

## AGREEMENT FOR FALSE ALARM MANAGEMENT SERVICES

**THIS CONTRACT FOR FALSE ALARM MANAGEMENT SERVICES** ("Contract") made and entered into this 1st day of July, 2023, by and between the **City of Duluth**, a municipal corporation of the State of Minnesota, 411 W. 1<sup>st</sup> Street, Duluth, MN 55802 ("CITY") and **CentralSquare Technologies, LLC** ("CONTRACTOR"), a corporation of the State of Florida with its principal offices located at 1000 Business Center Drive, Lake Mary, FL 32746, each, a "Party", and together, the "Parties".

### WITNESSETH:

**WHEREAS**, Chapter 29B of the Duluth City Code regulates alarm systems and false alarm calls ("Alarm Ordinance"); and

**WHEREAS**, the goal of the CITY is to encourage more responsible use of alarm systems and to reduce the number of false alarms to which public safety officers must respond by accurately tracking false alarm instances and assessing fees and penalties as required by the Alarm Ordinance; and

**WHEREAS**, the CITY is hiring CONTRACTOR to assist the CITY in the enforcement of the Alarm Ordinance so that persons and organizations that use alarm systems can be held accountable for false alarms through a system of fees and penalties; and

**WHEREAS**, effective October 1, 2016, City and Public Safety Corporation entered into a Contract for False Alarm Billing and Tracking Services, including any and all amendments thereto (collectively the "Agreement"); and

**WHEREAS**, Public Safety Corporation created and marketed the proprietary and patented (U.S. Patent No. 6,856,246) software system called CryWolf ("Software"), an integrated suite of software applications operating in a Windows-based environment, designed to assist false alarm reduction managers and planners in government agencies and industry in accessing information relevant to false alarms, and which has been developed at Public Safety Corporation's private expense for the commercial marketplace and is not in the public domain; and

**WHEREAS**, CentralSquare, through purchase, currently owns 100% of the assets of Public Safety Corporation, including all rights in the CryWolf software system. CentralSquare hereby represents that it intends to perform all obligations and be bound by all terms and conditions in the Agreement for Alarm Management Services previously entered into between CITY and Public Safety Corporation. City hereby consents to CentralSquare's substitution as obligated party under the Agreement; and

**WHEREAS**, CITY desires to engage the CentralSquare to provide the full-service false alarm management solution ("Services") described in **Attachment A**; and

**WHEREAS**, the CONTRACTOR desires to accept such engagement.

**Now, Therefore**, the Parties agree as follows:

**1. Term.**

The term of this Contract shall commence on July 1, 2023, (the "Effective Date") and shall continue for a period of five years.

**2. Contract Documents and Order of Precedence.**

The contract documents consist of the following Attachments which are incorporated into the Contract by this reference:

- A. **Attachment A**, describes the Statement of Work to be provided by the CONTRACTOR and outlines the CITY's operational responsibilities, and **Attachment B**, Pricing and Payment Terms.
- B. The Order of Precedence shall be as follows: (1) this Contract; (2) Attachment A and (3) Attachment B.

**3. Alarm Management Statement of Work.**

- A. The CONTRACTOR shall provide the False Alarm Management Services described in **Attachment A - False Alarm Management Services Statement of Work**.
- B. The False Alarm Management Services shall assist CITY in enforcing its Alarm Ordinance to include tracking of responsible persons (including individuals, businesses and government agencies) who use alarm systems, registering of alarm systems, billing and notification of permit and false alarm fees in accordance with the Alarm Ordinance and at the direction and under the supervision of CITY's Alarm Administrator, maintenance of a database of persons who use alarm systems, tracking of false alarm occurrences, collection of fees, the collection and enforcement of penalties for violations, generating performance and outcome reports and assuring the availability to CITY of timely false alarm information, all as more specifically described in **Attachment A - False Alarm Management Services**.

**4. Software License.**

CITY shall be licensed and authorized to use the Software and any additional specific customization and development provided as part of the Alarm Management Services described in **Attachment A**. The license shall cover all Software, including, without limitation, software interfaces and software modifications. The scope of the license is non-transferable and non-exclusive and is authorized by CONTRACTOR for use by CITY to access its false alarm information.

