications for City's parking business functions. This document will communicate the new business solution and expected changes to the stakeholder departments. The deliverable will include:

- The proposed integrated business processes
- High-level introductory descriptions of each process

Stage 2 Deliverables & Responsibilities

T2-2.A Business Process Review Workshop
Contractor will take the information obtained in the project kick-off workshop and create a master document to reflect how the City's parking business functions will be implemented in T2 Flex. Contractor will review the master document with the City to ensure all processes have been identified correctly. The review will take place remotely. The review will be broken up into two (2) hour sessions and should be completed within a week.

Responsibility Matrix	T2	CITY
T2-2.A Business Process Review Workshop	A	C

Stage 3: Develop and Test

The purpose of Stage 3 is to implement the business and system requirements. The ultimate objective of this stage is to develop a system that is capable of executing the business processes. Contractor is responsible for assisting in the testing of transactions, and issue resolution. City is responsible for final testing and sign-off of transactions.

Contractor will assist City with the setup and configuration of the T2 Flex application to meet business processes. Contractor will conduct remote sessions during Stage 3 to moderate a City-wide discussion of system settings, and to facilitate the development of system configuration. Working in close partnership with City, Contractor will consult with the City on how to configure and implement role-based security, and an authorizations strategy for the end-users in each department.

Contractor will conduct an interim review of reference codes before City proceeds with the pre-production data conversion and advanced functionality configuration. City may

need to maintain any changes to a reference record or a reference's attributes (that is, adding/deleting a unit, changing a unit's parking location, or changing a parts primary bin) in both Contractor FLEX and the T2 Flex test environment.

Contractor will also provide City with standard documentation, and assistance with customizing the documentation to support City's T2 Flex configuration and work-flows. City will be responsible for customizing standard Contractor documentation to be used as training guides for City users. Contractor will assist City in mapping the legacy data to T2 Flex, and will begin to test the various interfaces to City's systems. The City Project Team will also receive a significant amount of system knowledge during this stage. Contractor will provide system administration procedures. City will be responsible for incorporating these procedures into their own standard procedures. City will lead the development of business process realignment and other change management activities since City will best understand how to navigate business process impacts among the departments.

Stage 3 Deliverables & Responsibilities

T2-3.A Pre-Production Conversion & Report

Contractor will execute a conversion process that will require a partial export of the citation database. Contractor will run the T2 Flex conversion routine to populate the test database. Contractor will review the test database to identify fields with missing or errant records.

Contractor will provide a Data Conversion Report that outlines specific issues encountered during the data conversion process. The report identifies the data field and/or table in question, the issue encountered, whether translation or special processing was required, and the editing performed on the table contents during the actual conversion process.

Contractor will provide rejected records to City along with the reason for the rejection, and discuss how to deal with these records for the final conversion. The City will be responsible for correcting any data integrity issues identified.

T2-3.B Key-User Training

Contractor will conduct Key-User Training sessions for System Administrators and key application users. The objective of this course is to provide key users with the skills and information necessary to make decisions and perform all system set-up tasks with relation to system security, etc.
Attendees for this training session will include the entire project team, application managers, City trainers and key system users. Contractor will provide training via pre-recorded sessions.

T2-3.C System Configuration Review

Contractor and City will review the converted and loaded reference codes and system settings, to verify that all have been properly configured to support the business requirements identified during the business process review. Upon completion of the system configuration review, Contractor will begin the pre-production data conversion.

T2-3.D Application Training

Contractor will conduct Application Training sessions for City system administrators, trainers and key system users in the various application functions.

Contractor will divide this training into separate sessions with each session covering a specific topic. The goal of these sessions is to train City on the complete application, and all of various functions and work-flows that the application can support. The Contractor Project Manager will provide a training agenda agreed to by the City Project Team that will detail the specific topics for each day of training. City Project Team will be responsible for having the appropriate key personnel from each functional area available for the training sessions. City will provide a training room with individual computers and access to the T2 Flex application. The T2 Flex application database will contain City's own data.

T2-3.E Interfacing

Contractor will develop, test and document interfaces. Interfaces will be developed based on the information provided by the City.

T2-3.F Document Work-Flows

Following the Work-Flow Design Workshop, Contractor will provide a high-level document and diagram of the agreed upon work-flows for City. The City is responsible for developing corresponding Standard Operating Procedures. These documents will outline the various application work-flows, and serve as the basis for all future end-user and roll-out training sessions.

T2-3.G Standard Documentation Customization

City, with assistance from Contractor, will customize Contractor' standard training manuals by incorporating the specific work-flows developed during the Workflow Design Workshop. City will tailor the training materials to reflect City nomenclature and implementation decisions. Contractor will guide City in preparing appropriate training companion documents based on examples provided by Contractor. These companion documents will serve as both an aid to operational training and as an additional resource to consult during live operations for City.

Contractor will provide the following standard documentation:

1. ***System Installation Guide -*** Contractor will provide documentation detailing the installation and upgrading of T2 Flex.
2. ***System Administration Guide -*** Contractor has standard documentation instructing system administrators on managing and maintaining the application.
3. ***Configuration Guides*** – Detail the setup and configuration of the application.
4. ***Application User Manuals*** – Contractor has standard documentation for each application module that serves as a user guide, and is the basis for developing custom user documentation.

City will be responsible for preparing and providing hard and electronic copies of training materials to all trainees and users.

Responsibility Matrix	T2	CITY
T2-3.A Pre-Production Conversion & Report	A	C
T2-3.B Key-User Training	A	C
T2-3.C System Configuration Review	A	C
T2-3.D Application Training	A	C
T2-3.E Interfacing	A	C
T2-3.F Document Work-Flows	A	C
T2-3.G Standard Documentation Customization	A	C

Stage 4: Deploy and Train (Final Preparation/Pre-Production)

The purpose of Stage 4 is to finalize the preparation of the applicable T2 Flex modules before the Go-Live date, including performance testing, end user training, system management, and Go-Live activity.

Final system configuration is primarily the responsibility of City, but will require assistance and guidance from Contractor. Extensive system testing occurs during integration testing. During integration testing, City, with assistance from Contractor, will generate and test City's new (i.e. "to be") business processes. Scenarios will be

generated so that they test the business processes that were identified in the Master Design document.

Contractor will conduct a City-wide deployment of the T2 Flex application, and execute a simultaneous Go-Live for all departments. Just prior to a simultaneous Go-Live, both the legacy and T2 Flex production environments must be offline for a short period of time while Contractor performs a final database conversion.

Stage 4 Deliverables & Responsibilities

T2-4.A Application Readiness Review

Contractor in conjunction with City will conduct a review of the application's final configuration and settings. The purpose of the review is to ensure the work-flows and processes are functioning in accordance with specifications. Using the work-flow documents created during the Design stage, City Team will conduct work-flow testing in the test environment. Contractor will support the work-flow test effort, and resolve any issues brought by City. Most of this testing will be the responsibility of City with Contractor participating in a review at the end of the task. Once successfully tested, the test environment will be moved into the pre-production environment.

T2-4.B System Testing

System testing is designed to test the application in a controlled environment to ensure that the application is ready for deployment. Contractor will assist City with establishing a pre-production environment in order to test application settings, functionality, and data. During this pre-production testing, Contractor will focus on:

- ***Data Conversions*** – the legacy data is correctly mapped and converted into T2 Flex. Missing data elements that have not been converted are available from an electronic source, or manually loaded.
- ***Application Configuration*** – the application is configured correctly to support planned work flows and the data processed is according to the expected configuration. The user roles are correctly defined and authorizations are assigned to meet expected work flows.
- ***Interfaces*** – the application properly finds, accepts, and processes data through the interfaces from the source applications. T2 Flex properly extracts data and sends it to target applications.
- ***Proposed Workflow*** - the proposed workflows efficiently support real-life operations. The proper procedures are in place to support the collection and entry of information.
- ***Refining Training Requirements*** – the training approach and materials support the work-flows implemented. The user effectively uses the application following training.

The City will provide Contractor with remote access to the database. Contractor will perform system testing remotely and not at a City specified location.

T2-4.C Application Configuration Update

Following the System test, Contractor will provide results to the City. Contractor will document issues discovered during the system test as focus items for the City project team.

T2-4.D Technical Training

A Contractor Technical Support Consultant will lead the technical training. Its objectives are:

- Installing/Upgrading T2 Flex software and database
- T2 Flex Specific Database Administration Functions
- Configuration and Administration of Crystal Enterprise

The City attendees for this training session will include the database administrator and technical support personnel. City will provide access to networked server hardware for this training.

Contractor will provide this training remotely.

T2-4.E Rolling Out Planning

Contractor will present an Implementation Roll-Out plan for the production roll-out of T2 Flex to all City locations. It will include Go-Live Checklist and contingency (back out) plan.

T2-4.F Citations and Permits to T2 Flex Production Data Conversion

Contractor will complete a final production conversion just prior to the production roll-out dates, and repeat the same process used to deploy the pre-production conversion with the addition of processing for any "preserved" tables such as security tables. Contractor will attempt to minimize production downtime during the production data conversion process.

T2-4.G End-User Training

All training sessions are led by Contractor staff. Contractor will be responsible for leading End-User Training with assistance from the City. Training will be as close to the final system "live" date as possible. By having the training close to the live date, users are able to put the training to use as soon as possible, and avoid "memory leaks".
The End User training will occur in a classroom setting. The Contractor will work with the appropriate City representatives responsible for each end user area to schedule End User training sessions so that every employee work shift is able to attend an appropriate training session. Contractor will initially assist City training team for five to ten days, depending on the complexity of the work-flows and functionality to be implemented. Contractor will provide the Implementation Roll-Out Plan in advance so that City can coordinate the End-User Training schedule.

T2-4.H Production Roll-Out (Go-Live Decision)

After City system acceptance during the system testing implementation, Contractor and City will perform a business readiness assessment (Go-Live Decision). City will have final responsibility for the Go-Live Decision.

Contractor will complete the production roll-out by simultaneously implementing T2 Flex in all locations at the City. Contractor will have a team member on-site during go-live to provide support to City trainers and project team. This support usually involves working directly with the Project Team to troubleshoot any problems with the application configuration and provide product support to City trainers.

T2-4.I Post-Production Support Plan

The post-production support plan will focus on the first month of production stability. City and Contractor will refine the plan for subsequent months. Contractor will offer

recommendations on how to prepare for supporting the production environment, and City will tailor as appropriate.

T2-4.J Organizational Change Management

- Help Desk/User Support Plan
- Deploy Communication Plan
- Execute Stakeholder Plans

Responsibility Matrix	T2	CITY
T2-4.A Application Readiness Review	A	C
T2-4.B System Testing	A	C
T2-4.C Application Configuration Update	A	C
T2-4.D Technical Training	A	C
T2-4.E Rolling Out Planning	A	C
T2-4.G End-User Training	A	C
T2-4.H Production Roll-Out (Go-Live Decision)	C	A
T2-4.I Post-Production Support Plan	A	C
T2-4.J Organizational Change Management	C	A

Stage 5: Implement and Maintain (Go-Live & Post-Production Support)
During the process of going live with the new system, there are two critical periods. In the first few days, the Post-Production Support Plan must be executed and results checked. Any issues or problems that occur in this period must be resolved as quickly as possible.

