
**CITY OF ROCKVILLE
RIDER AGREEMENT**

This **CITY OF ROCKVILLE, MARYLAND RIDER AGREEMENT** (this “**Rider Agreement**”) is, made this ___ day of _____, 2026 (the “**Effective Date**”), by and between **THE MAYOR AND COUNCIL OF ROCKVILLE**, a body politic and municipal corporation of the State of Maryland, acting through its City Manager (the “**Mayor and Council**” or the “**City**”), and **IPS GROUP, INC.**, a foreign corporation authorized to do business in Maryland (the “**Contractor**”). Individually, the Mayor and Council and the Contractor may each be referred to hereinafter as the “**Party**,” or collectively as the “**Parties**.”

RECITALS

1. **WHEREAS**, the Mayor and Council desire to procure, on behalf of the Rockville City Police Department (“the “**Department**”), a solution for Traffic Enforcement Management and Citation Processing which will enable the Department to, continue to utilize the City’s intelligent parking technology including smart meters for traffic enforcement, citation processing and collection of fees (“**Services**”); and
2. **WHEREAS**, in accordance with Section 17-71(b) of the Rockville City Code, the City may enter into a contract to procure the Services from the Contractor without utilizing the City’s formal solicitation process if (a) the Contractor has entered into a contract to provide the Services to “other state or local governments or agencies,” (b) the other state or local government or agency arrived at the contract terms for the Services with the Contractor “through a competitive procurement procedure similar to the procedure used by the City,” and (c) the City obtains the same contract terms the Contractor offered to the other state or local government or agency for the Services; and
3. **WHEREAS**, Sourcewell is a local government unit and service cooperative created under the laws of the State of Minnesota and issued a Request for Proposals RFP #120423, soliciting competitive proposals for Curb Management Technologies with Related Services (the “**Sourcewell RFP**”).and the City is a Sourcewell participating member, account #24036; and
4. **WHEREAS**, on December 4, 2023 the Contractor submitted a bid in response to RFP #120423 agreeing to provide Sourcewell with certain parking equipment/goods and related services, including, among other things, the Services the City wishes to procure (“**Bidder Response**”); and
5. **WHEREAS**, on January 10, 2024, Sourcewell entered into a contract with the Contractor, # 120423-IPS (the “**Sourcewell Procurement Agreement**”), attached hereto as **Exhibit A**, and incorporated by this reference, pursuant to which the Contractor agreed to provide Sourcewell with, among other things, the Services; and

6. **WHEREAS**, the City determined Sourcewell’s competitive procurement procedure is similar to the competitive procurement procedure utilized by the City; and
7. **WHEREAS**, the Parties agree that (i) the terms and conditions of the Sourcewell Procurement Agreement are modified by the specific modifications, if any, identified herein and on the attached **Exhibit B** and incorporated by this reference; and (ii) that where the terms of this Rider Agreement vary from the terms and conditions of the Sourcewell Procurement Agreement, the terms and conditions of this Rider Agreement shall prevail; and
8. **WHEREAS**, the Contractor agrees to provide the Services to the City on the same terms and conditions as provided in the Sourcewell Procurement Agreement, subject to the terms and conditions of this Rider Agreement.

NOW, THEREFORE, IN CONSIDERATION of the foregoing and the covenants, warranties and agreements of the Parties hereto, as are hereinafter set forth, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by each Party hereto, the Parties hereby agree as follows:

OPERATIVE PROVISIONS

ARTICLE I. CONTRACTOR PROVISION OF GOODS AND/OR SERVICES

Section 1.01. Scope of Work. The Contractor shall, in the usual and customary manner consistent with the highest quality industry standards and in accordance with the terms and conditions of this Agreement, provide to the City those Services specified in the “**Scope of Work**” attached hereto as **Exhibit B** and incorporated by this reference. Contract changes must be in writing and approved by the City, and pursuant to Rockville Code Section 17-40 certain contract changes must be approved by Mayor and Council.

Section 1.02. Project Administrators. The following staff members of the Departments are the City’s designated “**Project Administrators**”:

Theresa Broad, Fiscal Manager
2 W. Montgomery Ave.
Rockville, MD. 20850
tbroad@rockvillemd.gov
240-314-8918

It shall be the Contractor's responsibility to ensure that the applicable Project Administrator is kept informed on the progress of the Scope of Work for the Notice to Proceed submitted by that Project Administrator. The City Manager or authorized designee may modify the forgoing list of Project Administrators by notifying the Contractor of such modification in writing.

Section 1.03. Notices to Proceed. Upon execution of the contract Contractor will provide access to the Services subscription in accordance with the Scope of Work and Schedule of Performance indicated in Exhibits B and C.

ARTICLE II. CONTRACT TERM

Section 2.01. Contract Term. The term of this Rider Agreement shall begin on the Effective Date and shall expire on January 15, 2028. Sourcewell at its sole discretion may exercise an option to renew three (3) times for one (1)-year each. If Sourcewell exercises its option to extend the term of the Sourcewell Procurement Agreement the City may extend the term of this Rider Agreement in accordance with Sourcewell's extension by notifying Contractor of such extension and confirmation of pricing in writing at least 60 days in advance and subject to Mayor and Council appropriation of adequate funds.

Section 2.02. Time of Essence. Time is of the essence in the performance of the Scope of Work.

ARTICLE III. COMPENSATION AND PAYMENT

Section 3.01. Compensation; Required Appropriation of Funds.