**5. Duration of the Software License.**

CITY shall have the right to use the Software in accordance with **Attachment A** for so long as the CONTRACTOR provides False Alarm Management Services to CITY and/or licenses the

Software in accordance with the Termination provisions in this Contract. This license shall apply for the duration of the Contract and any extensions provided for herein or agreed to in writing by the Parties. In the event the business relationship with CONTRACTOR is terminated or ended for any reason, CUSTOMER's license rights to use the Software shall likewise terminate except as provided for in this Contract, including **Attachment B**.

## **6. Modification of the Software.**

- A. Modifications or adaptations of the Software shall be limited to creating or providing interfaces between the Software and CITY's computer systems required to import or export data in order to implement the Software.
- B. CITY shall retain a nonexclusive License to use the modified and/or "customized" interfaces with the Software, provided, however, the use of the original Software with such adaptations in any projects other than the management of the Alarm Ordinance shall be subject to additional compensation to CONTRACTOR in an amount and subject to terms to be determined by the Parties in writing prior to any such additional use.

## **7. Protecting Confidential and Proprietary Information.**

The proprietary information of both Parties, CONTRACTOR and CITY is and shall remain the valuable intellectual property of each respective Party. Except as required by law, neither Party shall disclose any such information to any third party for any reason without the express written consent of the other Party and shall only use proprietary information for internal purposes to facilitate and assist CONTRACTOR and CITY staff in the administration of the Alarm Ordinance. In addition, the Parties shall provide reasonable safeguards to protect their respective software, hardware systems and data from unauthorized intrusion by third parties. Notwithstanding, the Parties recognize that the CITY is a government body subject to compliance with Minnesota Data Practices laws.

Names, addresses, type of alarm, identification information of any alarm monitoring company, or identification information of any person cited under the Alarm Ordinance shall not be released, exhibited or sold to any third party by CONTRACTOR, except as required by law.

All data received hereunder shall be made a part of CITY's permanent records and files and preserved therein for a period in accordance with the requirements of Minnesota law. CITY will inform CONTRACTOR of the required retention time in writing at the beginning of the Contract term and, in the event these requirements change, as soon as those changes are approved by the appropriate State or City agency.

All alarm-related data maintained by the CONTRACTOR shall remain the property of the City. If the contract is terminated for any reason, the CONTRACTOR shall provide such data to CITY in a timely basis in a mutually acceptable, electronic file format.

## **8. Reproduction and Copyright.**

- A. The Software is protected under the Copyright and Patent laws of the United States, and as extended by treaty, with Canada. CUSTOMER may not copy, or allow anyone else to copy or otherwise reproduce, any part of the Software without the prior written consent of CONTRACTOR, except to store and/or install a copy of the Software on a storage device, such as a network server, used only to run the Software on other computers over an internal network and except for two copies for back-up or archive purposes.
- B. CITY may copy any CONTRACTOR provided Software as necessary to its hard disks or other such storage medium to efficiently operate the Software on CITY single-user system, multiple-user system, or network. The Software shall be copied as a whole, and the use of the copies shall be governed by this Contract. All other copying is prohibited.

## **9. Limitations on the Use of the Software.**

CITY may not reverse engineer, decompile, or disassemble the Software. The Software is licensed as a single product. Its component parts may not be separated.

## **10. Notices of Intellectual Property Rights.**

CITY shall assure that CONTRACTOR's notices of intellectual property (e.g., patent, trademark, and copyright notices) provided by CONTRACTOR, if any, shall remain visible on the Software when displayed electronically, or when output created by it is printed for distribution to persons or organizations outside the normal scope of the Alarm Ordinance.

## **11. Payment.**

CITY shall pay the CONTRACTOR for the Services described, in accordance with **Attachment B** ("Payment Terms").