Additionally, City will be moving from a pre-production environment to a live production operation, so the Production Support Team must be fully defined and established by City. During this stage, City must set up a support organization for all T2 Flex end users that is capable of supporting the first critical days of production operations, as well as an organization that will provide long-term support. City will be responsible for monitoring system transactions and providing feedback to the Project Team in order to optimize overall T2 Flex system performance.

During the first thirty days of production (Trial Period), Contractor will work with City to confirm that the system is performing as prescribed during Stage 3. Acceptance criterion will consist of a checklist (System Acceptance Checklist) that City will use to confirm each business area is working properly. City may refine this criterion during Stage 4.

Both City and Contractor have key accountabilities in order to achieve a live production state. City will take the lead supporting the system once in production, but Contractor will remain in a support role. City will have primary responsibility for facilitating system acceptance with assistance from Contractor. City will dedicate the appropriate resources to review the System Acceptance Checklist and other system acceptance documentation.

Stage 5 Deliverables & Responsibilities

T2-5.A Follow-Up Training

Many questions arise after users have had an opportunity to work with the system, exercise system procedures, and begin to explore advanced system capabilities. This task focuses on providing cycle-back training to key-users and end-users to review the functions implemented during the production roll-out and cover opportunities to implement new functionality that builds upon the experience the client has gained since the roll-out This task will occur three to six months after City completes the production roll-out of the T2 Flex system. Depending on the training required, the session can occur in the classroom and/or on the shop floor.

T2-5.B Production Support Team

City will define the members of the production support team that will support the T2 Flex install base for the first twelve months.

T2-5.C Final System/Project Acceptance Checklist

City and Contractor will work on creating a System/Project Acceptance Checklist. City will utilize this document for final acceptance.

Responsibility Matrix	T2	CITY
T2-5.A Follow-Up Training	A	C
T2-5.B Production Support Team	C	A
T2-5.C Final System/Project Acceptance Checklist	C	A

Deliverable Payment Schedule

Payment to Contractor by City will be based on deliverables. The "Deliverable Payment Schedule" exhibit to the Agreement specifies the project deliverables and the timing of the associated payments ("Not to Exceed Price").

Completed milestones will be invoiced per the Deliverable Payment Schedule Exhibit "B", and payment terms are net thirty (30) days after the date of invoice in accordance with the Texas Prompt Payment Act, subject to the Acceptance procedure outlined in the Statement of Work. The City will retain 10% of each Professional Services milestone payment, and will pay the total retained amount as a final payment within 30 days after final acceptance of the project.

The schedule assumes that City will begin formal project implementation preparation within thirty days of issuing the Notice to Proceed with the intent of going live with T2 Flex in approximately the six month of the project. The Payment Schedule will be adjusted accordingly based on the actual start date as mutually agreed upon by both parties. See "Deliverable Payment Schedule" for a listing of deliverables, estimated due dates, and payment amounts.

Work considered to be outside the scope of this Statement of Work may be contracted from Contractor on a time and expense basis for the consulting rates included in this SOW, subject to allocation of City funds. All expenses under any such circumstances will be billed as incurred.

Issue Resolution Process

City will use the following Issue Resolution Process for the project:

- City or Contractor Project Manager will identify the issue and provide feedback to either party.
- Within seven (7) business days, the Contractor Project Manager in consultation with the City Project Manager will prioritize new issues, assign a due date and the person responsible for research and documentation. The Project Managers will assign the issue to the appropriate Project Team Member based on work effort, severity, and priority.
- The appropriate Project Team Member is responsible for completing the assigned follow-up tasks, and resolving the issue by the assigned due date. The typical timeframes for resolving an issue are:
    - High Priority: not to exceed three business days
    - Medium Priority: five business days
    - Low Priority: seven business days

For high priority items, the City Project Manager and Contractor Project Manager may agree to establish a shorter timeframe for resolution.

The City or Contractor Project Manager may choose to escalate an issue to the City. Types of issues that will be escalated include issues that have a significant impact on the project, organization, and scope. These issues may result in additional cost to City and could cause delay to the project schedule.

Project Change Control
City or Contractor may request changes to the project at any time. Since a change could affect the price, schedule, scope, or other terms of the Agreement and Statement of Work, both City and Contractor must review and take appropriate action on each requested change, in writing, prior to implementation in accordance with these procedures.

Change Order Procedure
City and Contractor must agree, in writing, to any change to the Statement of Work. City will use the following procedure to control all changes, whether requested by City or Contractor.

All Requests for Changes ("RFC") to the Statement of Work must be made in writing and will be submitted by the appropriate Project Manager. Each request should contain the following information:

- Reason for change
- Impact, if any, on existing deliverables and/or definition of additional deliverables
- Estimated impact, if any, on project schedule
- Estimated impact, if any, on project staffing
- Estimated impact, if any, on project costs
- All RFC's must be submitted to the appropriate Project Manager. The Project Manager will review and accept or reject the RFC. If rejected, the RFC will be returned to the submitting party with written responses for rejection, and as appropriate, any alternatives.

- All approved RFC's will be incorporated into the Statement of Work via written Change Order. Contractor will not perform any services outside of the Statement of Work until the Change Order has been executed by Director.

Deliverable Acceptance Process

Contractor will deliver each completed deliverable on the appropriate Milestone Date, as set forth under the Payment Schedule. Upon delivery to the CITY Project Manager, CITY will have fifteen business days to accept or reject ("Acceptance Period") the deliverable, using reasonable discretion, based on the requirements agreed to in Attachment I for that deliverable. If CITY notifies Contractor that it has rejected the deliverable, CITY will provide written notice, within such fifteen-day period, specifying the basis of the deficiency.

Contractor will have a reasonable period to correct such deficiency and re-deliver the deliverable for an additional Acceptance Period. CITY will not consider partial payment for deliverables that have not been fully completed and accepted. If CITY fails to reject any deliverable within the Acceptance Period, in writing specifying the deficiency, CITY will be deemed to have accepted the deliverable as of the fifteenth day of the Acceptance Period. Upon acceptance of a deliverable, all service associated with such deliverable will be deemed accepted, and Contractor will have no further obligation with respect to an accepted deliverable.

Any changes to any deliverable after acceptance will be subject to a change order request in accordance with the Project Change Order Procedure identified in this Statement of Work. Once accepted by CITY, deliverables will become the basis for current project work. Subsequent revision to accepted deliverables that cause significant re-work will need to be addressed between CITY and Contractor, and approved under a mutually acceptable and executed Change Order to the Statement of Work.

Attachment I

City of Houston
Parking Management System

T2 Flex Functional & Technical Requirements in Scope

of performance other than that required by this Agreement and by law. The Director is not authorized to vary the terms of this Agreement.

J. Inspections and Audits

City representatives may perform, or have performed, (1) audits of Contractor's books and records, and (2) inspections of all places where work is undertaken in connection with this Agreement. Contractor shall keep its books and records available for this purpose for at least 4 years after this Agreement terminates. This provision does not affect the applicable statute of limitations.

K. Enforcement

The City Attorney or his or her designee may enforce all legal rights and obligations under this Agreement without further authorization. Contractor shall provide to the City Attorney all documents and records that the City Attorney requests to assist in determining Contractor's compliance with this Agreement, with the exception of those documents made confidential by federal or State law or regulation.

L. Ambiguities

If any term of this Agreement is ambiguous, it shall not be construed for or against any party on the basis that the party did or did not write it.

M. Survival

Contractor shall remain obligated to the City under all clauses of this Agreement that expressly or by their nature extend beyond the expiration or termination of this Agreement, including but not limited to, the indemnity provisions.

N. Publicity

Contractor shall make no announcement or release of information concerning this Agreement unless the release has been submitted to and approved, in writing, by the Director.

O. Risk of Loss

Unless otherwise specified elsewhere in this Agreement, risk of loss or damage for each Deliverable passes from Contractor to the City upon Acceptance by the City.

			Solution Type	Y or N	Respondents Comments
			Is this an on-site solution?	Y	T2 Flex is thin client browser based application. The application an be hosted by the City or by T2 Systems.
			Is this a hosted solution?	Y	T2 Flex is thin client browser based application. The application an be hosted by the City or by T2 Systems.
			Is this an outsourced solution?	N	T2 Systems is the founder and creator of T2 Flex. T2 Flex is managed by our Product Development, Quality Assurance and Product Management departments. All work on T2 Flex is performed by T2 System employees.

Merit (Col B) Index: C=Critical; I=Important

Responses for Column E: Y = Yes; C=Customization; UD=Under Development; N=No; M=Modification

	Merit C, I	Section	Requirement Description	Response Y, C, UD, N, M	Respondents Comments
1	C	Acct Receivables	Must provide lockbox capability.	Y	Payments are imported into T2 Flex via the Importer. The Importer works in conjunction with the T2 Flex Task Scheduler to schedule the import.
2	C	Acct Receivables	Ability to close out and balance cash drawers at end of day.	Y	T2 Flex includes an end of day reconciliation report and close out process.
3	C	Acct Receivables	Ability to waive fees	Y	Profiles can be established to limit who can waive fees and the maximum fee amount that can be waived per transaction.
4	C	Acct Receivables	Ability to prorate fees automatically depending on date of permit issuance	Y	Permits can be prorated daily, weekly and monthly.
5	C	Acct Receivables	Ability to accept and process a payment in cash, check, cashier's check, money order or credit card form. Must issue receipt.	Y	Payment methods are defined by the City.
6	C	Acct Receivables	Ability to issue receipt for citation, permit, miscellaneous payments or boot fee payments	Y	The City has the ability to semi-customize what prints on the receipt. Receipts can print automatically after each transaction or the cashier can request the receipt print.
7	C	Acct Receivables	Ability to voucher or refund fees	Y	T2 Flex includes a permit refund process. Refunds for other items such as citations, boot/tow fees, etc. can be processed by reversing the transaction.
8	I	Acct Receivables	Ability, upon notice of an NSF ck, to reopen a citation and assess the appropriate delinquent fees and NSF fees and generate an NSF notice with updated fees to vehicle owner.	Y	NSF fees are assessed to the customer and not the outstanding item. NSF notices are generated from the customer's record. A customer record includes a record of all correspondence sent to the customer. This includes NSF notices.
9	I	Acct Receivables	Ability to process a large payment to multiple citations (rental car company payments)	Y	
10	C	Adjudication	Must be able to add new, delete or edit existing reasons for a finding of not-liable	Y	T2 Flex allows for the City to apply a result to an adjudication record. Once a result has been applied it cannot be edited or deleted. T2 recommends if an error was made, the City create a new adjudication record and apply the proper result.
11	C	Adjudication	Ability to track citations found not-liable by reason, hearing officer, parking enforcement officer, etc.	Y	If a citation is adjudicated, an adjudication link will display on the citation record. Reports are also available.
12	C	Adjudication	Ability for customer to appeal the hearing officers decision within 30 calendar days	Y	T2 Flex allows the City to define the time period to appeal a citation. A warning message will display if the citation has passed the time limit for appealing the citation. An override feature is available.