(a) In order to compensate the Contractor for its provision of Services, the Mayor and Council agrees to pay the Contractor, subject to any limitations set forth in this Rider Agreement, the amounts specified in the "**Compensation and Fee Schedule**" attached hereto as **Exhibit D (Enforcement Management System and Citation Processing Services)** and incorporated herein by reference, which total amount, including reimbursements for actual expenses, shall not exceed **Eighty-five Thousand Dollars and zero cents DOLLARS (\$85,000.00)** per year (the "**Contract Sum**"). If the term of this Rider Agreement is extended in accordance with Section 2.01, the annual maximum total compensation shall not exceed Eighty-five Thousand Dollars and zero cents (\$85,000.00) for each fiscal year the term of this Rider Agreement is extended, subject to appropriation by the Mayor and Council. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum compensation set forth in this Section 3.01 shall be at no cost to the Mayor and Council.

(b) This Rider Agreement does not guarantee any minimum level of purchases or any minimum amount of compensation.

Section 3.02. Manner and Method of Payment; Invoices.

(a) Manner and Method of Payment. The City shall pay the Contractor in accordance with the Compensation and Fee Schedule at Exhibit D. The Contractor is not entitled to a total payment, including fees for expenses, that exceed the Contract Sum. The method of compensation is detailed in the Compensation and Fee Schedule, and may include (i) a lump sum payment upon completion and acceptance of Services, (ii) payment in accordance with specified tasks or the percentage of completion of the provision of the Services, (iii) payment for time and materials based upon the Contractor's rates as specified in the Compensation and Fee Schedule, provided that time estimates are provided for the performance of sub tasks, but not exceeding the Contract Sum, or (iv) such other methods as may be specified in the Compensation and Fee Schedule.

(b) Invoices.

(i) Prior to activation of the software subscription and support the Contractor shall submit to the Contract Administrator an invoice for the annual amount due for Services.

(ii) The Contract Manager or authorized designee will independently review the invoices submitted by the Contractor to determine whether the work performed, tasks and deliverables completed, and expenses incurred for the provision of Services comply with the provisions of this Rider Agreement. Except as to any charges for work performed or expenses incurred by the Contractor which are disputed by the City, or as provided in Section 9.03, the City will use its best efforts to cause the Contractor to be paid within thirty (30) days of receipt the Contractor's correct and undisputed invoice. In the event any charges or expenses are disputed by the City, the original invoice shall be returned by the City to the Contractor for correction and resubmission.

(iii) All invoices shall be forwarded to the following address:

Ms. Theresa Broad
Fiscal Manager
Rockville City Police Department
240-314-8900 (Main)
240-314-8918 (Direct)
240-314-8498 (Fax)
TBroad@rockvillemd.gov

(iv) Electronic Payment Option. The City's Vendor ACH Payment Program allows payments to be deposited directly to a designated financial institution account. Funds will be deposited into the account identified automatically and on time. There is no additional cost to participate. All transactions are conducted in a secure environment.

(v) Payment to Subcontractor. Within seven days after receipt of amounts paid by the City for work performed by a subcontractor under this Rider Agreement, the Contractor shall either: (A) pay the subcontractor for the proportionate share of the total payment received

from the City attributable to the work performed by the subcontractor under this Rider Agreement; or (B) notify the City and the subcontractor, in writing, of the Contractor's intention to withhold all or a part of the subcontractor's payment and the reason for non-payment. In no event shall the City be liable for the Contractor's failure to pay a subcontractor. It is the Contractor's responsibility to ensure that no lien for work performed by the Contractor or subcontractor is placed on the City.

Section 3.03. Waiver. Payment to the Contractor for work performed and expenses incurred for the provision of Services pursuant to this Rider Agreement shall not be deemed to waive defects in the work performed by the Contractor.

Section 3.04. Errors and Omissions. The Contractor is solely responsible for costs, including, but not limited to, increases in the cost of providing the Services, arising from or caused by the Contractor's errors and omissions, as applicable, including, but not limited to, the costs of corrections of such errors and omissions, any change order markup costs, or costs arising from delay caused by the errors and omissions or unreasonable delay in correcting the errors and omissions.

ARTICLE IV. COORDINATION OF WORK

Section 4.01. Representatives and Personnel of Contractor. The following Contractor's representative is authorized to act on its behalf with respect to the work related to the provision of the Services and make all decisions in connection therewith.

Eleonore Adkins, VP, Customer Success

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing personnel were a substantial inducement for the City to enter into this Rider Agreement. Therefore, the foregoing Key Personnel shall be responsible during the Term of this Rider Agreement for directing all activities of the Contractor and devoting sufficient time to personally supervising the work hereunder.

Section 4.02. Status of Contractor. The Contractor shall have no authority to bind the officials, officers, employees or agents of the City in any manner, or to incur any obligation, debt or liability of any kind on behalf of or against the City, whether by contract or otherwise, unless such authority is expressly conferred under this Rider Agreement or is otherwise expressly conferred in writing by the City Manager. The Contractor shall not at any time or in any manner represent that the Contractor or any of the Contractor's officers, employees, agents, or subcontractors, if any, are in any manner officials, officers, employees or agents of the City. Neither the Contractor, nor any of the Contractor's officers, employees, agents, or subcontractors, if any, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to the City's employees. The Contractor expressly waives any claim the Contractor may have to any such rights.

Section 4.03. Independent Contractor. Neither the City, nor any of its officials, officers, employees or agents shall (i) have control over the manner, mode or means by which the Contractor, its employees, agents, or subcontractors perform the work related to the provision of the Services, except as otherwise set forth herein; or (ii) have a voice in the selection, discharge, supervision or control of the Contractor’s employees, servants, representatives or agents, or in fixing their number, compensation or hours of service. The Contractor shall perform all services required herein as an independent contractor of the City and shall always remain as to the City a wholly independent contractor with only such obligations as are consistent with that role. The City shall not in any way or for any purpose become or be deemed to be a partner of the Contractor in its business or otherwise or a joint venturer or a member of any joint enterprise with the Contractor.

Section 4.04. Intentionally Omitted.