## **12. Collection of Fines.**

The Parties recognize that the City has the administrative discretion to administer the collection of fines in the manner it deems appropriate. Notwithstanding the City's inherent administrative discretion, the CITY shall support the collection of false alarm fees, fines and penalties in accordance with the Alarm Ordinances and at the direction of the Alarm Administrator. If the CITY directs CONTRACTOR to engage a third-party collection organization for delinquent amounts, the CITY shall cause the necessary legislative and administrative procedures to be enacted and/or adopted in order to delegate to the CONTRACTOR the authority to collect the delinquent fees on behalf of the.

## **13. Confidentiality of CITY False Alarm Data.**

Any false alarm collection data provided to the CONTRACTOR during the performance of the False Alarm Management Services shall be used only in a manner consistent with this Contract, and no false alarm collection data shall be disclosed without the prior written consent of CITY. If such disclosure is compelled or required in any judicial or administrative proceeding, the

CONTRACTOR shall, before disclosing such information, first notify CITY and give CITY an opportunity to object to the disclosure.

In the event CITY objects to such disclosure, it shall notify the CONTRACTOR that it will indemnify it, to the extent provided by law, for any costs and expense incurred, including, without limitation, the cost of attorney fees expended in the defense of any action or proceeding, or relating to the refusal to disclose such information.

#### **14. CITY Alarm Administrator.**

To facilitate effective communication between CITY and the CONTRACTOR, and in accordance with the Alarm Ordinance, CITY shall designate an Alarm Administrator. The Alarm Administrator shall have the power and authority to make decisions relating to the Services. A secondary Alarm Administrator will also be designated to act on behalf of the Alarm Administrator when the primary Alarm Administrator is unavailable. The primary and secondary Alarm Administrators shall be designated by CITY. The Alarm Administrator has the authority to waive, void, or modify violation notices and the resulting fine amounts. Any such waiver, modification, or voiding will be communicated to the CONTRACTOR in a written format.

#### **15. Resolution of Disputes**

- A. Exclusive Dispute Resolution Mechanism. The parties agree to resolve any dispute, controversy, or claim arising out of or relating to this Agreement (each, a "Dispute"), exclusively under the provisions of this Section. Either Party may seek interim or provisional relief in any court of competent jurisdiction if necessary, to protect the rights or property of that Party pending the appointment of the arbitrator or pending the arbitrator's determination of the merits of the dispute.
- B. Good Faith Negotiations. The parties agree to send written notice to the other party of any Dispute ("Dispute Notice"). After the other party receives the Dispute Notice, the parties agree to undertake good faith negotiation between themselves to resolve the Dispute at either CONTRACTOR or the Service Provider's location. Each Party shall be responsible for its associated travel costs. The parties agree to attend no fewer than three negotiation sessions attended Vice Presidents of each party (or employees of equivalent or superior position).
- C. Escalation to Mediation. If the parties cannot resolve any Dispute during the good faith negotiations either party may initiate mediation hereunder.
- D. Mediation. Subject to the provisions below, the parties may escalate a Dispute to a mutually agreed to mediator. Parties agree to act in good faith in selecting a neutral mediator and in scheduling the mediation proceedings. The parties agree to use commercially reasonable efforts in participating in the mediation. The parties agree the mediator's fees and expenses, and the mediator's costs incidental to the mediation will be shared equally between the parties. The parties shall bear their own fees, expenses, and costs.
- E. Confidential Mediation. The parties further agree all written or oral offers, promises, conduct, and statements made in the course of the mediation are confidential, privileged,

and inadmissible for any purpose in any litigation, arbitration or other proceeding involving the parties. However, evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation.