	Merit C, I	Section	Requirement Description	Response Y, C, UD, N, M	Respondents Comments
13	C	Adjudication	Ability for appellate judge to enter decision on a hearing officer appeal. Response letter automatically generated based on judge's finding.	Y	Results are applied from the adjudication record in T2 Flex. Letters can be generated on the fly by the hearing officer or in batch through the T2 Flex Task Scheduler. Letters can be paper or electronic.
14	I	Adjudication	Ability to put a case on hold for a defined time period.	Y	Once a result has been applied, the City can define a reinstatement date. The citation will remain on hold from letters and late penalties until the reinstatement date is reached.
15	I	Adjudication	Ability to refund fines paid when a hearing officer reverses the finding of liable.	Y	The financial history of the citation will reflect the citation was paid and the amount was refunded.
16	C	Adjudication	Ability to contest citations online	Y	T2 Systems has proposed our eBusiness Citation Appeal solution. This is a self-service solution allowing customers to appeal citations via the Internet. The standard solution has been proposed. The City may request functionality outside the standard package. Additional fees may apply.
17	I	Adjudication	Ability to generate response letters for a mail or online hearing based on action taken by staff	Y	T2 Flex allows the City to define custom letter templates. The templates can be printed to paper or sent electronically. All correspondence is recorded in the letter history of the appeal and customer record. Letters can be generated on the fly or by batch.
18	I	Adjudication	Ability to have a boot hearing.	Y	The T2 Flex Appeal manager works exclusively with the citation manager. As long as the boot is associated with a citation, the boot can be appealed.
19	I	Adjudication	Ability to prevent adjudication on citations where a vehicle has been placed on the boot list.	C	Customizations can be made to the self-service solution blocking a customer from appealing a citation if the vehicle is on the boot list. The T2 Flex application does not inform a user if the vehicle is on the boot list. The user would need to check the vehicle to see if it is on the tow list. Reports can be generated to show any active appeals and vehicles on the boot list.
20	I	Adjudication	If a continuance has been granted and vehicle owner takes no action by the date set by the adjudication officer, penalties should resume accruing on the citation.	Y	Once a result has been applied, the City can define a reinstatement date. The citation will remain on hold from letters and late penalties until the reinstatement date is reached.
21	C	Booting	Ability to create a list of vehicle plates that have at least 3 delinquent parking citations and have been sent a boot notice. List must be refreshed daily and automatically uploaded to the handheld units	Y	
22	C	Booting	Ability to view boot notice, date notice was sent and name and address of recipient with a list of citations associated with the plate	Y	The ability to access a copy of the notice sent is available through Letter History. The notice must be generated and printed from T2 Flex.
23	C	Booting	Ability to manually remove/add vehicles to the boot list when necessary	Y	
24	C	Booting	Ability to create a list of vehicles with at least one delinquent PK-21 citation that have received a boot notice. List must be uploaded to handhelds as boot-eligible.	Y	
25	C	Citations	Must automatically age citations and increase penalty accordingly.	Y	The age and amount of the penalty are defined by the City.
26	C	Citations	Ability to manually correct citations that have been entered incorrectly by a data entry operator.	Y	Changes to the citation are recorded in the Activity History. This includes a date/time stamp, user who made the change, new and previous values.

	Merit C, I	Section	Requirement Description	Response Y, C, UD, N, M	Respondents Comments
27	C	Citations	Track citations associated with Rental Car Companies and automatically generate report for company to process payment on a monthly basis.	Y	
28	C	Citations	Must be able to configure system to add or remove violation codes as necessary	Y	Violation codes are not removed from T2 Flex. They are deactivated.
29	C	Citations	Must be able to track issuing officer's productivity	Y	
30	C	Citations	Must automatically generate the appropriate notice as the citation ages.	Y	Notices are based on the City's rules and regulations. Notices can be printed to paper or sent electronically. The ability to access a copy of the notice sent is available through Letter History. The notice must be generated and printed from T2 Flex.
31	C	Citations	Ability to associate a barcoded parking citation w/the correct citation number	Y	The proposed handheld and printer includes the ability to print a 1D barcode. This can include the citation number that displays on the citation. If the City is looking to print a barcode on the notice, the City is responsible for purchasing the barcode font.
32	C	Citations	Ability to automatically upload citations issued from handheld devices to system	Y	T2 Systems is proposing the Casio IT-3100 handheld with integrated printer and scan engine. The scan engine allows for scanning 1d barcodes and taking gray scale images.
33	C	Citations	Ability to electronically store and enter manual tickets into the parking system	Y	
34	C	Citations	Ability to create an amnesty program that allows any citation issued from a defined start date to a defined end date as eligible for the amnesty rates as defined by Parking Management	Y	T2 Flex offers accumulations. Accumulations are where the City can define a start date. Violations associated to accumulations will have an amnesty initial fine amount issued. An end date cannot be defined.
35	C	Citations	Ability to purge citations with a defined start and end date	C	Citations can be marked as historical and removed from the user's view. Citations are still stored in the database and can be accessed for reporting.
36	C	Citations	Ability to merge multiple identities into one primary identity	Y	
37	C	Citations	System must automatically search for matching ident before creating a new ident by checking full name and address. If there are certain matches, system should merge the identities.	M	T2 Flex currently matches on the primary ID number field. A report is currently available to search for potential duplicate customers. The report match name, address and zip code. It is recommended the user first attempt a search on the customer before inserting a new customer record.
38	C	Citations	Contractor will provide a detailed disaster recovery plan (to include major outages) at the time of implementation.	Y	If T2 Systems hosts T2 Flex, a disaster recovery plan can be provided. If the City elects to host the application, T2 recommends the City follow their disaster recovery program.
39	C	Citations	Ability to create files for notices generated to forward to mail vendor for mailing	Y	Files can be exported using the T2 Flex Exporter and Task Scheduler. If data is exported, the Letter History will only reflect a letter was generated. It will not store a copy of the notice since the notice was printed externally to T2 Flex.
40	C	Citations	Ability to search for citations by any of the following: location, officer, violation, vehicle owner name, vehicle plate, VIN, date of issuance.	Y	
41	C	Citations	Must be able to configure system to update fines as necessary.	Y	
42	I	Citations	Ability to enter an affidavit for a finding of not-liable and send to hearing officer for adjudication.	Y	A notice can be generated and send to a hearing officer. Notices can be sent electronically by entering in the hearing officer's email address or printed and sent to the hearing officer by mail.

	Merit C, I	Section	Requirement Description	Response Y, C, UD, N, M	Respondents Comments
43	I	Citations	Ability to restrict field input to reduce clerical errors by data entry clerks	Y	T2 Flex allows the City to define which fields are required. Fields not in use can be disabled. A majority of the fields on a citation are generated by a lookup table reducing data entry error.
44	I	Citations	Ability to query the vehicle ownership database after manually correcting a citation that has been entered incorrectly to ensure updated ownership info.	Y	
45	I	Citations	Any notice sent to a vehicle owner should list all the open citations the vehicle has accrued.	Y	
46	I	Citations	Ability to enter an incomplete citation and forward the citation to the hearing officer for adjudication.	Y	T2 Flex does require certain fields have data before the citation can be inserted. Data fields include citation number, vehicle plate information and violation.
47	I	Citations	Ability to update or change vehicle ownership information based on documentation provided by vehicle owner. Once updated manually, the system should no longer query the vehicle owner database.	Y	
48	C	Citations	Must be able to track warnings issued by enforcement officers to customers and/or vehicles.	Y	Warnings can be sent up to the handheld if so desired.
49	I	Citations	If a warning has been issued in the preceding six (6) months to a vehicle, officer must be alerted when the plate is entered in the handheld.	M	Currently a hard date is set and all warnings after that date are sent to the handheld. If the City desires a custom task can be defined where the warning date is set to a rolling 6 month period. Additional charges will apply.
50	C	Citations	Must restrict duplicate citations from entry in the system.	Y	
51	I	Citations	For plate look up, must list the total amount owed including all citations, boot fees and permits.	Y	Outstanding fees can be displayed by searching for a vehicle plate via the Report Manager. A vehicle plate can also be accessed by the Search and Finder feature. This feature does not display an outstanding balance.
52	C	Citations	Ability to electronically attach documents and images to a citation	Y	Electronic documents can be manually attached to a citation. The handheld proposed by T2 Systems also allow the ability for the officer to take gray scale images. The images are automatically associated to the citation.
53	C	Citations	Ability to add new and edit officers and agencies	Y	Officer information can be maintained in T2 Flex. Agency information should be incorporated into the officer's information.
54	I	Citations	Ability to review case comments and remarks issued by enforcement officer or hearing officer.	Y	A Note Manager is available to record and review comments. The Note Manager is located on the citation record.
55	I	Citations	Ability to administratively close out a defined group of citations	Y	The citation balance can be adjusted to zero and an adjustment reason listed for the close-out. This can be done as a group using the T2 Flex Query Manager and Task Scheduler.
56	C	Citations	Ability to add notes or comments to a citation or customer	Y	A Note Manager is available to record and review comments. The Note Manager is located on the citation record.
57	I	Citations	If a declaration of non-ownership (DONO) has been filed on a vehicle plate, any citation issued to that vehicle plate after the filing date of the DONO should reflect the new owner per the DONO.	Y	
58	C	Forms & Reports	Must have a robust reporting mechanism	Y	T2 Flex uses Crystal Reports Version 11. Training and support is provided as part of the contract. Report views have been defined making reporting writing simple.
59	C	Forms & Reports	Ability to generate reports for standard parking data.	Y	

	Merit C, I	Section	Requirement Description	Response Y, C, UD, N, M	Respondents Comments
60	C	Forms & Reports	Ability to configure report module to create new or update existing reports.	Y	Report templates are created and edited using a Crystal Reports Developer license. Report templates are uploaded and stored in T2 Flex and can be accessed by any user with the proper privileges.
61	C	Forms & Reports	Must enable hearing officer to send requests to Parking Management for either sign or meter checks based on a citation.	Y	A notice can be generated and sent to Parking Management. Notices can be sent electronically by entering in the recipient's email address or printed and sent to the recipient by mail.
62	C	Forms & Reports	Ability to review citation summaries based on officer productivity	Y	This can be done via the Reports Manager.
63	C	Forms & Reports	Ability to track employee productivity	Y	This can be done via the Reports Manager.
64	I	Forms & Reports	Must generate the appropriate response form for a customer transaction in permitting or adjudication/appeals.	Y	T2 Flex allows the City to define custom letter templates. The templates can be printed to paper or sent electronically. All correspondence is recorded in the letter history of the appeal and customer record. Letters can be generated on the fly or by batch.
65	C	Forms & Reports	Ability to update or change forms in-house	Y	T2 Flex uses Crystal Reports Version 11 for notice templates.
66	I	Forms & Reports	Ability to generate response letters to citation inquiries.	Y	
67	I	Forms & Reports	Ability to submit permit application forms online.	Y	T2 Systems has proposed our eBusiness Permit Sale solution. This is a self-service solution allowing customers to purchase permits via the Internet. The standard solution has been proposed. The City may request functionality outside the standard package. Additional fees may apply.
68	C	Handheld Device	GPS capabilities	M	T2 Systems currently does not support GPS tracking. The handheld proposed by T2 Systems allows for wireless capabilities and includes a Windows CE.NET operating system. The City could purchase a third party software application along with the appropriate wireless card and install on the handheld.
69	C	Handheld Device	Operate within Parking Management WiFi network or Private Wireless and are fully compatible with selected Parking Citation Management system.	Y	The proposed handheld (Casio IT-3100) offers built in Bluetooth wireless technology. T2 is including a GPRS celllular card for real-time wireless communication. The City is responsible for establishing and maintaining the wireless network.
70	C	Handheld Device	Are rugged enough to accept a fall to concrete from 6 feet and handle adverse weather conditions.	N	The Casio IT-3100 can withstand drops from 4 feet.
71	C	Handheld Device	Devices are battery equipped.	Y	
72	C	Handheld Device	Batteries are rechargeable and provide a minimum of 8 hours of heavy usage.	Y	
73	C	Handheld Device	Have the ability to create and download test citations and violations and meter maintenance reports to the Parking Management System test environment without mixing with live data.	Y	If the handheld is in test mode, the City is responsible for ensuring the handheld is communicating with the test database.
74	C	Handheld Device	Preference is for the printer to be integrated in the device.	Y	
75	C	Handheld Device	Allow Parking Management to define required fields or not required fields (meter number, location information violation code, etc.). These must be adjustable.	Y	The T2 Flex handheld software allows the City to define which fields are required, optional or disabled.
76	C	Handheld Device	Allow for fields that can be configured by Meter Maintenance division as needed based on existing documents used for record keeping.	Y	T2 Flex Asset Manager allows for the City to define all meters and track maintenance requests and repairs. The officer can look up maintenance requests and file requests from the handheld.
77	C	Handheld Device	Allow Parking Management administrative 'super' users to edit, add, or delete all lookup/drop-down codes.	Y	Codes are maintained in the T2 Flex database and not on the handheld the handheld software. A user must have the proper privileges to access the lookup tables (codes).