ARTICLE V. CONTRACTOR COVENANTS AND OBLIGATIONS

Section 5.01. Contractor Qualifications. The Contractor covenants that it, its employees, agents and subcontractors, if any, have and shall maintain during the term of this Rider Agreement all licenses, permits, qualifications, insurance and approvals of whatever nature that are legally required to perform Scope of Work related to the provision of the Services.

Section 5.02. Standard of Care. The Contractor covenants that it shall follow the highest professional standards in performing the work related to the provision of the Services required hereunder and that all materials will be of good quality, fit for the purpose intended. For purposes of this Rider Agreement, the phrase “highest professional standards” shall mean those standards of practice recognized by one or more first-class firms performing similar work under similar circumstances.

Section 5.03. Compliance with Law. The Contractor covenants that it shall keep itself informed concerning and shall perform all Services in accordance with all ordinances, resolutions, rules, and regulations of the City and any applicable Federal, State or local governmental entity having jurisdiction in effect at the time services are rendered and the Scope of Work performed.

Section 5.04. Licenses, Permits, Fees and Assessments. The Contractor covenants that it shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the Scope of Work required by this Rider Agreement. The Contractor shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Contractor’s performance of the Scope of Work required by this Rider Agreement, and shall indemnify, defend and hold harmless the City, its officers, employees or agents of the City, against any such fees, assessments, taxes, penalties or interest levied, assessed or imposed against the City hereunder.

Section 5.05. Conflict of Interest. The Contractor covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of the City or which would in any way hinder the Contractor’s

performance of work related to the provision of the Services. The Contractor further covenants that in the provision of the Services, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor, if any, without the express written consent of the City Manager. The Contractor agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of the City in the performance of this Rider Agreement. The Contractor further covenants that, in the performance of this Rider Agreement, it will not employ subcontractors or other persons or parties having such an interest. The Contractor certifies that no person who has or will have any financial interest under this Rider Agreement is a member, officer or employee of the City; this provision will be interpreted in accordance with the applicable provisions of the Rockville City Code, as amended from time to time. The Contractor agrees to notify the City Manager or authorized designee if any conflict arises.

Section 5.06. Compliance with ADA. The Contractor covenants and agrees that pursuant to the Americans with Disabilities Act of 1990, as amended (the “ADA”), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor or subcontractor, are required to be accessible to the disabled public. The Contractor will perform the Scope of Work specified in this Rider Agreement in a manner that complies with the ADA and any other applicable federal, state and local disability rights laws and regulations, as amended from time to time. The Contractor will not discriminate against persons with disabilities in the performance of the Scope of Work for the provision of services, benefits or activities provided under this Rider Agreement.

ARTICLE VI. RECORDS, REPORTS, AND RELEASE OF INFORMATION

Section 6.01. Records. The Contractor shall keep, and require subcontractors, if any, to keep, such ledgers books of accounts, invoices, vouchers, canceled checks, records, reports, studies, documents or other information relating to the disbursements charged to City and services performed hereunder (the “Books and Records”), as shall be necessary to perform the work related to the provision of the Services required by this Rider Agreement and enable the Contract Administrator to evaluate the performance of such Services. All such documents shall be maintained in accordance with generally accepted accounting principles and shall be complete and detailed. The City Manager and authorized designee shall have full and free access to such Books and Records at all times during normal business hours of the City of Rockville, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of three (3) years following completion of the Scope of Work hereunder and final payment, and the City shall have access to such records in the event any audit is required. In the event of dissolution of the Contractor’s business, custody of the Books and Records may be given to City, and access shall be provided by the Contractor’s successor in interest.

Section 6.02. Reports. The Contractor shall periodically prepare and submit to the City Manager or authorized designee such reports concerning the performance related to the provision of the Services as the City Manager or authorized designee shall require. The Contractor hereby acknowledges that the cost of work and services to be performed pursuant to this Rider Agreement is a priority for the City. For this reason, the Contractor agrees that if the Contractor becomes

aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the work or services contemplated herein or, if the Contractor is providing design services, the cost of the project being designed, the Contractor shall promptly notify the Contract Administrator of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto and, if the Contractor is providing design services, the estimated increased or decreased cost estimate for the project being designed.

Section 6.03. Intentionally Omitted.

Section 6.04. Intentionally Omitted.

Section 6.05. Confidentiality and Release of Information.

(a) All information gained or work product produced by the Contractor in performance of this Rider Agreement shall be considered confidential, unless such information is in the public domain or already known to the Contractor. The Contractor shall not release or disclose any such information or work product to persons or entities other than the City without prior written authorization from the Contract Administrator.

(b) The Contractor, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the City Manager or authorized designee or unless requested by the City Attorney, voluntarily provide documents, declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Rider Agreement. Response to a subpoena or court order shall not be considered "voluntary" provided the Contractor gives City notice of such court order or subpoena.

(c) If the Contractor, or any officer, employee, agent or subcontractor of the Contractor, provides any information or work product in violation of this Rider Agreement, then the City shall have the right to reimbursement and indemnity from the Contractor for any damages, costs and fees, including attorneys' fees, caused by or incurred because of the Contractor's conduct.

(d) The Contractor shall promptly notify the City should the Contractor, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Rider Agreement and the work performed there under. The City retains the right, but has no obligation, to represent the Contractor or be present at any deposition, hearing or similar proceeding. The Contractor agrees to cooperate fully with the City and to provide the City with the opportunity to review any response to discovery requests provided by the Contractor. However, this right to review any such response does not imply or mean the right by the City to control, direct, or rewrite said response.

(e) Contractor acknowledged City is a governmental entity – public records, including financial information must be provided.

ARTICLE VII. INSURANCE AND INDEMNIFICATION

Section 7.01. Insurance Requirement.

(a) The Contractor shall be required to obtain and maintain, at its sole cost and expense, in a form and content satisfactory to the Risk Manager for the City of Rockville (the “**Risk Manager**”) during the entire term of this Rider Agreement including any extensions thereof, the insurance coverages described in **Exhibit E**, entitled “**Insurance Requirements**”, which Insurance Requirements shall cover the Mayor and Council, its appointed officers, and employees and agents of the City of Rockville.