- F. Arbitration as a Final Resort. If the parties cannot resolve a Dispute through mediation, then once an impasse is issued by the mediator either party shall commence binding arbitration in accordance with the provisions of this Section.
- G. Arbitration. The Parties agree that any dispute, controversy, or claim arising out of or related to either parties' obligations or rights under this Agreement, or any alleged breach of this Agreement shall be governed by the Federal Arbitration Act (FAA) and submitted to and decided by binding arbitration to be held in. Parties agree to hold the deliberations in such arbitration confidential.
- H. Arbitration Procedure. Parties agree arbitration must be commenced by delivering a notice of arbitration to the other party. The Notice must set out the nature of the claim(s), and the relief requested. Within 30 days of the receipt of the notice, the receiving party shall deliver an answer, any counterclaim(s), and relief requested. Arbitration shall be heard by a single arbitrator. Each Party shall pay its own costs of arbitration. The parties shall confer in good faith to attempt to agree upon a suitable arbitrator, and if unable to do so, they will select an arbitrator from the American Arbitration Association's commercial arbitration panel for the area. The arbitrator shall decide the procedures in the arbitration after consultation with the parties. The arbitrator will have the power to grant any provisional or final remedy or relief it deems appropriate, including conservatory measures and an award of attorneys' fees. The decision of the arbitrator shall be final and binding upon the parties hereto. The parties agree that judgment may be entered upon the award by any court having jurisdiction..

## 16. Termination.

- A. *For Convenience*. Either Party may terminate this Contract for any reason and at any time by giving at least ninety (90) days written notice to the other Party of such termination and specifying the effective date thereof. If the Contract is terminated by the CITY, the CONTRACTOR shall be paid for any services already performed by sharing in the collections of all amounts billed by the CONTRACTOR through the date of termination. If the Contract is terminated by the CONTRACTOR, the CONTRACTOR shall provide an option for the CITY to transition operation of the alarm program to CITY facilities and staff using the CONTRACTOR's proprietary Software as described in Paragraph 18A.
- B. *For Cause*. Either Party may terminate this Contract for cause if the other Party does not perform its duties or exercise its responsibilities in accordance with this Contract including the maintenance of the system of fees and fines in effect at the beginning of the Contract period. Upon an event of cause by either Party (Non-performing Party), the other (Claimant) Party shall provide thirty (30) days prior written notice to the Non-performing Party that the Contract terms have not been carried out in accordance with this Contract. If the event of cause is not corrected by the Non-performing Party to the reasonable satisfaction of the Claimant, the Claimant may terminate this Contract after a thirty (30) day written cure notice to the Non-performing Party.



## **17. Rights upon Termination.**

- A. If the CONTRACTOR is entitled to terminate this Contract or the CITY chooses not to continue the Contract for its convenience, the CONTRACTOR shall offer CITY an option, which must be exercised within thirty (30) calendar days after the Notice of Termination, to continue a conditional, uninterrupted, non-exclusive and non-transferable license to use the proprietary Software as necessary to support and administer CITY's Alarm Ordinance conditional on the payment of one-time transitional service and ongoing annual license, maintenance and support fees at the CONTRACTOR's then prevailing rates.
- B. If CITY terminates this Contract or if the CONTRACTOR terminates for cause, CITY, in addition to payment of false alarm collections owed to the CONTRACTOR based on the CONTRACTOR's billings through the date of termination, CITY shall undertake good faith efforts to collect any Alarm Management Services fees and civil penalties for Ordinance violations billed, but not yet collected, as of the date of termination, in order to pay the CONTRACTOR, all amounts due the CONTRACTOR as a result of efforts engaged in by the CONTRACTOR on CITY's behalf.
- C. In the event that either Party terminates this agreement, the CONTRACTOR agrees that all data collected under this agreement is part of CITY's permanent record and that all data, including historical records under the required retention time will be provided to CITY in an agreed upon data format within 30 days of the termination date.

## **18. Indemnification.**

- A. The CONTRACTOR shall indemnify, hold harmless, and defend CUSTOMER, its elected and appointed officials, employees, agents and successors in interest from all claims, damages, losses and expenses including attorney's fees, arising out of or resulting, directly or indirectly, from the CONTRACTOR's (or CONTRACTOR's subcontractors, if any) performance or breach of the Contract provided that such claim, damage, loss, or expense is not caused by the negligent act or omission or willful misconduct of CITY or its elected and appointed officials and employees acting within the scope of their employment. This Hold Harmless and Indemnification provision shall in no way be limited by any financial responsibility or insurance requirements described in Section 22 and shall survive the termination of this Contract.
- B. In the event that a claim is made against the CONTRACTOR, which arises out of the negligence or willful misconduct of CITY or any of CITY's employees, CITY shall indemnify the CONTRACTOR to the extent CITY is liable and authorized to do so under the law.
- C. Any Party seeking indemnification shall promptly notify the other Party of its discovery of any matter-giving rise to a claim of indemnity. For each individual claim, the indemnifying Party shall have no obligation to the other or to any third party with respect to any expenses incurred by or on behalf of the other or its assumption of control of the defense of the claim, or with respect to any compromise or settlement made, without the prior written consent of both Parties.