	Merit C, I	Section	Requirement Description	Response Y, C, UD, N, M	Respondents Comments
78	C	Handheld Device	Back-end database shall be industry standard (SQL, Oracle, etc.). Preference will be given to MS SQL 2005 based solutions	N	T2 Flex usese an Oracle 10g database. T2 Systems can host the solution for the City. If the City wishes to host the application, T2 has proposed to offer enhnanced support. Enhanced support includes T2 providing support for the Oracle database.
79	C	Handheld Device	Data shall be transmitted in a secure format (i.e. Secure Sockets Layer (SSL) – Security Web Server. Real-time transmission via the meter WiFi network or private cellular is preferred.	Y	If the City hosts T2 Flex, the City is responsible for purchasing and maintaining the SSL certificate. If T2 hosts T2 Flex, T2 is responsible for purchasing and maintaining the SSL certificate.
80	C	Handheld Device	The violation template information and meter maintenance workflow (new violations, deactivated violations, standard fines, etc.) can be adjusted by Parking Management or CoH ITD.	Y	Codes are maintained in the T2 Flex database and not on the handheld the handheld software. A user must have the proper privileges to access the lookup tables (codes).
81	I	Handheld Device	Have the capability to capture digital photos and attach to the citation.	Y	The Casio IT-3100 can take gray scale images of the violation.
82	I	Handheld Device	Printer paper is available commercially and off the shelf.	Y	The Casio IT-3100 has specific specs towards the paper required. Thermal ticket stock paper is required. There are numerous vendors in the country that can create this paper. Paper specs can be provided.
83	I	Handheld Device	Printer paper contains pre-printed information on both sides	Y	The City will work with the Ticket Stock vendor to create a proof. The proof will have can have pre-printed information on both sides.
84	I	Handheld Device	Be equipped with manual input keys, RFID reader, LPR, Barcode reader	Y	The Casio IT-3100 contains Numeric (Alphabet) keys and a barcode reader. It does not contain a RFID or LPR reader.
85	I	Handheld Device	Ability to create, edit and delete canned comments associated with violation codes and meter maintenance.	Y	Canned comments for violations are created and maintained in T2 Flex and not on the handheld software. Canned comments are not available for meter maintenance.
86	I	Handheld Device	Are water resistant up to 10 feet	N	The Casio IT-3100 has a water splash proof of IP54.
87	I	Handheld Device	Are fully functional in the following temperature/humidity ranges: -4° to 131° F - Operational Range -13 ° to 150° F - Storage Range 5% to 100% - Humidity	N	The Casio has an operating temperature of -4F to +122F, a storage temperature of -4F to +158F and operating humidity of 10% to 80%RH (no condensation).
88	I	Handheld Device	Batteries shall have a full three-year replacement warranty during initial and extended warranty period	N	Batteries have a life span of 1 to 1.5 years. The battery is covered under warranty for the first year. After the first year, the battery has a 90 day warranty.
89	I	Handheld Device	Handheld solution should allow inputting of vehicle plate information by: a) manual, b) 2-D bar code that is on vehicle registration sticker. TX Dot registration stickers have a barcode that that provides the plate number and the last eight (8) digits of the VIN.	M	The Casio IT-3100 has the ability to read a 2D barcode. T2 Systems would look at making a modification to the software to read the Texas registration sticker. T2 Systems has the ability to read a similar 2D barcode registration sticker issued by New York today.
90	I	Handheld Device	All hardware shall be Original Equipment Manufacturer (OEM) standard.	Y	
91	I	Handheld Device	Device display is Color -Liquid Crystal Display (LCD) - and easy to read in all lighting conditions.	Y	The Casio IT-3100 has a 3.5 inch 2-way TFT color LCD display.
92	C	Handheld Device	Create and print a citation in 30 seconds or less	Y	
93	I	Handheld Device	Write citations for approximately 40 violations and interface with the Parking Citation Management system (both data, voice and image).	Y	The Casio IT-3100 will interface with the T2 Flex database. This includes citation data and images. The Casio IT-3100 does not have a voice recorder.
94	C	Handheld Device	Read a table (provided by the City) consisting of the accepted street names within the City of Houston.	Y	Street names are stored in T2 Flex and sent up to the handheld.

	Merit C, I	Section	Requirement Description	Response Y, C, UD, N, M	Respondents Comments
95	C	Handheld Device	Have some logic to prevent user error and prevent defective or incomplete citations.	Y	The City can configure the handheld to inform the officer which fields are required, optional or disabled.
96	C	Handheld Device	Allow an officer to write a warning.	Y	
97	I	Handheld Device	COH shall have access to all updates/upgrades while paying maintenance.	Y	Updates to the handheld software are available at no charge for customers current on their handheld software maintenance contract.
98	I	Handheld Device	COH will not be constrained to migrate to newer versions.	N	There are times where the T2 Flex handheld software may be associated to a particular release. If the City wants to upgrade the T2 Flex application, the City may be required to also upgrade the handheld software.
99	I	Handheld Device	Download of citation data and images to citation management system will not require any user intervention	Y	
100	I	Handheld Device	Officer shall be able to detail the out of state plate information	Y	T2 Flex contains fields to store state, plate number and plate type. Comment fields are available to store additional information regarding out of state plate information.
101	I	Handheld Device	Allow the entry of text and voice notes (250 characters minimum)	Y	T2 Flex handheld software allows for the entry of text notes. Text notes can be canned comments and/or free form comments. The handheld proposed does not contain a voice recorder.
102	I	Handheld Device	Allow officer or meter maintenance staff to input information using a drop down solution that populates a section within the citation image or within the maintenance section to record information.	N	Images cannot be edited. T2 Flex handheld software has three (3) comment fields - location, public and private. The citation and asset management fields are mostly drop down to ensure data consistency.
103	I	Handheld Device	Allow officer to capture text notes that are not included in citizen copy. Captured text notes will appear on Parking Citation Management System image for Hearing Officers and Admin staff. This field shall allow 250 characters minimum.	Y	
104	I	Handheld Device	Allow for pertinent fields related to each violation to be completed and allow some fields to be required	Y	The City can configure the handheld to inform the officer which fields are required, optional or disabled.
105	C	Hosted Solution	Have a 99% or greater uptime	Y	
106	C	Hosted Solution	Contractor will provide a detailed disaster recovery plan (to include major outages) at the time of implementation.	Y	A disaster recovery plan is available for viewing.
107	C	Interfaces	Must have daily interface with the City's financial system, SAP for cash receipts and customer refunds.	Y	T2 Flex can interface with third party applications. This includes exporting and importing data. T2 Systems has provided a conservative quote for developing such an interface. A firm estimate can be provided once T2 scopes the interface.
108	C	Interfaces	Must interface with a database (such as Zebec) to provide most current and correct vehicle ownership information. Out of state plates must be included in database	Y	T2 Systems is proposing RoVR for out of state plate owner lookups. The fees associated with this service have been included in the price proposal. T2 Systems is proposing a direct interface with the State of Texas. Owner inquiries will be exported to the State of Texas. The State will return information. This information is imported into T2 Flex and records are updated.
109	C	Interfaces	Must offer method to process payments online or interface with an online payment vendor that is PCI compliant.	Y	T2 Systems will integrate with the City's Internet Payment Gateway. T2 Flex and our eBusiness solutions are subject to PA DDS standards and not PCI compliance.

	Merit C, I	Section	Requirement Description	Response Y, C, UD, N, M	Respondents Comments
110	C	Interfaces	Interface with handheld units used by Enforcement for citations and Meter Shop for electronic documentation of meter maintenance.	Y	T2 Systems is proposing the City use the Casio IT-3100 handheld with T2 handheld software. This will allow for direct integration between the handheld and T2 Flex database. T2 Flex also contains Asset Management. Asset Management allows the City to monitor assets. This includes meters, parking lots, signs, etc. The officer can look up active maintenance requests and submit a request. All information is stored in T2 Flex.
111	C	Interfaces	Daily Interface with mail vendor for delivery of parking citation notices	Y	Files can be exported using the T2 Flex Exporter and Task Scheduler. If data is exported, the Letter History will only reflect a letter was generated. It will not store a copy of the notice since the notice was printed externally to T2 Flex.
112	C	Interfaces	Interface with the new parking management system to upload warning list, boot list, permit data and meter maintenance data to the handheld device.	Y	T2 Systems is proposing warnings, boot list, permit data and maintenance data are stored in T2 Flex and transferred to and from the handhelds.
113	I	Interfaces	Must interface with lockbox provider to capture daily receipts	Y	Payments are imported into T2 Flex via the Importer. The Importer works in conjunction with the T2 Flex Task Scheduler to schedule the import.
114	I	Interfaces	Interface with the meter maintenance software (EMS) to ensure meter alarms and text notifications are sent to handheld devices. Must allow for up to 300 alarms/messages per day.	N	This feature is currently not available. T2 Systems does offer an interface with Digital Payment Technologies. The proposed handheld can query the EMS database to obtain spaces that have expired (Pay by Space configured is required.) The officer can immedately issue a ticket from the pay by space feature of the handheld. The officer can also be told when spaces are set to expire. Queries on the handheld are performed by location.
115	I	Interfaces	Daily interface with the delinquent collections vendor's system	Y	T2 Flex can interface with third party applications. This includes exporting and importing data. T2 Systems has provided a conservative quote for developing such an interface. A firm estimate can be provided once T2 scopes the interface.
116	C	Meter Shop	Ability to input data concerning maintenance performed at meter	Y	T2 Systems is proposing the City use the Asset Management portion of T2 Flex to record meter maintenance requests and repairs. Data can be inserted in T2 Flex.
117	C	Meter Shop	Ability to take inventory in the field	N	T2 Flex handheld software allows for the officer to look up an asset such as meter. If the meter does not exist in T2 Flex, the officer can make a manual note and hand in at the end of their shift.
118	I	Meter Shop	Ability to search and retrieve reports on meters that have been repaired or fixed for 311 and meter check reports	Y	T2 Systems is proposing the City use the Asset Management portion of T2 Flex to record meter maintenance requests and repairs. Data can be located in T2 Flex via the finder tool and reporting.
119	I	Meter Shop	Ability to input data to request service at a meter for issues that cannot be resolved immediately	Y	T2 Systems is proposing the City use the Asset Management portion of T2 Flex to record meter maintenance requests and repairs.
120	I	Meter Shop	Ability to search by meter number for maintenance log	Y	T2 Systems is proposing the City use the Asset Management portion of T2 Flex to record meter maintenance requests and repairs. Data can be located in T2 Flex via the finder tool and reporting.
121	I	Meter Shop	Ability to search by street and block	Y	Meter information can be located by the meter number or street.