(b) In the event the Contractor subcontracts any portion of the Scope of Work hereunder, the contract between the Contractor and such subcontractor shall require the subcontractor to maintain the same policies of insurance that the Contractor is required to maintain pursuant to Section 7.01, and such certificates and endorsements shall be provided to the Risk Manager.

Section 7.02. Indemnification. To the full extent permitted by law, the Contractor agrees to indemnify, defend and hold harmless the Mayor and Council and its appointed officers, employees and agents (“**Indemnified Parties**”) against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein “**Claims or Liabilities**”) that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work, operations or activities provided herein of the Contractor, its officers, employees, agents, subcontractors, or invitees, or any individual or entity for which the Contractor is legally liable (“**Indemnors**”), or arising from the Contractor’s reckless or willful misconduct, or arising from the Contractor’s Indemnors’ negligent performance of or failure to perform any term, provision, covenant or condition of this Rider Agreement, and in connection therewith:

(a) The Contractor will defend any action or actions filed in connection with any of said Claims or Liabilities and will pay all costs and expenses, including legal costs and attorneys’ fees incurred in connection therewith;

(b) The Contractor will promptly pay any judgment rendered against the Mayor and Council, its appointed officers, agents or employees for any such Claims or Liabilities arising out of or in connection with the negligent performance of or failure to perform such work, operations or activities of the Contractor hereunder; and the Contractor agrees to save and hold the Mayor and Council, its appointed officers, agents, and employees harmless therefrom;

(c) In the event the Mayor and Council, its appointed officers, agents or employees is made a party to any action or proceeding filed or prosecuted against the Contractor for such damages or other claims arising out of or in connection with the negligent performance of or failure to perform the work, operation or activities of the Contractor hereunder, the Contractor agrees to pay to the Mayor and Council, its appointed officers, agents or employees, any and all

costs and expenses incurred by the Mayor and Council, its appointed officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorneys' fees.

The Contractor shall incorporate similar, indemnity agreements with its subcontractors and if it fails to do so the Contractor shall be fully responsible to indemnify City hereunder therefore, and failure of City to monitor compliance with these provisions shall not be a waiver hereof. This indemnification includes Claims or Liabilities arising from any negligent or wrongful act, error or omission, or reckless or willful misconduct of the Contractor in the performance of services hereunder. The provisions of this Section do not apply to Claims or Liabilities occurring as a result of City's sole negligence or willful acts or omissions, but, to the fullest extent permitted by law, shall apply to claims and liabilities resulting in part from City's negligence, except that design professionals' indemnity hereunder shall be limited to claims and liabilities arising out of the negligence, recklessness or willful misconduct of the design professional. The indemnity obligation shall be binding on successors and assigns of the Contractor and shall survive termination of this Rider Agreement.

Section 7.03. Intentionally Omitted.

Section 7.04. Sufficiency of Insurer or Surety. Insurance or bonds required by this Rider Agreement shall be satisfactory only if issued by companies qualified to do business in Maryland, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager due to unique circumstances. If this Rider Agreement continues for more than 3 years duration, or in the event the Risk Manager determines that the work or services to be performed under this Rider Agreement creates an increased or decreased risk of loss to the City, the Contractor agrees that the minimum limits of the insurance policies and the performance bond (if any) may be changed accordingly upon receipt of written notice from the Risk Manager; provided that the Contractor shall have the right to appeal a determination of increased coverage by the Risk Manager to the City Manager within 10 days of receipt of notice from the Risk Manager.

ARTICLE VIII. CONTRACTOR REPRESENTATIONS AND WARRANTIES

As a material inducement to the Mayor and Council's entry into this Rider Agreement, the Contractor hereby (i) makes the following representations and warranties to the Mayor and Council, as of the Effective Date, (ii) covenants that until the expiration or earlier termination of this Rider Agreement, upon learning of any fact or condition which would cause any of the warranties and representations in this Rider Agreement not to be true, the Contractor shall promptly give written notice of such fact or condition to the City Manager or authorized designee, (iii) acknowledges that the Mayor and Council shall rely upon the Contractor's representations made herein notwithstanding any investigation made by or on behalf of the Mayor and Council, and (iv) agrees that such representations and warranties shall survive until the expiration or termination of this Rider Agreement:

Section 8.01. Organization. The Contractor is duly organized, validly existing and in good standing under the laws of the state in which it is organized and is duly qualified to conduct business in the State of Maryland.

Section 8.02. Authority of the Contractor. The Contractor has full power and authority to execute and deliver this Rider Agreement, and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Rider Agreement, and to perform and observe the terms and provisions of all the above.

Section 8.03. Authority of Persons Executing Documents. This Rider Agreement and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Rider Agreement have been executed and delivered by persons who are duly authorized to execute and deliver the same for and on behalf of the Contractor, and all actions required under the Contractor's organizational documents and applicable governing law for the authorization, execution, delivery and performance of this Rider Agreement and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Rider Agreement, have been duly taken (to the extent such actions are required as of the date of execution and delivery of the above-named documents).

Section 8.04. No Breach of Law or Agreement. To the Contractor's knowledge, neither the execution nor delivery of this Rider Agreement or any other documents or instruments executed and delivered, or to be executed or delivered, pursuant to this Rider Agreement, nor the performance of any provision, condition, covenant or other term hereof or thereof, will conflict with or result in a breach of any statute, rule or regulation, or any judgment, decree or order of any court, board, commission or agency whatsoever binding on the Contractor, or any provision of the organizational documents of the Contractor, or will materially conflict with or constitute a material breach of or a material default under any agreement to which the Contractor is a party, or will result in the creation or imposition of any lien upon assets or property of the Contractor, other than liens established pursuant hereto.