## **19. Patent infringement.**

The CONTRACTOR shall indemnify CITY, its elected and appointed officials, officers, employees, agents, and successors in interest from and against all damages and expenses resulting from any infringement action brought against the CONTRACTOR, or against CITY to the extent that any such action is predicated on the use of CONTRACTOR's software, during the term of this Contract. This Hold Harmless and Indemnification provision shall in no way be limited by any financial responsibility or insurance and shall survive termination of this Contract.

## **20. Limitation of Liability.**

LIMITED LIABILITY OF CONTRACTOR. CONTRACTOR'S LIABILITY IN CONNECTION WITH THE SERVICES, IMPROVEMENTS OR ANY OTHER MATTER RELATING TO THIS AGREEMENT WILL NOT EXCEED THE FEES COLLECTED IN CONNECTION WITH THIS AGREEMENT FOR THE PREVIOUS 12 MONTHS.

EXCLUSION OF DAMAGES. REGARDLESS OF WHETHER ANY REMEDY SET FORTH HEREIN FAILS OF ITS ESSENTIAL PURPOSE OR OTHERWISE, IN NO EVENT CONTRACTOR, CONTRACTOR PERSONNEL, SUBCONTRACTORS OR SUPPLIERS BE LIABLE UNDER OR IN CONNECTION WITH THIS AGREEMENT FOR ANY (I) LOSS OF USE, DATA, BUSINESS, REVENUE, PROFIT, GOODWILL, OR REPUTATION, (II) BUSINESS INTERRUPTION, INCREASED COSTS, OR DIMINUTION IN VALUE, OR SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, WHETHER BASED ON BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, OR OTHERWISE; AND WHETHER OR NOT CENTRALSQUARE, CENTRALSQUARE PERSONNEL, SUBCONTRACTORS OR SUPPLIERS HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES OR SUCH LOSSES OR DAMAGES WERE OTHERWISE FORESEEABLE.

BASIS OF THE BARGAIN. CITY ACKNOWLEDGES THAT CONTRACTOR HAS AGREED TO THE REVENUE SHARING STRUCTURE AND ENTERED INTO THIS AGREEMENT IN RELIANCE UPON THE LIMITATIONS OF LIABILITY AND THE DISCLAIMERS OF WARRANTIES AND DAMAGES SET FORTH IN THIS AGREEMENT, AND THAT THE SAME FORM AN ESSENTIAL BASIS OF THE BARGAIN BETWEEN THE PARTIES.

## **21. Insurance.**

The CONTRACTOR shall provide and maintain in full force and effect at no additional cost to CITY for the duration of the Contract commercial general liability insurance or comprehensive general liability insurance with a minimum limit of \$1,000,000 per occurrence for bodily injury and damage to property including contractual liability, premises/operations, products/completed operations, independent CONTRACTORS, broad form property damage, and personal injury coverage and a minimum aggregate amount of \$1,000,000 or commercial/comprehensive general liability insurance plus additional excess umbrella liability insurance to meet these limits.

The CONTRACTOR agrees that it shall add CITY, its elected and appointed officials, officers, employees, agents, and successors in interest to the CONTRACTOR's liability insurance policies as additional insureds. The CONTRACTOR shall require its insurance carrier or agent



to certify that this requirement has been satisfied on all Insurance Certificates issued under this Contract.