	Merit C, I	Section	Requirement Description	Response Y, C, UD, N, M	Respondents Comments
122	I	Meter Shop	Ability to search meter maintenance records by problem solved	Y	Asset Management includes a text field for recording the maintenance performed. This field can be located from the Finder tool and Reports.
123	I	Meter Shop	Ability to track the number of spaces associated with each parking meter at every metered parking space in the City.	Y	A parking meter is typically associated to a unique parking space. T2 Flex Asset Management allows for the City to define each meter (parking space) as an individual asset.
124	C	Permits	Must automatically generate renewal notices for permits and send by regular mail. If a customer.	Y	Notices are based on the City's rules and regulations. Notices can be printed to paper or sent electronically. The ability to access a copy of the notice sent is available through Letter History. The notice must be generated and printed from T2 Flex.
125	C	Permits	Ability to issue daily, monthly and annual parking permits. Must be configurable to update locations, fees or create new permits as necessary.	Y	T2 Flex includes Permit Management. This includes inventory management, issuance and tracking of permits.
126	C	Permits	Must prevent a permit from being issued if the customer or the vehicle associated with the permit has outstanding parking citation(s)	Y	T2 Flex includes a configuration item that prohibits the sale of a permit with an outstanding citation balance. An override feature is available.
127	C	Permits	Ability to issue RFID (preferred) or barcoded (acceptable) permits	Y	T2 Flex contains a permit management system. This allows the City to inventory, sell and track permits. A permit can be a RFID permit, bar coded permits, access devices, hangtags, temporary permits, etc.
128	C	Permits	Ability to reduce, waive and prorate fees for parking permits	Y	Permits can be prorated daily, weekly and monthly. Fee Schedules can be established for different permit groups. This includes a reduction in fees, waiving fees and pro-rating fees.
129	I	Permits	Ability to issue Residential Parking permits to a confirmed resident of a valid zone.	Y	T2 Flex includes residential permit management functionality. Functionality includes associating a permit to an address and restricting the number of permits issued to an address. Each permit is associated to a property (address) and a permit district (zone).
130	I	Permits	Ability to track the number of permits available and issued per parking facility	Y	The City can establish facilities in T2 Flex. The City can define physical and sales capacity for each facility. At any time the City can view a facility and see the number of waitlist requests, number of sold active permit, number of sold inactive permits, oversell percentage, and how many spaces are still available for sale.
131	I	Permits	Ability to revoke or cancel permit and generate appropriate notice to customer.	Y	When a permit is revoked or cancelled, T2 Flex asks the user for a reason. The reasons are contained in a pick list defined by the City. This allows the City to run reports on why permits are revoked or returned. A notice can be generated and sent to the customer confirming the permit is revoked or cancelled. The letter is stored in the Letter History of the permit record.
132	I	Permits	When a permit is revoked, expired, stolen or reported lost, the information should be uploaded in the handheld and the officer should be notified when they enter the plate information that the permit is no longer valid.	Y	Permit information can be sent to the handheld. The officer can search for the permit by permit number or vehicle plate number. When a search is performed off the vehicle, the officer must select the permit displayed to access the status of the permit.
133	I	Permits	Allow for sale of replacement permits and decals	Y	Replacement permits can be sold and tracked through T2 Flex. T2 Flex allows for a replacement fee to be assessed when replacing a similar or like permit.

	Merit C, I	Section	Requirement Description	Response Y, C, UD, N, M	Respondents Comments
134	I	Permits	Ability to track meter bagging permits based on meter number and restrict a meter from being rented twice on the same date	Y	The City can track each meter space using facilities. The facility manager will allow the City to define each meter space and associate a permit (meter bag) to the space number. The City may also look at using the Event Management feature of T2 Flex. This manager allows the City to define a meter as an equipment resource. This includes a scheduling feature to determine eligibility. Invoicing is available with either feature.

	Solution Type	Y or N	Respondents Comments
	Is this an on-site solution?	Y	T2 Flex is thin client browser based application. The application an be hosted by the City or by T2 Systems
	Is this a hosted solution?	Y	T2 Flex is thin client browser based application. The application an be hosted by the City or by T2 Systems
	Is this an outsourced solution?	N	T2 Flex is thin client browser based application. The application an be hosted by the City or by T2 Systems

Responses for Column E: Y = Yes; C=Customization; UD=Under Development; N=No; M=Modification

Merit	Section	Requirement Description	Response Y, C, UD, N, M	Respondents Comments
D	Acct Receivables	Ability to receipt a payment, but place the funds in hold when accompanied by a letter of protest. When the hearing officer makes a decision, the funds in hold should be applied to the case or refunded to the vehicle owner and the case should be closed out.	Y	There are a few ways this can be accomplished in T2 Flex. The City can record the citation payment on the citation. If the appeal is denied, the citation would then automatically show a credit. Alternatively, the City could record a payment as a deposit against the customer record in T2 Flex. The deposit can then be paid out or applied to the citation.
D	Adjudication	Ability to electronically send contestation documents to adjudication	N	The City can however setup a user profile which allows the hearing officer to access appeal information in T2 Flex.
D	Adjudication	Ability to reduce fine no lower than $6. If the hearing officer determines that the fine should be lower than $6, it should simply be waived.	N	The City can define appeal results with a fixed amount to reduce the citation.
D	Adjudication	Ability for hearing officer to view image of parking citation (P, H or V ticket) and any images, voice notes or case comments associated with the citation.	Y	Hearing officers with access to T2 Flex can view all information associated to the citation and appeal record. Voice notes made externally to T2 Flex can be manually uploaded and stored as an attachment on the appeal or citation record.
D	Citations	Ability to view history of citation on one screen (payments, notices sent, declaration processed, vouchers, refunds, etc).	Y	Each citation record has a letter, activity and financial history. These links are available from the citation record. Payment information can be viewed directly from the citation record.
D	Citations	Must associate an enforcement officer with an agency that will automatically populate in the system when the officer's ID or name is entered for a new citation during data entry.	Y	Officer information is stored in lookup tables. It is suggested the agency be apart of the officer number.
D	Citations	Ability to identify a vehicle that is boot-eligible in one screen.	Y	The vehicle record in T2 Flex has a boot field. The field changes from yes to no depending if the vehicle is on the boot list.
D	Forms & Reports	Ability to submit forms online to update vehicle ownership information	Y	The City can export data for verification against the appropriate State DMV/BMV database.
D	Forms & Reports	Automatically generate reports and send to appropriate personnel by email	Y	Reports can be generated automatically using the T2 Flex Task Scheduler. Reports cannot be automatically emailed.
D	Handheld Device	Be equipped with a light for use at night	Y	The Casio IT-3100 includes a backlight for the screen.
D	Handheld Device	Include car adapter as a power option	Y	The Casio IT-3100 has an optional vehicle charger. The charger can be purchased separately for an additional fee.
D	Handheld Device	If printer is a separate unit, battery lasts for 8 hours per charge with a 3-year warranty (in this case, meter maintenance will NOT require a printer)	N	Batteries have a life span of 1 to 1.5 years. The battery is covered under warranty for the first year. After the first year, the battery has a 90 day warranty.
D	Handheld Device	If the printer is separate, must be attached to the handheld or the officer's belt or include a strap.	Y	Printer is attached to the handheld.
D	Handheld Device	If printer is a separate unit, devices sync with printer through USB, docking, Bluetooth, etc.	Y	Printer is attached to the handheld.
D	Handheld Device	Include a portable docking station at no additional charge.	Y	The Casio IT-3100 does not require a docking station to perform communications. A cradle has been included to charge the handheld.
D	Handheld Device	Is scalable for use with as few as 25 officers or as many as 175	Y	T2 Systems has quoted 60 handhelds as requested per the RFP. The City can add additional handhelds at any time for an additional cost.
D	Interfaces	Interface with HPD system to download stolen vehicle list and Amber Alerts and upload to handheld devices	Y	T2 Flex can interface with third party applications. This includes exporting and importing data
D	Meter Shop	Ability for the enforcement officer to notify meter shop mechanic via the handheld of a faulty meter or sign	Y	Officers can record insert a maintenance request via the handheld. The requests are downloaded to T2 Flex. The mechanic can run a report for all new requests in T2 Flex.

Attachment II

City of Houston
Parking Management System

Project Acceptance Criteria

Attachment II
City of Houston
Parking Management System

Project Acceptance Criteria

No.	Description		Comments
1	System documentation is current and complete for all software in production, and has been turned over to the CITY Project Manager. All configuration documentation has been approved by the respective module lead.	□	
2	All deliverables for this Project are completed and accepted by CITY and Contractor per the acceptance process described in the Statement of Work.	□	
3	All medium and high priority issues assigned to Contractor have been resolved.	□	
4	The production environment has performed according to the final requirements with no open medium or high priority issues for at least 30 calendar days.	□	
4	Project team leads for CITY and Contractor have agreed (signed-off) that each of their business areas are operating in production as confirmed/expected (per Stage 3 completed deliverables)	□	

Exhibit "B"

Parking System Payment Schedule

Parking System Payment Schedule

Professional Services Deliverables	Deliverables	Kick Off Meeting (15%)	1st Onsite visit (30%)	1st Data Sample (15%)	2nd Data Sample (15%)	Go-Live (15%)	Final Acceptance (10% holdback except for Post Impl Support/Stabil.)	Total Amount
Project Mgmt/Implementation Services	T2-1.A, T2-1.B, T2-1.C, T2-1.D, T2-1.F, T2-1.G, T2-1.H, T2-1.J, T2-2.A, T2-3.B, T2-3.C, T2-3.D, T2-3.F, T2-3.G, T2-4.A, T2-4.C, T2-4.D, T2-4.E, T2.4.G, T2-4.H, T2-4.I, T2-4.J	23,153.85	46,307.70	23,153.85	23,153.85	23,153.85	15,435.90	154,359.00
Data Conversion Professional Services	T2-3.A, T2-4.B, T2.4.F	6,510.00	13,020.00	6,510.00	6,510.00	6,510.00	4,340.00	43,400.00
Post Implementation Support and Stabilization	T2-5.A, T2-5.B, T2-5.C	-	-	-	-	-	13,000.00	13,000.00
Interfaces	T2-3.E	12,727.50	25,455.00	12,727.50	12,727.50	12,727.50	8,485.00	84,850.00
Subtotal		**42,391.35**	**84,782.70**	**42,391.35**	**42,391.35**	**42,391.35**	**41,260.90**	**295,609.00**