Section 8.05. Qualifications. The Contractor, its employees, agents and subcontractors, if any, possess the necessary professional expertise, qualifications and capabilities, and all required licenses and certifications to perform the Scope of Work and provide the Services.

ARTICLE IX. ENFORCEMENT OF AGREEMENT AND TERMINATION

Section 9.01. Maryland Law. This Rider Agreement shall be interpreted, construed and governed both as to validity and to performance of the Parties in accordance with the laws of the State of Maryland. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Rider Agreement shall be instituted in the Circuit Court of Montgomery County, State of Maryland, and the Contractor covenants and agrees to submit to the personal jurisdiction of such court in the event of such action. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the State of Maryland, Southern Division.

Section 9.02. Disputes; Default. If the Contractor is in default under the terms of this Rider Agreement, the City shall not have any obligation or duty to continue compensating the Contractor for any work performed after the date of default. Instead, the City may give notice to the Contractor of the default and the reasons for the default. The notice shall include the timeframe in which the Contractor may cure the default. This timeframe is presumptively twenty (20) days, but may be extended, though not reduced, if circumstances warrant. During the period that the Contractor is in default, the City shall hold all invoices and shall, when the default is cured, proceed with payment on the invoices. In the alternative, the City may, in its sole discretion, elect to pay some or all the outstanding invoices during the period of default. If the Contractor does not cure the default, the City may take necessary steps to terminate this Rider Agreement under this Article. Any failure on the part of the City to give notice of the Contractor's default shall not be deemed to result in a waiver of the City's legal rights or any rights arising out of any provision of this Rider Agreement.

Section 9.03. Retention of Funds. The Contractor hereby authorizes the City to deduct from any amount payable to the Contractor (whether or not arising out of this Agreement) (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate the City for any losses, costs, liabilities, or damages suffered by the City, and (ii) all amounts for which the City may be liable to third parties, by reason of the Contractor's acts or omissions in performing or failing to perform the Contractor's obligation under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by the Contractor, or any indebtedness shall exist which shall appear to be the basis for a claim of lien, the City may withhold from any payment due, without liability for interest because of such withholding, an amount sufficient to cover such claim. The failure of the City to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Contractor to insure, indemnify, and protect the City as elsewhere provided herein.

Section 9.04. Waiver. Waiver by either Party to this Rider Agreement of any term, condition, or covenant of this Rider Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Rider Agreement shall not constitute a waiver of any other provision or a waiver of any subsequent breach or violation of any provision of this Rider Agreement. Acceptance by the City of any work or services by the Contractor shall not constitute a waiver of any of the provisions of this Rider Agreement. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. Any waiver by either Party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Rider Agreement.

Section 9.05. Rights and Remedies are Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Rider Agreement, the rights and remedies of the Parties are cumulative and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

Section 9.06. Legal Action. In addition to any other rights or remedies, either Party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Rider Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Rider Agreement.

Section 9.07. Intentionally Omitted.

Section 9.08. Termination Prior to Expiration of Term. This Section shall govern any termination of this Rider Agreement except as specifically provided in the following Section for termination for cause. The City reserves the right to terminate this Rider Agreement at any time, with or without cause, upon thirty (30) days' written notice to the Contractor, except that where termination is due to the fault of the Contractor, the period of notice may be such shorter time as may be determined by the City Manager or authorized designee. Upon receipt of any notice of termination, the Contractor shall immediately cease all work hereunder except such as may be specifically approved by the City Manager or authorized designee. Except where the Contractor has initiated termination, the Contractor shall be entitled to compensation for all portions of the Scope of Work performed prior to the effective date of the notice of termination for any Scope of Work authorized by the City Manager or his designee thereafter in accordance with the Compensation and Fee Schedule or such as may be approved by the City Manager or his designee, except as provided in Section 7.02. In the event the Contractor has initiated termination, the Contractor shall be entitled to compensation only for the reasonable value of the work product produced hereunder. In the event of termination without cause pursuant to this Section, the terminating party need not provide the non-terminating party with the opportunity to cure pursuant to Section 9.02.

Section 9.09. Termination for Default by Contractor. If termination is due to the failure of the Contractor to fulfill its obligations under this Rider Agreement, the City may, after compliance with the provisions of Section 9.02, take over the work related to the provision of the Services and prosecute the same to completion by contract or otherwise, and the Contractor shall be liable to the extent that the total cost for completion of the Services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and the City may withhold any payments to the Contractor for the purpose of set-off or partial payment of the amounts owed the City as previously stated.

Section 9. Termination for Non-availability of Funds. The validity of this Agreement is subject to appropriation and encumbrance of funding pursuant to Maryland law and Rockville Code, Article VII.

(a) The Mayor and Council appropriates funds on a fiscal year basis; the City fiscal year runs from July 1 through June 30. Funds have been appropriated for the first year of this Contract through the end of the fiscal year (June 30, 2026). For any subsequent Contract and/or Agreement extension, payments are contingent upon appropriation and encumbrance of funds. If the Mayor and Council fail to approve an appropriation to fund this Contract for a fiscal year that

begins after this Contract is entered into, this Contract terminates on the first day of that fiscal year without further cost to the City. Rockville Code § 17-41.

(b) In the event federal or state funding the City relies upon to pay for services under this Agreement is reduced, withdrawn, frozen or otherwise cannot be made in full, this Agreement shall automatically terminate, unless both parties agree to a modification of the obligations under this Agreement. The effective date of such termination shall be ninety (90) days after the Contractor receives written notice of the reduction in payment, unless available funds are insufficient to continue payments in full during the ninety (90) day period. A reduction in federal or state funding does not reduce monies due and owing to the Contractor on or before the effective date of the termination of the Agreement.

Section 9.10. Attorneys' Fees. If either Party to this Rider Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Rider Agreement, the Parties agree each is responsible for its attorney's fees unless otherwise required by this Rider Agreement.