Before any work is initiated and before any invoices are paid for work performed under this Contract, the CONTRACTOR shall provide written proof of compliance with the above insurance requirements by delivering to:

Duluth Police Department  
2030 N. Arlington Avenue  
Duluth, MN 55811  
Attention: Chief of Police

With a copy to:  
Claims Agent  
Duluth City Attorney's Office  
411 West 1<sup>st</sup> Street, Room 440  
Duluth, MN 55802

A copy of a certificate or certificates of insurance completed by its insurance carrier or agent certifying that minimum insurance coverages as required above are in effect and that the coverage will not be canceled or changed until thirty (30) days after written notice is given to the CITY. The CONTRACTOR shall maintain, update, and renew the Certificate(s) for the term of this Contract.

## **22. Assignment.**

This Contract shall not be assigned to any third party without prior written consent, which may be withheld in the sole and absolute discretion of either Party. A change in ownership of the CONTRACTOR or a purchase of the majority of assets or stock of the CONTRACTOR by another company shall not be considered an assignment of this Contract.

## **23. Notices.**

Wherever under this Contract one Party is required or permitted to give notice to the other, such notice shall be deemed given when delivered in hand or when mailed, by United States mail, certified, return receipt requested, postage prepaid, and addressed as follows:

In the case of the CONTRACTOR:  
CentralSquare Technologies, LLC  
1000 Business Center Drive  
Lake Mary, Florida 32746  
Attention: Legal Department

In the case of CITY:

City of Duluth  
2030 N Arlington Avenue  
Duluth, MN 55811  
Attention: Chief of Police

**24. Governing Law.**

The substantive laws of the State of Minnesota shall govern this Contract without regard to the law of conflicts. Venue shall be in the appropriate court of St. Louis County, Minnesota. Such actions shall neither be commenced in nor removed to federal court.

**25. Severability.**

If any provision of this Contract is held invalid or otherwise unenforceable, the enforceability of the remaining provisions shall not be impaired.

**26. No Waiver.**

The failure by any Party to exercise any right stated in this Contract shall not be deemed a waiver of the right.

**27. Complete Agreement.**

This Contract when signed by both Parties sets forth the entire understanding of the Parties as to its subject matter, conditions and obligations and may not be modified except by further written agreement.

**28. Independent Contractors.**

In performing the work under this Contract, the CONTRACTOR acts as an independent CONTRACTOR and is solely responsible for necessary and adequate worker's compensation insurance, personal injury and property damage insurance, as well as errors and omissions insurance. The CONTRACTOR, as an independent CONTRACTOR, is obligated to pay federal and state income tax on moneys earned. The personnel employed by the CONTRACTOR are not and shall not become employees, agents or servants of CUSTOMER because of the performance of any work by or under the performance of this Contract.

**29. Cooperative Purchases.**

This Contract may be used by other government agencies. The CONTRACTOR has agreed to offer similar services to other agencies under the same terms and conditions as stated herein except that the revenue share percentage (Compensation) may be negotiated between the CONTRACTOR and other agencies based on the specific revenue expectations, agency reimbursed costs, and other agency requirements. The CITY will in no way whatsoever incur any liability in relation to specifications, delivery, payment, or any other aspect of purchases by such agencies.

*Remainder of page intentionally left blank*

**WHEREAS**, the individuals representing the Parties are both authorized and have executed this Contract effective as of on the date first written above.

**CITY OF DULUTH** a Minnesota municipal corporation

By: \_\_\_\_\_  
Its Mayor

Date: \_\_\_\_\_

Attest: \_\_\_\_\_  
City Clerk

Date: \_\_\_\_\_

Countersigned:

\_\_\_\_\_  
City Auditor

Approved as to form:

\_\_\_\_\_  
City Attorney

**CentralSquare Technologies, LLC**

DocuSigned by:  
By: Ron Anderson  
6769F1AD774045B...

Ron Anderson Chief Sales Officer

\_\_\_\_\_  
[Name and Title – please print]

6/7/2023  
Date: \_\_\_\_\_

## **ATTACHMENT A**

### **Scope of Services**

#### **Purpose**

The purpose of this Scope of Services is to describe the duties and responsibilities of the CONTRACTOR, and the CITY.