Subsystems and Support Products	Deliverable	Kick Off Meeting (15%)	1st Onsite visit (30%)	1st Data Sample (15%)	2nd Data Sample (15%)	Go-Live (15%)	Final Acceptance (10% holdback)	Total Amount
Four eBusiness Solutions	SOW, Page 2	8,631.75	17,263.50	8,631.75	8,631.75	8,631.75	5,754.50	57,545.00
Funded development for Meter Maintenance	SOW, Page 2 - Asset Mgr	21,772.50	43,545.00	21,772.50	21,772.50	21,772.50	14,515.00	145,150.00
Subtotal		**30,404.25**	**60,808.50**	**30,404.25**	**30,404.25**	**30,404.25**	**20,269.50**	**202,695.00**
PROF SVCS & SUBSYSTEMS TOTAL		**72,795.60**	**145,591.20**	**72,795.60**	**72,795.60**	**72,795.60**	**61,530.40**	**498,304.00**

Hardware/Other Software	Quantity	90% Due at Receiving	Final Acceptance 10% Holdback	Total
Handheld Devices/ticket stock	53 Casio IT-3100, 14 Motorola-Symbol MC75, SOW page 2-3	260,671.28	28,963.48	289,634.75
Point of Sale bungles (receipt printers, barcode readers, cash drawer, handheld ticket stock, etc)	4 bundles, SOW page 3	21,302.10	2,366.90	23,669.00
Crystal Report Licenses	2 additional licenses (cost proposal)	1,224.00	136.00	1,360.00
TOTAL	-	**283,197.38**	**31,466.38**	**314,663.75**

Recurring Fees		Year 1	Year 2	Year 3	Year 4	Year 5	Years 1-5 Total
Handheld devices maintenance			53,510.00	53,510.00	53,510.00	53,510.00	
Point of sales maintenance			900.00	900.00	900.00	900.00	
RoVR (Vehicle owner database)	Paid Mthly via EFT	18,600.00	18,600.00	18,600.00	18,600.00	18,600.00	
Software Maintenance	Paid Mthly via EFT	78,248.46	78,248.46	78,248.46	78,248.46	78,248.46	
TOTAL		**96,848.46**	**151,258.46**	**151,258.46**	**151,258.46**	**151,258.46**	**701,882.30**

Contract Totals		
Professional Services	$	295,609.00
Subsystems	$	202,695.00
Hardware/Other Software	$	314,663.75
Recurring Fees	$	701,882.30
Total 5 Year Cost	**$**	**1,514,850.05**

T2 Systems, Inc.

	Item	Initial Purchase Costs	Continuing Annual Costs	Comments
1	Software			Note the type of software license as either user-based or enterprise
2	Core Product	$ 78,248	$ 78,248	T2 is proposing the T2 Flex Permits & Enforcement Plus package for 50 concurrent users. The proposed software package comes with the following software managers; Customers, Vehicles, Permits, Properties, Citations, Finance, Third Party Billing, Appeals, Boot/Tow, Reports, Letters, Handheld Communications, Task Scheduler, Data Warehouse, Events, Asset Management, Web Services and Application Development Rights. In addition to the managers listed above, T2 has included Crystal Reports, version XI. You will be supplied with one (1) named user license to develop custom reports and edit existing reports and letter templates. You will also be supplied with concurrent user licenses to run reports directly from T2 Flex. City of Houston will host the Application and Database. An Oracle license is required to run T2 Flex. The organization can provide Oracle or Oracle can be provided by T2 for an additional charge. Enhanced Support is inluded in the Software price. Continuing Annual costs covers years 2 thru 5.
3	Subsystems & Supporting Products	$ 76,145	$ 18,600	The City has requested a variety of self-service solutions. Self service solutions include the ability to pay citations, appeal citations, purchase permits, and reviewing their parking account via the internet. The costs associated here are for the standard solutions. Additional fees can apply for functionality outside of the standard package. T2 Systems is also proposing RoVR, this will allow the City to obtain registered owner information. The City will be invoiced a flat monthly fee of $1,550.00 for year 1.
4	Licensing Fees	Included in Core Product	Included in Core Product	T2 Flex is a subscription based application. The use of the license is included in the annual subscription costs.
5	Other Software Components	$ 146,510	$ -	T2 Systems is providing an additional two (2) Crystal Report Developer licenses. This will allow the City to have a total of three (3) Crystal Report Developer license to write custom templates. The City has requested a Meter-Sign Maintenance module, the costs for the agreed upon functionality has bee included in this line item.
6	Hardware			Break out each item by quantity and cost using the price list template within this workbook
7	Production Servers and Storage	N/A	N/A	T2 Systems has provided the recommended hardware and software for T2 Flex. T2 Systems has found the client prefers to provide the servers and workstations.
8	Development, Test, and/or Training Servers and Storage	N/A	N/A	T2 Systems has provided the recommended hardware and software for T2 Flex. T2 Systems has found the client prefers to provide the servers and workstations.
9	Handheld Devices	$ 289,635	$ 53,510	T2 Systems is proposing the following handhelds 1)Casio IT-3100 handheld with integrated printer and scan engine for enforcement and 2) Symbol MC75 handheld for meter mechanics and collectors. This costs also includes shipping charges of $400.00. Actual shipping charges will be charged. Quantity - 53 Casios, 14 Motorola Symbols
10	Peripherals	$ 23,669	$ 900	T2 Systems has also included four (4) Point of Sale bundles for the cashiers. The Point of Sale bundle includes a serial receipt printer with check endorsement, electronic cash drawer and bar code gun scanner with stand. Ticket stock for 500,000 tickets the first year has been included. The City will be responsible for purchasing ticket stock after year 1.
11	Professional Services			
12	Project Management / Implementation Services	$ 154,359	N/A	T2 Systems will provide the following services - project management, an on-site pre-implementation visit consisting of three (3) days and two (2) T2 Implementation Consultants, remote configuration, on-site training including go-live, one (1) paper manual and system testing. On-site training includes four (4) days on-site with three (3) T2 Implementation Consultants. On-site go-live consists of four (4) days with two (2) T2 Implementation Consultants. On-site classes can be repeated a maximum of three (3) times. Travel costs of $9,000.00 have been included in this cost. Actual travel expenses will be billed.
13	Data Conversion	$ 43,400	N/A	T2 Systems will convert existing permit, citation, vehicle and customer data. This does not include historical data. T2 Systems will provide three (3) data samples prior to delivering the final converted data.
14	Training (specify type/location of training)	Included in item number 12 above.	N/A	Included in Project Management/Implementation Services above.
15	Onsite Cut-Over and Go-Live	Included in item number 12 above.	N/A	Included in Project Management/Implementation Services above.
16	Onsite Post-Implementation Support and Stabilization	$ 13,000	N/A	On-site post implementation includes five (5) days of on-site implementation with two (2) T2 Implementation Consultants. Estimated travel expenses of $3,000.00 have been included in the cost. Actual travel expenses are billed.
17	Total Interfaces	$ 84,850	N/A	T2 is proposing the following pricing for the following interfaces. Export of cash receipts to SAP, export of customer refunds to SAP, Delinquent Collections Vendor daily transfer, Exporting letter data to 3rd party with update to Letter History,and HPD systems (import of stolen vehicles, amber alert and updates).
18				
19				
20				
21				
22				
23				
24	Other Costs			List and price individually
25	Hosted Solution	$ -	$ -	City of Houston has elected to host T2 Flex and associated eBusiness solution products.
26	Outsourced Solution	N/A	N/A	T2 Systems does not outsource T2 Flex.
27				
28				
29	Total Cost for Initial Purchase	$ 909,816		
30	Continuing Annual Costs		$ 151,258	
31	Projected (non-inflated) 5-Year Total Cost of Ownership		$ 605,034	
32	Standard Billing Rates			Breakdown hourly rates by job category
33	Project Manager	$225.00		T2 Systems provides packages which offers a discount to the hourly fee listed here.
34	Report Writer	$225.00		
35	Database Analyst	$225.00		
36	Developer	$225.00		
37	Trainer	$225.00		
38	Other	$225.00		

T2 Systems, Inc.

Parking Management System/Handheld Citation Issuance Devices Comprehensive Price List

		Description	Manufacturer/Model	Quantity	Unit Cost	Extended Cost
1	**SOFTWARE**					
2		Core Product	T2 Flex Permit and Enforcement Plus hosted by the City (discount reflected on cost proposal). This is an annual cost.	50 users	92057.02	92057.02
3		Subsystems & Supporting Products	eBusiness Solutions On-Line Citation Payments (discount reflected on cost proposal)	N/A	9000	9000
4		Subsystems & Supporting Products	eBusiness Solutions On-Line Citation Appeals (discount reflected on cost proposal)	N/A	7500	7500
5		Subsystems & Supporting Products	eBusiness Solutions On-Line Permit Sales (discount reflected on cost proposal)	N/A	17000	17000
6		Subsystems & Supporting Products	eBusiness Solutions On-Line My Account (discount reflected on cost proposal)	N/A	3000	3000
6		Subsystems & Supporting Products	RoVR - RoVR allows the City to obtain out of state registered owner information. This is a subscription service. The City will be invoiced on a monthly basis based on usage. RoVR includes a minimum montly fee of $95.00. This includes 49 owner returns per month. The City will be invoiced an additional $1.95 for each owner return over 49 returns.	TBD	1.95	TBD
7		Licensing Fees	N/A	N/A	N/A	N/A
8		Database Server License(s)	Oracle Application Specific Standard Edition Per Core (not included proposal)	1	8000	8000
9		Other Software Components	Crystal Reports Version 11 Developer License	2	680	1360
10	**HARDWARE**					
11		Production Server(s)	City is to provide product servers.	N/A	N/A	N/A
12		Production Storage	City is to provide storage.	N/A	N/A	N/A
13		Training/Testing Server(s)	City is to provide training/testing servers.	N/A	N/A	N/A
14		Training Testing Storage	City is to provide testing storage.	N/A	N/A	N/A
15		Enclosure	City is responsible for enclosure.	N/A	N/A	N/A
16		Other Hardware	T2 Flex Handheld Communication Software and Hardware Bundle (includes communication hardware for two (2) download locations)	0	1085	0
17		PC for Handheld Device Docking Bays	City is responsible for providing the PC workstation.	N/A	N/A	N/A
18		Handheld Device Docking Bays	The charging cradle is part of the handheld costs.	N/A	Included in handhe	Included in handheld cost
19		Handheld Devices	Casio IT-3100 with scan engine, with charging cradle and T2 Flex software (discount reflected on cost proposal)	53	4935	261555
20		Handheld Devices	Symbol MC75 handheld with charger and T2 Flex software.	14	4252	59528
20		Specify wireless, cellular, and/or docking in next column	Wireless 802.11b cards for the Casio IT-3100 handheld	44	350	15400
21		Specify wireless, cellular, and/or docking in next column	T2 Support Services charge for real-time handheld enviroment	44	240	10560
22		w/ RFID Reader	Not included with handheld proposed.	N/A	N/A	N/A
23		w/ LPR	Not included with handheld proposed.	N/A	N/A	N/A