ARTICLE X. MISCELLANEOUS PROVISIONS

Section 10.01. Notices, Demands, and Communications Between the Parties. Formal notices, demands, and communications between the Contractor and the City shall be given either by (a) personal service, (b) delivery by reputable overnight document delivery service such as Federal Express that provides a receipt showing date and time of delivery, or (c) mailing utilizing a certified or mail postage prepaid service of the United States Postal Service that provides a receipt showing date and time of delivery, addressed to:

To the City:

Mayor and Council of Rockville
c/o Office of the City Clerk / Director of Council
Operations
111 Maryland Avenue
Rockville, Maryland 20850
Attn: City Clerk / Director of Council Operations
Email: cityclerk@rockvillemd.gov
Telephone: (240) 314-8283

With copies to:

Office of the City Manager
111 Maryland Avenue
Rockville, Maryland 20850
Attn: City Manager
Email: cmo@rockvillemd.gov
Telephone: (240) 314-8102

Office of the City Attorney
111 Maryland Avenue

Rockville, Maryland 20850
Attn: City Attorney
Email: cityattorney@rockvillemd.gov
Telephone: (240) 314-8150

Department of Procurement
111 Maryland Avenue
Rockville, Maryland 20850
Attn: Director
Email: procurement@rockvillemd.gov
Telephone: (240) 314-8432

To the Contractor:

IPS Group, Inc.
7737 Kenamar Court
San Diego, CA 92122
Attn : Brian Webber, General Counsel
Email : brian.webber@ipsgroupinc.com

Notices personally delivered shall be deemed effective upon receipt or refusal thereof. Notices given by a reputable overnight document delivery service shall be deemed effective one (1) business day after delivery by such service. Notices mailed shall be deemed effective on the fifth (5th) business day following deposit in the United States mail. Such written notices, demands, and communications shall be sent in the same manner to such other addresses as any Party may from time to time designate in writing. As used herein, “business day” means a day other than Saturday, Sunday, or a federal holiday, state holiday in the State of Maryland, or a city holiday in the City of Rockville, Maryland.

Section 10.02. Incorporation of Recitals; Interpretation.

(a) Incorporation of Recitals. The Recitals and Exhibits are an integral part of this Rider Agreement and set forth the intentions of the Parties and the premises on which the Parties have decided to enter into this Rider Agreement. Accordingly, the Recitals above and Exhibits attached are fully incorporated into this Rider Agreement by this reference as if fully set forth and state the obligations as if the parties to the Sourcewell Procurement Agreement were identical to the parties of this Rider Agreement.

(b) Interpretation. The terms of this Rider Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against any Party by reason of the authorship of this Rider Agreement or any other rule of construction which might otherwise apply. The Section headings are for purposes of convenience only and shall not be construed to limit or extend the meaning of this Rider Agreement. In the event of any conflict or inconsistency between the provisions of this Rider Agreement and provisions of the Sourcewell Procurement Agreement, the provisions of this Rider Agreement will prevail and govern the interpretation thereof.

Section 10.03. Non-Liability of Officials, Employees and Agents. No member, official, employee or agent of the Mayor and Council shall be personally liable to the Contractor in the event of any default or breach by the Mayor and Council or for any amount which may become due to the Contractor or its successors or assigns or on any obligation under the terms of this Rider Agreement.

Section 10.04. No Waiver of Sovereign Immunity by Mayor and Council. Notwithstanding any other provisions of this Rider Agreement to the contrary, nothing in this Rider Agreement nor any action taken by the Mayor and Council pursuant to this Rider Agreement nor any document which arises out of this Rider Agreement shall constitute or be construed as a waiver of either the sovereign immunity or governmental immunity of the Mayor and Council and its appointed officials, officers and employees.

Section 10.05. No Third-Party Beneficiaries. No provision of this Rider Agreement shall be construed to confer any rights upon any person or entity who is not a Party hereto, whether a third-party beneficiary or otherwise.

Section 10.06. Equal Opportunity Employment. Contractor will not discriminate against any employee or applicant for employment because of age (in accordance with applicable law), sex, race, ancestry, color, religion, sexual orientation, gender identity or expression, physical or mental handicap, marital status, or political expression. Contractor will take affirmative action to ensure that applicants are employed, and the employees are treated fairly and equally during employment regarding the above. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment, layoff or termination, rates of pay or other form of compensation; and selection for training, including apprenticeship. Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

If Contractor fails to comply with nondiscrimination clauses of this Rider Agreement or fails to include such contract provisions in all subcontracts, this Rider Agreement may be declared void AB INITIO, cancelled, terminated or suspended in whole or in part and Contractor may be declared ineligible for further contracts with the Mayor and Council. Any employee, applicant for employment, or prospective employee with information concerning any breach of these requirements may communicate such information to the City Manager who shall commence a prompt investigation of the alleged violation. Pursuant to such investigation, the Contractor will permit access to Contractor's books, records, and accounts. If the City Manager concludes that the Contractor has failed to comply with nondiscrimination clauses, the remedies set out above may be invoked.

Section 10.07. Authority of the City Manager in Disputes. Any dispute concerning a question of fact arising under the agreement signed by the City and the Contractor which is not disposed of by this Rider Agreement shall be decided by the City Manager pursuant to Rockville Code section 17-173, and shall notify the Contractor in writing of his determination. The Contractor shall be afforded the opportunity to be heard and offer evidence in support of the claim. Pending final decision of the dispute herein, the Contractor shall proceed diligently with

performance under this Rider Agreement. The decision of the City Manager shall be final and conclusive unless an appeal is taken pursuant to the City Purchasing Ordinance.

Section 10.08. Tax Exemption. The City is exempt from the payment of any federal excise or any Maryland sales tax.