#### **Responsibilities**

##### ***CONTRACTOR Responsibilities***

1. Update alarm business, alarm system location and responsible party information and renew permits and alarm registrations in accordance with the CITY Alarm Ordinance ("Ordinance"). Updated information may be processed by mail, electronically and / or online;
2. Register, renew and bill the registration of alarm systems in accordance with the Ordinance. Registrations and renewals may be processed by mail, telephone, electronically and / or online. Notices related to registration may be sent by email or mail based on the alarm user contact information maintained;
3. Import daily into the CONTRACTOR's CryWolf® alarm billing system, alarm incident data (in formats prescribed by CONTRACTOR) extracted by the CITY from the CITY's CAD/911 System;
4. Create and host a dedicated, secure (SSL encrypted) CITY Alarm Program website for CITY citizens and businesses to obtain false alarm reduction educational information, review alarm ordinance and appeal requirements, access and update alarm account information, and pay alarm fees online if preferred. This website may be linked by the CITY to the CITY website if desired;
5. Initialize, maintain, secure and back-up Program databases including alarm business, alarm system location and incident data; alarm-related financial transactions and accounts receivable information. CONTRACTOR will comply with the provisions of the Alarm Ordinance, and update Program business rules to comply with Alarm Ordinance changes as supported by the CONTRACTOR software;

6. Process false alarm incident data, including the matching of false alarm incidents with the alarm system location database maintained by CONTRACTOR;
7. Bill and correspond with alarm businesses and alarm users in accordance with the Alarm Ordinance provisions. This will include but may not be limited to invoices and delinquent payment notices. A warning notice will be sent to each alarm user on the occasion of the alarm user's first false alarm immediately preceding the first chargeable alarm incident. Warning notices may be sent by mail, email or other electronic method based on the alarm user's accepted contact method(s);
8. Provide CITY alarm users access to online information on false alarm reduction and Ordinance requirements to include an Online Alarm School.
9. Answer telephone inquiries from CITY alarm users that are placed to a false alarm program toll-free customer service number established for the CITY;
10. Process fee / penalty payments mailed to and deposited in a nearby CITY-approved bank lockbox and account, and received from other payment channels, e.g. online, as agreed on by CONTRACTOR and the CITY, and apply these payments to alarm accounts;
11. Support alarm hearings and appeals by notifying the CITY of any such appeals, providing a CITY Alarm Program representative with documentation supporting noticing / billing decisions; and updating the system with the disposition of any hearing results;
12. Provide and maintain computer equipment, software, mailing equipment and furniture at CONTRACTOR's Program processing facilities;
13. Provide the CITY secure (SSL encrypted), online, on-demand access to alarm management information and reports including, but not limited to, alarm account transaction history, alarm system information, and financial transactions/balances with format and content specified by the CryWolf® Alarm Management System and the designated Bank, and agreed on between the CITY and CONTRACTOR; and,
14. Perform special collection functions as directed and authorized by the CITY such as retaining a third party collection agency or providing delinquent account information to other CITY agencies. To the extent permitted by local law, third party collection fees will be added to the delinquent amounts.

CONTRACTOR is responsible for all costs of carrying out these responsibilities including, but not limited to, the costs of staff, facilities, equipment, consumable supplies and first-class postage. Only third party bank and credit card fees, third party collection costs (if any), e.g. collection agency fee, and citizen overpayments, if any, will be paid from gross collections before revenue sharing is applied.

### **CITY Responsibilities**

1. Appointing a CITY Alarm Administrator ("Administrator") and backup administrator who will be the primary points of contact between CONTRACTOR and the CITY. The Administrator(s) is responsible for overseeing CONTRACTOR's operation of the False Alarm Management Services Program ("Program") and accessing Program information, as needed, via CONTRACTOR provided online access;
2. Requesting or supporting CONTRACTOR's requests of Alarm Companies, as needed, to provide alarm system information;
3. Making any and all decisions about alarm call response, determining whether calls are false alarms, providing any on-scene communication of alarm related information to alarm users, and for entering any alarm related information within the CITY's CAD/911 system;
4. Extracting false alarm call incident data from the CAD/911 System and transferring this data electronically to CONTRACTOR (via CONTRACTOR's FTP site). The data extraction format will be provided by CONTRACTOR and CONTRACTOR will provide the CITY additional software for automating the daily transfer of alarm incident files to CONTRACTOR;
5. Scheduling, conducting and making appeal decisions for any false alarm hearings;
6. Conducting any general public education programs on false alarms; and,
7. Transferring any and all financial information from the Program generated alarm reports to other CITY' financial systems, as needed.