24	w/ Digital Camera	Casio IT-3100 scan engine includes gray scale image capture. Symbol MC75 includes color imaging.	N/A		Included in handhe	Included in handheld cost
25	w/GPS	Not included with handheld proposed.	N/A		N/A	N/A
26	w/lamp for nighttime	Backlight is included in with handheld.	N/A		Included in handhe	Included in handheld cost
27	w/Barcode Reader	Casio IT-3100 scan engine includes reading barcodes. Symbol MC75 includes a barcode reader.	N/A		Included in handhe	Included in handheld cost
28	w/combination of features (list features)	T2 is not aware of any additional features the City could beneift from.	N/A		N/A	N/A
29	Handheld Device Battery Packs	Spare battery and charger (not included in proposal)		1	300	300
30	Handheld Device Printers	Printer is integrated with handheld. A detached printer is available for the Symbol MC75 handheld. Additional fees apply for the printer.	N/A		Included in Casio I	Included in Casio IT-3100 handheld cost
31	Specify if printer is integrated or separate (Bluetooth) in next column	Printer is integrated with handheld. A detached printer is available for the Symbol MC75 handheld. Additional fees apply for the printer. A Bluetooth connection is used between the MC75 and printer.	N/A		Included in Casio I	Included in Casio IT-3100 handheld cost
32	Battery	Printer is integrated with handheld. A detached printer is available for the Symbol MC75 handheld. Batteries can be purchased for an additional fee.	N/A		Included in Casio I	Included in Casio IT-3100 handheld cost
33	Bluetooth	Printer is integrated with handheld. A detached printer is available for the Symbol MC75 handheld. Additional fees apply for the printer. A Bluetooth connection is used between the MC75 and printer.	N/A		Included in handhe	Included in handheld cost
34	Strap or Belt Attachment	Printer is integrated with handheld. A detached printer is available for the Symbol MC75 handheld. Additional fees apply for the printer.	N/A		Included in handhe	Included in handheld cost
35	Printer Paper	Ticket stock shall consist of 100 tickets per roll with a length of 6 inches.	N/A		25000	25000
36	Electronic Cash Drawers	Epson Cash Drawer Model MMF22611115131204 (discount reflected on cost proposal)		3	275	825
37	Receipt Printer	Epson TMU375 Serial Receipt Printer (discount reflected on cost proposal)		3	895	2685
38	Receipt Printer Paper	Can purchase paper at local office supply store.	N/A		N/A	N/A
39	Barcode Reader	Voyager Laser Barcode Gun Scanner with Stand (discount reflected on cost proposal)		3	595	1785
40	RFID Reader	T2 Systems does not sell RFID readers.	N/A		N/A	N/A
41	Other peripherals and consumables	Casio Handheld Case and strap (included in handheld cost)	N/A		N/A	N/A

42	**SERVICES**						
43		Project Management / Implementation Services	T2 Systems will provide the following services - project management, an on-site pre-implementation visit consisting of three (3) days and two (2) T2 Implementation Consultants, remote configuration, on-site training including go-live, one (1) paper manual, and system testing. On-site training includes four (4) days on-site with three (3) T2 Implementatiom Consultants. On-site go-live consists of four (4) days with two (2) T2 Implementation Consultants. On-site classes can be repeated a maximum of three (3) times. Travel costs of $9,000.00 have been included in this cost. Actual travel expenses will be billed.	N/A		154059	154059
44		Data Conversion	T2 Systems will convert existing permit, citation, vehicle and customer data. This does not include historical data. T2 Systems will provide three (3) data samples prior to delivering the final converted data.	N/A		48400	48400
45		Training (specify type/location of training)	Included in project management/implementation services cost above	N/A	N/A	N/A	
46		Pre-production	Included in project management/implementation services cost above	N/A	N/A	N/A	
47		Post-production	Included in project management/implementation services cost above	N/A	N/A	N/A	
48		Ongoing Customer Support	On-going customer support is provided as part of the T2 Flex annual subscription cost.	N/A	N/A	N/A	
49		Onsite Cut-Over and Go-Live	Included in project management/implementation services cost above	N/A	N/A	N/A	
50		Onsite Post-Implementation Support and Stabilization	On-site post implementation includes five (5) days of on-site implementation with two (2) T2 Implementation Consultants. Estimated travel expenses of $3,000.00 have been included in the cost. Actual travel expenses are billed.	N/A		18000	18000
51		Interfaces (list each interface individually)	N/A	N/A	N/A	N/A	
52		SAP	SAP	N/A		15600	15600
53		Handheld Device	Handheld Device included with T2 Flex and Handheld Communications Hardware	N/A	N/A	N/A	
54		Parking Meter Database (EMS)	Parking Meter Database (EMS) - T2 is proposing the City not use the EMS database, but use T2 Flex to store meter information.	N/A	N/A	N/A	
55		Delinquent Collections Vendor	Delinquent Collections Vendor	N/A		9750	9750
56		Online Payment Processing Service	Online Payment Processing Service - The City is responsible for providing the Internet Payment Gateway for processing payments via the eBusiness solutions.	N/A	N/A	N/A	
57		Mail Vendor	Mail Vendor	N/A		19500	19500
58		Vehicle Ownership Database	Vehicle Ownership Database (monthly charge for the first year)		12	1550	1550
59		Lockbox	Lockbox	N/A		5850	5850
60		Stolen Vehicle List and Amber Alerts	Stolen Vehicle List and Amber Alerts	N/A		7800	7800
61		GIS Interface	Interface with City's GIS Application	N/A		7800	7800
62		Other	Custom Letter tasks for boot letter and PK letter	N/A		15600	15600

63	Hosted Solution	T2 Systems will host T2 Flex for the City of Houston. This is a annual cost. (discount reflected on cost proposal)	Annully		4602.85	4602.85
64	Hosted Solution	T2 Systems will host eBusiness solutions for the City of Houston. This is an annual cost.	Annually		3250	3250
65	Outsourcing Solution	T2 Systems does not outsource T2 Flex.	N/A	N/A		N/A
66	Paper Manuals	T2 to supply paper copies of manuals and training classes (not included in proposal). Electronic versions will be provided at no additional cost.		1	300	300

The City will not be financially responsible for any hardware, software, consumables or services omitted from this Price List. Proposers must ensure they disclose all necessary components.

EXHIBIT C

SOFTWARE SUBSCRIPTION AGREEMENT

THIS SOFTWARE SUBSCRIPTION AGREEMENT is entered into as of (DATE) ("**Effective Date**") and contains the subscription agreement between the City of Houston ("**Subscriber**") and T2 Systems, Inc. ("**T2**").

Article 1. SOFTWARE SUBSCRIPTION

Section 1.1 **Software Subscription.** T2 grants to Subscriber a non-exclusive right to use: (i) one Production Copy of the T2 Flex® Software for its Authorized Concurrent Users and (ii) copies of the handheld ticket-writer software equal to the number of handheld ticket-writer Hardware units purchased by Subscriber, if applicable. T2 grants the Subscription(s) for the Authorized Purposes and no other purposes. At no time may the number of user accounts for the Software exceed the number of Authorized Concurrent Users.

Section 1.2 **Term.** The Subscriptions granted in this Article 1 are for the term specified in Section 7.1.

Section 1.3 **Warranty of Functionality.** T2 warrants to Subscriber that:

For a period of ninety (90) days after T2 installs the T2 Flex® Software, including the handheld ticket-writer Software if applicable, at the Subscriber's premise or installs it on the Hosted System, whichever the case may be, the Software will provide at least the functionality contained in the then-current product literature as posted on T2's corporate website, and will perform without errors which would significantly affects its ability to provide that functionality. This warranty is contingent upon Subscriber advising T2 of any failure of the T2 Flex® Software to perform within ninety (90) days after the Installation Date. The notice to T2 shall specifically identify the error or errors. T2's services in connection with the correction of the errors shall be provided without charge to Subscriber. T2 does not warrant that the operation of the T2 Flex® Software will be uninterrupted or error free. Further, T2 does not warrant that the T2 Flex® Software will operate on any particular configuration of software, operating system or computer system.

Article 2. HARDWARE

Section 2.1 **Hardware Warranty.** T2 warrants to the Subscriber that the Hardware will be free from defects in workmanship and materials, under normal use, for one year (365) days from the date the Hardware is delivered.

Section 2.2 **Exclusive Remedy.** Should a Hardware Error occur during the warranty period and you notify T2, Subscriber's sole and exclusive remedy shall be, at T2's sole option and expense, to repair or replace the Hardware. At T2's sole discretion,

parts may be repaired as opposed to being replaced. T2 may replace parts with others of like kind and quality. T2 will provide service at any T2 service center or at such other location as may be designated by T2. Subscriber agrees to follow the Return Materials Authorization Process

Section 2.3 **Hardware Repair Limitations.** T2's liability for Hardware repairs under this Agreement shall be limited to the actual cash value of the Hardware in operating condition at the time of the claim. Except as otherwise expressly agreed by T2, nothing herein shall obligate T2 to repair or replace aesthetic or structural items including, but not limited to, damage to the case or screen from dropping, warping of any kind to housing, case or frame of the Hardware. Subscriber agrees that it is responsible for repair costs associated with worn out or damaged touch screens or LCD modules. This Agreement only applies to the operation of the Hardware under the conditions for which it was designed, and does not cover damage resulting from external causes such as, but not limited to, damage resulting from a collision with any object or from fire, flooding, sand, dirt, windstorm, hail, earthquake, act of God, damage from exposure to weather conditions not anticipated or contemplated by the manufacturer's specifications, battery leakage, theft, misuse, abuse, damage from failure of, or improper use of, any electrical sources or connection to other products not recommended for interconnection by the Hardware manufacturer. Subscriber shall perform all preventative maintenance recommended by the Hardware manufacturer to maintain the Hardware in operating condition and Subscriber agrees that any loss or damage resulting from the failure to provide the Hardware manufacturer's recommended maintenance is not covered by this Agreement.

Article 3. TECHNICAL SUPPORT

Section 3.1 **Updates and Enhancements.** To the extent that T2 releases an updated or enhanced version of the Software during the Subscription Term, T2 will make the updated version available for download by Subscriber at no additional charge. Subscriber shall be permitted to use the updates and enhancements to the extent provided in Article 1.

Section 3.2 **Technical Support Exclusions.** T2 will not be responsible for failure to correct a problem to the extent that T2 is unable to replicate the problem, or if the problem is caused by: (i) misuse of the Software, (ii) failure by Subscriber to utilize compatible computer and networking hardware and software, (iii) interaction with software or firmware not provided by T2, (iv) any change in applicable operating system software, or (v) the failure of Subscriber to install updates to the Software provided by T2. In any such event, T2 will advise Subscriber and, upon request, will provide such assistance as Subscriber may reasonably request with respect to such problem at T2's then-current standard rates for time and materials.

Article 4. RESTRICTIONS ON USE OF THE SOFTWARE

Section 4.1 **No Distribution.** Subscriber may not distribute or sublicense the Software to any person.

Section 4.2 **No Sublicense; Persons Authorized to Use.** Subscriber may not resell accounts or sublicense persons to use the Software other than Authorized Concurrent Users.

Section 4.3 **No Reverse Engineering.** Subscriber agrees that it will not create or attempt to create or permit others to create or attempt to create, by reverse engineering or otherwise, the source programs for the Software or any part thereof from the object program or from other information made available under the Agreement (whether oral, written, tangible or intangible

Section 4.4 **Export.** Subscriber shall not permit any copy (in any medium) of all or any portion of the Software to be transmitted to or located outside of the United States except with T2's prior written consent and compliance by Subscriber with any applicable export or import requirements.