Section 10.09. Local Government. Notwithstanding anything herein contained to the contrary, Contractor acknowledge the Mayor and Council is a political subdivision and its obligations hereunder are given on the to the extent permitted by applicable law, contingent upon the appropriation and encumbrance of funding, the open records law presumption that all records within the custody of the City are available to the public for review, and subject to the notice requirements and damage limitations stated in applicable law, including, but not limited to, the Local Government Tort Claims Act, Md. Code Ann., Ct & Jud Proc. § 5-301, et seq. (2013 Repl. Vol.), as amended from time to time.

Section 10.10 Severability. If any term, provision, covenant, or condition of this Rider Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of this Rider Agreement shall not be affected thereby to the extent such remaining provisions are not rendered impractical to perform taking into consideration the purposes of this Rider Agreement. In the event that all or any portion of this Rider Agreement is found to be unenforceable, this Rider Agreement or that portion which is found to be unenforceable shall be deemed to be a statement of intention by the Parties; and the Parties further agree that in such event, and to the maximum extent permitted by law, they shall take all steps necessary to comply with such procedures or requirements as may be necessary in order to make valid this Rider Agreement or that portion which is found to be unenforceable.

Section 10.11. Entire Agreement, Waivers and Amendments. This Rider Agreement integrates all the terms and conditions mentioned herein, or incidental hereto, and supersedes all negotiations and previous agreements between the Parties. All waivers of the provisions of this Rider Agreement must be in writing and signed by the appropriate authorities of the Party to be charged, and all amendments and modifications hereto must be in writing and signed by the appropriate authorities of the Parties.

Section 10.12. Surviving Provisions. Provisions of this Agreement which by their nature are intended to survive in the event of a dispute or because their obligations continue past termination of the Agreement, including provisions relating to acknowledgements, reservation of rights, use restrictions, fees, confidentiality, limits of liability, indemnification, and termination will so survive.

Section 10.13. Counterparts. This Rider Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

Section 10.14. Electronic Signatures. This Agreement may be executed by electronic signature, which will be construed as an original signature for all purposes and have the same force

and effect as an original signature. For these purposes, “electronic signature” means electronically scanned and transmitted versions (e.g., via pdf file or facsimile transmission) of an original signature, or signatures electronically inserted via software such as DocuSign or Adobe Sign.

(Signature pages to follow)

DRAFT

IN WITNESS WHEREOF, the Parties have each executed, or caused to be duly executed, this Rider Agreement in the name and behalf of each of them (acting individually or by their respective officers or appropriate legal representatives thereunto duly authorized) as of the day and year first written above.

MAYOR AND COUNCIL

Approved as to form:

**THE MAYOR AND COUNCIL OF
ROCKVILLE**, a body corporate and municipal
corporation of the State of Maryland

Robert Dawson, City Attorney

By: _____
Jeff Mihelich, City Manager

CONTRACTOR

IPS Group, Inc., a Pennsylvania corporation

By: _____

Brian Webber, General Counsel

EXHIBIT A
Sourcewell Procurement Agreement

Please see attached.

EXHIBIT B
Scope of Work [and Modifications]

Contractor will provide the following enforcement management system and citation processing services, listed on the IPS pricing list:

Third Party Integration Ongoing Maintenance and Support

Enforcement Management System Ongoing Fee

Handheld Device License and Support

Registered Owner Acquisition**

Delinquent Notice Processing & Mailing (includes postage)

Additional Letter and Correspondence (includes postage, but can be adjusted based on rates from USPS)

Online and IVR Secure Credit Card Gateway Fee

*Can be charged to the public

*Assume the use of the client merchant account

Advanced/ Delinquent Collections

MODIFICATIONS

Notwithstanding the Parties enter this Agreement for the same contract terms as the Sourcewell Procurement Agreement, the terms of the Rider Agreement and the following modify the Sourcewell Procurement Agreement to state more particularly the post award requirements among these Parties:

- i. Section 5, para. E is revised to refer to the governing law and venue of the State of Maryland.
- ii. Contractor's representations, covenants and certifications are made hereby relative to Mayor and Council of Rockville.
- iii. Reference to locations for the performance of work are revised to refer to Services to be provided in the City of Rockville, Maryland. Rockville city limits.

EXHIBIT C
Schedule of Performance

Services to be provided upon execution of this Agreement.

EXHIBIT D
Compensation and Fee Schedule

Mayor and Council is a governmental entity exempt from taxation.

Pricing shall be in accordance with the contractor's proposal, reproduced here.

Insert Rate sheet here – pp. 11-12 pertain to the Services being purchased:

EXHIBIT D Compensation and Fee Schedule

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ENFORCEMENT MANAGEMENT SYSTEM AND CITATION PROCESSING SERVICES

Enforcement Management System	Units	Unit Price
One Time Setup & Configuration*	Per Unit	\$5,000 - \$10,000
Extended Project Management *Free for the first 90 days, then charged monthly until implementation is live.	Per Month	\$5,000.00
Data Conversion from Existing Citation Management System	One-Time	\$2,500.00
Third Party Integration One-Time Setup	Per Integration	\$1,500.00
Third Party Integration Ongoing Maintenance & Support	Per integration/month	\$75.00
<i>FKA Monthly API</i> Enforcement Management System Ongoing Fee	Per citation	Greater of \$1.50 per citation or \$1,750.00 per month
<i>FKA Per Citation Issued</i>		
Handheld Device Mobile Data Plan (Voice/Text not included)	Per unit/Per month	\$57.50
Handheld Device License & Support	Per unit/Per month	\$57.50
Manual Citation Entry Fee	Per unit	\$1.50
Registered Owner Acquisition**	Per unit	\$1.25
Delinquent Notice Processing & Mailing (Includes postage)	Per unit	\$1.25
Certified Letters (can be to be adjusted based on updated rates from USPS)	Per unit	\$12.50
Additional Letters and Correspondence (Includes postage, but can be adjusted based on rates from USPS)	Per letter	\$1.25
Online & IVR Secure Credit Card Gateway Fee *Can be charged to the public *Assumes the use of the client merchant account	Per citation	\$3.50
Optional: IPS Merchant Hosting Fee *Can be charged to the public	Per transaction	\$3.50 + Interchange Fees
Estimated Travel Expenses for Installation	Per trip	\$2,000.00
On-site training and installation	Per day	\$600.00
Remote training and installation	Per unit	INCLUDED

*Depends on scope and level of complexity.