The CITY is responsible for all costs of carrying out the CITY's responsibilities, including, but not limited to the costs of staff, facilities, computer equipment and consumable supplies.



## ATTACHMENT B

### PRICING AND PAYMENT TERMS

#### A. Revenue-Share Percentage

For the provision of all Services and technology outlined in this Contract, CONTRACTOR shall obtain payment exclusively from the revenues CONTRACTOR helps generate. There shall be no upfront systems development, licensing, equipment, travel, support or other costs. CONTRACTOR shall purchase, configure, install, and customize all systems and processes CONTRACTOR requires to provide the Services described herein. The CONTRACTOR's revenue share will be calculated as follows:

CONTRACTOR and CITY Percentage Share of Collected Revenue

| Revenue Years 1 through 5 | Alarm Fees and Charges |
|---------------------------|------------------------|
| CONTRACTOR                | 35%                    |
| CITY                      | 65%                    |

The only amounts that shall be paid from the total collected revenue from fines and subtracted from the total collected revenue before the revenue sharing percentages are applied are:

1. Any overpayments by alarm users to be refunded or held for application against future charges, as directed by the CITY;
2. Bank fees charged by the CITY-approved lockbox bank;
3. Special mailing costs, if any, as directed by the CITY, in excess of U.S. Post Office first class rates; and,
4. Third-party credit card processing charges, if any.

Any certified mail requirements will be billed separately on a monthly basis and is not subject to the revenue share division.

The revenue share percentages are based on several assumptions over which the CONTRACTOR has little or no control:

- The Ordinance fee and fine schedules remain at levels equal to or greater than at the Contract effective date;
- The CITY adopts a fair, but firm approach to granting appeals. Appeals and CITY waived charges are expected to reduce collections by no more than 5% annually; and

- The CITY actively supports enforcement of the Alarm Ordinance, including support of reasonable measures to collect all amounts due for violations of the Alarm Ordinance.

## **B. Revenue Share Payment Process**

CITY and CONTRACTOR agree as follows:

- 1) All false alarm related fee collections from any payment method, including but not limited to bank lockbox and online credit card, shall be deposited, as soon as practical, in a False Alarm Bank Account ("False Alarm Account") to be established at a mutually agreeable Commercial Bank;
- 2) CITY and CONTRACTOR agree to maintain a positive balance of available funds ("Minimum Balance") at all times in the False Alarm Account;
- 3) At the beginning of each month, CONTRACTOR will reconcile the alarm related deposits for the most recent completed month and report the same to CITY. Upon CITY's approval, CITY and CONTRACTOR shall authorize and cause the issuance of electronic (ACH) transfers to CITY and to CONTRACTOR as follows:
  - a. With regard to the transfer to CONTRACTOR, the amount will be calculated for CONTRACTOR based on the Revenue Share described above. That amount, not to exceed 35% of the revenue collected during the preceding month, shall be transferred to a bank and account authorized by CONTRACTOR; and,
  - b. The remaining balance of the revenue collected during the preceding month of no less than 65%, shall be transferred to a bank and CITY account specified by CITY.
- 4) At the termination of this Contract, any remaining balance shall be transferred to CONTRACTOR and to CITY on the same prorata basis, e.g. 35% and 65% respectively.
- 5) CITY is a Minnesota public entity and all financial obligations extending beyond the current fiscal year are subject to funds being budgeted and appropriated therefore.

## **C. Delinquent Account Terms**

The Parties shall define a mutually agreeable process and methods for collecting amounts due from delinquent accounts. If organizations other than the CITY and CONTRACTOR are retained to collect overdue amounts, the Parties agree that the collection costs shall to the extent permitted by State of Minnesota law be added to the delinquent amounts owed by alarm system users or be borne by the Parties on a pro-rata basis by deducting the third party collection fees from the gross third party collections before the revenue shares are calculated.