Article 5. PROPRIETARY PROTECTION

Section 5.1 **T2 Confidential Information.** Subscriber and Subscriber's subsidiaries recognize that the source code for the Software, and all specifications, techniques, manuals (other than end-user materials), system documentation and other materials relating to the operation of the Software which are disclosed or made available to Subscriber by T2 pursuant to this Agreement (collectively, "**T2 Proprietary Material**") are confidential, proprietary and trade secret and are protected by law. The Agreement does not give Subscriber the right to have access to any source code for the Software.

Article 6. TERM AND TERMINATION

Section 6.1 **Term.** The term of the Subscriptions granted in Article 1 and the provision of support under Article 3 shall commence on the Installation Date or three (3) months from the Effective Date of the Software Subscription Agreement, whichever is earlier, and shall continue for the period set forth in the ***Exhibit B*** ("**Initial Term**"). If the Subscriber delays installation beyond the timeline in the ***Exhibit B***, the customer may incur additional installation fees. If a delay in installation is caused by T2, the initial term of this Agreement shall commence at the date the Software is installed and the Subscriber executes the installation verification acknowledgement. Except as may be otherwise provided in the ***Exhibit B***, the term of the Subscriptions and support shall be automatically renewed for an additional term of one (1) year effective immediately after the expiration of any then-current term, unless either T2 or Subscriber gives notice of non-renewal to the other at least sixty (60) days in advance of the expiration of the then-current term.

Article 7. DEFINED TERMS

Section 7.1 **Guaranteed Minimum Commitment**: Subject to the Subscriber's prior allocation of funds, Subscriber shall be liable for the remainder of the current annual subscription fee once each annual term commences. Notwithstanding anything to the contrary contained herein, if the Software ASP Subscription Agreement is terminated by T2 Systems for cause or by Subscriber for convenience prior to the expiration of the Guaranteed Minimum Commitment, the unpaid balance for the

Guaranteed Minimum Commitment shall accelerate and be due and payable in full immediately upon acceleration.

EXHIBIT "D"
EQUAL EMPLOYMENT OPPORTUNITY

1. The contractor, subcontractor, vendor, supplier, or lessee will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, or age. The contractor, subcontractor, vendor, supplier, or lessee will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, color, sex, national origin, or age. Such action will include, but not be limited to, the following: employment; upgrading; demotion or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation and selection for training, including apprenticeship. The contractor, subcontractor, vendor, supplier or lessee agrees to post in conspicuous places available to employees, and applicants for employment, notices to be provided by the City setting forth the provisions of this Equal Employment Opportunity Clause.

2. The contractor, subcontractor, vendor, supplier, or lessee states that all qualified applicants will receive consideration for employment without regard to race, religion, color, sex, national origin or age.

3. The contractor, subcontractor, vendor, supplier, or lessee will send to each labor union or representatives of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer advising the said labor union or worker's representative of the contractor's and subcontractor's commitments under Section 202 of Executive Order No. 11246, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

4. The contractor, subcontractor, vendor, supplier, or lessee will comply with all provisions of Executive Order No. 11246 and the rules, regulations, and relevant orders of the Secretary of Labor or other Federal Agency responsible for enforcement of the equal employment opportunity and affirmative action provisions applicable and will likewise furnish all information and reports required by the Mayor and/or Contractor Compliance Officer(s) for purposes of investigation to ascertain and effect compliance with this program.

5. The contractor, subcontractor, vendor, supplier, or lessee will furnish all information and reports required by Executive Order No. 11246, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to all books, records, and accounts by the appropriate City and Federal Officials for purposes of investigations to ascertain compliance with such rules, regulations, and orders. Compliance reports filed at such times as directed shall contain information as to the employment practice policies, program, and work force statistics of the contractor, subcontractor, vendor, supplier, or lessee.

6. In the event of the contractor's, subcontractor's, vendor's, supplier's, or lessee's non-compliance with the non-discrimination clause of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part, and the contractor, subcontractor, vendor, supplier, or lessee may be declared ineligible for further City contracts in accordance with procedures provided in Executive Order No. 11246, and such other sanctions may be imposed and remedies invoked as provided in the said Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as may otherwise be provided by law.

7. The contractor shall include the provisions of paragraphs 1-8 of this Equal Employment

Opportunity Clause in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontractor or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event the contractor becomes involved in, or is threatened with litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

8. The contractor shall file and shall cause his or her subcontractors, if any, to file compliance reports with the City in the form and to the extent as may be prescribed by the Mayor. Compliance reports filed at such times as directed shall contain information as to the practices, policies, programs, and employment policies and employment statistics of the contractor and each subcontractor.

EXHIBIT "E"
DRUG POLICY COMPLIANCE AGREEMENT

I, _____ as an owner or officer of
(Name) (Print/Type) (Title)

_____ (Contractor)
(Name of Company)

have authority to bind Contractor with respect to its bid, offer or performance of any and all contracts it may enter into with the City of Houston; and that by making this Agreement, I affirm that the Contractor is aware of and by the time the contract is awarded will be bound by and agree to designate appropriate safety impact positions for company employee positions, and to comply with the following requirements before the City issues a notice to proceed:

1. Develop and implement a written Drug Free Workplace Policy and related drug testing procedures for the Contractor that meet the criteria and requirements established by the Mayor's Amended Policy on Drug Detection and Deterrence (Mayor's Drug Policy) and the Mayor's Drug Detection and Deterrence Procedures for Contractors (Executive Order No. 1-31).

2. Obtain a facility to collect urine samples consistent with Health and Human Services (HHS) guidelines and a HHS certified drug testing laboratory to perform the drug tests.

3. Monitor and keep records of drug tests given and the results; and upon request from the City of Houston, provide confirmation of such testing and results.

4. Submit semi-annual Drug Policy Compliance Declarations.

I affirm on behalf of the Contractor that full compliance with the Mayor's Drug Policy and Executive Order No. 1-31 is a material condition of the contract with the City of Houston.

I further acknowledge that falsification, failure to comply with or failure to timely submit declarations and/or documentation in compliance with the Mayor's Drug Policy and/or Executive Order No. 1-31 will be considered a breach of the contract with the City and may result in non-award or termination of the contract by the City of Houston.

_____
Date

_____
Contractor Name

_____
Signature

_____
Title

EXHIBIT "F"
DRUG POLICY COMPLIANCE DECLARATION

I, _____ as an owner or officer of
(Name) (Print/Type) (Title)

_____ (Contractor)
(Name of Company)

have personal knowledge and full authority to make the following declarations:

This reporting period covers the preceding 6 months from _____ to _____, 20____.

_____ Initials Drug — A written Drug Free Workplace Policy has been implemented and employees notified. The policy meets the criteria established by the Mayor's Amended Policy on Detection and Deterrence (Mayor's Policy).

_____ Initials No. 1-31. — Written drug testing procedures have been implemented in conformity with the Mayor's Drug Detection and Deterrence Procedures for Contractors, Executive Order Employees have been notified of such procedures.

_____ Initials — Collection/testing has been conducted in compliance with federal Health and Human Services (HHS) guidelines.

_____ Initials safety — Appropriate safety impact positions have been designated for employee positions performing on the City of Houston contract. The number of employees in impact positions during this reporting period is _____.

_____ Initials — From _____ to _____ the following test has occurred:
(Start date) (End date)

	Random	Reasonable Suspicion	Post-Accident	Total
Number Employees Tested				
Number Employees Positive				
Percent Employees Positive				

_____ Initials — Any employee who tested positive was immediately removed from the City worksite consistent with the Mayor's Policy and Executive Order No. 1-31.

_____ Initials — I affirm that falsification or failure to submit this declaration timely in accordance with established guidelines will be considered a breach of contract.

I declare under penalty of perjury that the affirmations made herein and all information contained in this declaration are within my personal knowledge and are true and correct.

_____
Date

_____
Signature

_____
Typed or Printed Name

_____
Title

EXHIBIT "G"
CONTRACTOR'S CERTIFICATION
OF NO SAFETY IMPACT POSITIONS
IN PERFORMANCE OF A CITY CONTRACT

I,_____, _____
(Name) (Title)

as an owner or officer of _____ (Contractor)
(Name of Company)

have authority to bind the Contractor with respect to its bid, and hereby certify that Contractor has no employee safety impact positions, as defined in §5.18 of Executive Order No. 1-31, that will be involved in performing _____.
(Project)

Contractor agrees and covenants that it shall immediately notify the City of Houston Director of Personnel if any safety impact positions are established to provide services in performing this City Contract.

_____
Date

_____
Typed or Printed Name

_____
Signature

_____
Title

EXHIBIT "H"
MWBE SUBCONTRACT TERMS

Contractor shall insure that all subcontracts with MWBE subcontractors and suppliers are clearly labeled "THIS CONTRACT IS SUBJECT TO BINDING ARBITRATION ACCORDING TO THE TEXAS GENERAL ARBITRATION ACT" and contain the following terms:

1. _____ (MWBE subcontractor) shall not delegate or subcontract more than 50% of the work under this subcontract to any other subcontractor or supplier without the express written consent of the City of Houston's Affirmative Action Director ("the Director").

2. _____ (MWBE subcontractor) shall permit representatives of the City of Houston, at all reasonable times, to perform (1) audits of the books and records of the subcontractor, and (2) inspections of all places where work is to be undertaken in connection with this subcontract. Subcontractor shall keep such books and records available for inspection for at least 4 years after the end of its performance under this subcontract. Nothing in this provision shall change the time for bringing a cause of action.

3. Within five business days of execution of this subcontract, Engineer (prime engineer) and Subcontractor shall designate in writing to the Director an agent for receiving any notice required or permitted to be given pursuant to Chapter 15 of the Houston City Code of Ordinances, along with the street and mailing address and phone number of such agent.

4. Any controversy between the parties involving the construction or application of any of the terms, covenants or conditions of this subcontract shall, on the written request of one party served upon the other or upon notice by Director served on both parties, be submitted to binding arbitration, under the Texas General Arbitration Act (Tex. Civ. Prac. & Rem. Code Ann., Ch. 171 -- "the Act"). Arbitration shall be conducted according to the following procedures:

a. Upon the decision of the Director or upon written notice to the Director from either party that a dispute has arisen, the Director shall notify all parties that they must resolve the dispute within thirty (30) days or the matter may be referred to arbitration.

b. If the dispute is not resolved within the time specified, any party or the Director may submit the matter to arbitration conducted by the American Arbitration Association under the rules of the American Arbitration Association, except as otherwise required by the City's contract with American Arbitration Association on file in the Office of the City's Affirmative Action Division.

c. Each party shall pay all fees required by the American Arbitration Association and sign a form releasing the American Arbitration Association and its arbitrators from liability for decisions reached in the arbitration.

d. If the American Arbitration Association no longer administers Affirmative Action arbitration for the City, the Director shall prescribe alternate procedures as necessary to provide arbitration by neutrals in accordance with the requirements of Chapter 15 of the Houston City Code of Ordinances.

e. All arbitrations shall be conducted in Houston, Texas unless the parties agree to another location in writing.