**Registered owner acquisition fees subject to change based on local DMV rates and access to NLETS data (ORI required).

Note: Postage and mailing fees may be increased based on increased introduced by USPS.

EXHIBIT D Compensation and Fee Schedule

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IVR & LOCKBOX SERVICES

Enforcement Management System	Units	Unit Price
IVR Setup & Configuration	One-Time	\$1,500.00
IVR Ongoing Maintenance & Support	Per month	\$250.00
IVR Record & Store Calls (Optional)	Per call	\$0.50
IVR Call Transcription (Optional)	Per call	\$1.00
Lockbox Setup & Configuration	One-Time	\$750.00
Lockbox Operations	Per month	\$95.00
Lockbox Mail-in Payments	Per unit	\$1.50

DELINQUENT COLLECTION SERVICES

Collections	Units	Unit Price
Advanced/Delinquent Collections	% of amount collected	35% of amount collected *

PUBLIC CLIENT 24 HOUR CALL CENTER

Call Center Services	Units	Unit Price
Cost Per Minute	Per minute	\$1.50

NOTE: This pricing is FOB, IPS Group, San Diego, CA. Sales taxes (if applicable) and shipping charges will be added to the final invoice. IPS shall have the right to adjust Agreement pricing due to increases in Inflation as published by the US Bureau of Labor Statistics for All Items Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average compounded annually or as allowed by the contract terms and conditions. Additionally, IPS shall be entitled to increase pricing above inflation for items that IPS purchases on behalf of the client or items for which IPS cannot control, for example postage rates established by USPS.

EXHIBIT E
Insurance Requirements

Prior to the execution of the contract by the City, the Contractor must obtain at their own cost and expense and keep in force and effect during the term of the contract including all extensions, the following insurance with an insurance company/companies licensed to do business in the State of Maryland evidenced by a certificate of insurance and/or copies of the insurance policies. The Contractor’s insurance shall be primary. The Contractor must submit to the Purchasing Division, 111 Maryland Avenue, Rockville, MD 20850 a certificate of insurance prior to the start of any work. In no event may the insurance coverage be less than shown below.

Unless otherwise described in this Rider Agreement the successful contractor and subcontractors will be required to maintain for the life of the contract and to furnish the City evidence of insurance as follows:

MANDATORY REQUIREMENTS FOR INSURANCE

Contractor’s insurance coverage shall be primary insurance as respects the City, its elected and appointed officials, officers, consultants, agents and employees and any insurance or self-insurance maintained by the City, shall be excess of the Contractor’s insurance and shall not be called upon to contribute with it.

Type of Insurance	Amounts of Insurance	Endorsements and Provisions
1. Workers’ Compensation 2. Employers’ Liability	Bodily Injury by Accident: \$100,000 each accident Bodily Injury by Disease: \$500,000 policy limits Bodily Injury by Disease: \$100,000 each employee	Waiver of Subrogation: WC 00 03 13 Waiver of Our Rights to Recover From Others Endorsement signed and dated.
3. Commercial General Liability a. Bodily Injury b. Property Damage c. Contractual Liability d. Premise/Operations e. Independent Contractors f. Products/Completed Operations g. Personal Injury	Each Occurrence: \$1,000,000	City to be listed as additional insured and provided 30 day notice of cancellation or material change in coverage. CG 20 37 07 04 and CG 20 10 07 04 forms to be both signed and dated.
4. Automobile Liability a. All Owned Autos b. Hired Autos c. Non-Owned Autos	Combined Single Limit for Bodily Injury and Property Damage - (each accident): \$1,000,000	City to be listed as additional insured and provided 30 day notice of cancellation or material change in coverage. Form CA20 48 02 99 form to be both signed and dated.
5. Excess/Umbrella Liability	Each Occurrence/Aggregate: \$1,000,000	City to be listed as additional insured and provided 30 day notice of cancellation or material change in coverage.
6. Professional Liability	Each Occurrence/Aggregate:	

EXHIBIT E
Insurance Requirements

	\$1,000,000	
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Alternative and/or additional insurance requirements, when outlined under the special provisions of this Rider Agreement, shall take precedence over the above requirements in part or in full as described therein.

POLICY CANCELLATION

No change, cancellation or non-renewed shall be made in any insurance coverage without a thirty (30) day written notice to the City Purchasing Division. The Contractor shall furnish a new certificate prior to any change or cancellation date. The failure of the Contractor to deliver a new and valid certificate will result in suspension of all payments and cessation of on-site work activities until a new certificate is furnished.

ADDITIONAL INSURED

The Mayor and Council of Rockville, which includes its elected and appointed officials, officers, consultants, agents and employees must be named as an additional insured on the Contractor’s Commercial and Excess/Umbrella Insurance for liability arising out of contractor’s products, goods, and services provided under this Rider Agreement. Additionally, The Mayor and Council of Rockville must be named as additional insured on the Contractor’s Automobile and General Liability Policies. Endorsements reflecting the Mayor and Council of Rockville as an additional insured are required to be submitted with the insurance certificate.

SUBCONTRACTORS

All subcontractors shall meet the requirements of this Section before commencing work. In addition, Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all the requirements stated herein.

CERTIFICATE HOLDER

The Mayor and Council of Rockville
(Contract #, title)
City Hall
111 Maryland Avenue
Rockville, MD 20850