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Document No. **C-25-0152**

AGREEMENT

THIS AGREEMENT is made by and between the **CITY OF KNOXVILLE**, a municipal corporation organized and existing under the laws of the State of Tennessee ("**CITY**"), and **BLUE LINE SOLUTIONS, LLC**, 4409 Oakwood Drive, Chattanooga, TN 37416 ("**BLS**").

WITNESSETH:

WHEREAS, in 2021, City Council resolved to endorse a Vision Zero goal to eliminate traffic deaths and serious injuries on Knoxville's streets; and

WHEREAS, as part of the process to achieve this ZERO goal, the City wants to implement strategies which will improve roadway safety; and

WHEREAS, as part of this safety program, the City intends to focus on areas of the City's roadways where there are more crashes, as well as locations where there are a significant amount of pedestrians, such as school zones; and

WHEREAS, in September of 2024, the City published a Request for Proposals for a turn-key solution for School Zone Speed Enforcement, Traffic Signal Enforcement, and Noise Enforcement; and

WHEREAS, a selection committee comprised of representatives from the Department of Engineering, 311 Center for Service Innovation, Knoxville Police Department, and Purchasing reviewed the proposals submitted from six (6) companies and interviewed representatives from each company; and

WHEREAS, Blue Line Solutions, LLC, set forth in its proposal that its mission is to focus on changing driver behavior through a multi-faceted approach, by communicating to the public with public information and education, showing program results as part of community transparency, as well as enforcement, which ultimately will increase the safety of the community; and

WHEREAS, after reviewing all the proposals and meeting with representatives from all six companies, it has been determined by the selection committee that Blue Line Solutions, LLC (hereinafter “BLS”) has the knowledge and expertise, as well as the ability to provide certain equipment, licenses, applications, and citation processes necessary to provide the technology, services and equipment required to comply with the City’s Request for Proposals, and that BLS’s proposal is most responsive and best conforms to the specifications and needs of the City; and

WHEREAS, the City desires to use BLS’s Traffic and Safety Enforcement System to monitor speeding infractions in school zones, red light infractions at certain signalized intersections, and noise infractions in designated areas of the City, in order to issue traffic notices of violations, and to evaluate traffic movement and safety.

NOW, THEREFORE, the City and BLS, for the mutual considerations stated herein, agree as follows:

**ARTICLE 1.
BASIC AGREEMENTS**

1.1 INTRODUCTION. Pursuant to Tennessee law, the City of Knoxville has the authority to issue citations for certain traffic and speed violations utilizing traffic control photographic systems (also referred to as “unmanned traffic enforcement cameras”) at certain designated system locations, so long as the City complies with the requirements of state and local law with regard to implementation of traffic enforcement cameras.

(A) Traffic Control Enforcement Program. The City of Knoxville currently utilizes traffic signal photo enforcement at a number of intersections, and desires the Contractor to

continue operating unmanned cameras at up to thirty (30) intersections specified by the City throughout the term of this Agreement.

- (i) Within sixty (60) days after deployment of 50% of Automated School Zone Speed Enforcement Cameras, the Contractor agrees to begin installation of the Traffic Signal Enforcement Program (APE Program) at each of the City's pre-existing functional camera intersections identified on Exhibit D, in accordance with the Contract Documents and in compliance of the applicable state and local laws.
- (ii) During the term of this Agreement, when any new intersections are identified to the Contractor in writing by the City, the Contractor agrees to install unmanned traffic cameras systems at these intersections, fully implementing and monitoring for Violations at these new intersections within ninety (90) days of receipt of the written notice.
- (iii) Throughout the term of this Agreement, should the City request the Contractor transfer its APE program and Equipment from one intersection to another, Contractor agrees to move the APE Camera and related Equipment at no direct cost to the City. Costs associated with moving APE Camera and related Equipment will be deducted from the gross receipts generated by the program.

(B) School Zone Speed Enforcement System. The City desires to increase pedestrian safety in the City through awareness and enforcement of speed limits within City school zones, utilizing unmanned radar and laser technology. In accordance with this Agreement, City and State law and the Contract Documents, the Contractor will implement a School Zone Speed Enforcement System (ASZE System), monitoring, detecting and recording speed violations within designated school zones utilizing up to 150 unmanned cameras.

- (i) Initially, the City anticipates identifying seventy-three (73) schools zones where the unmanned camera systems could be implemented, identified on Exhibit E, after conducting the appropriate traffic studies required by law. Upon receipt of a Notice to Proceed ("NTP") from the City, the Contractor agrees, within thirty (30) days, to commence installation of all the Equipment, cameras, personnel, and signage necessary to install these new School Zone Speed Enforcement Systems, at Contractor's cost, along with the back-office processing of citations and maintenance of the system in accordance with the Contract Documents. Contractor will also provide City personnel with the necessary training to issue the notices of violations, in accordance with the Contract Documents.
- (ii) During the course of this Agreement, the City may desire to add additional school zone locations, and the Contractor agrees to provide up to 150 cameras for monitoring school zones during the term of this Agreement.
- (iii) Throughout the term of this Agreement, should the City request that the Contractor move an ASZE System from one location to another, Contractor agrees to move the ASZE Camera and related Equipment at no direct cost to the City. Costs associated with movement of ASZE Systems will be deducted from gross receipts generated by the program.

(C) Motor Vehicle Audio Detection and Identification Program. The City desires the Contractor to provide the equipment, signage and services to implement a Motor Vehicle Audio Detection and Identification Program (MVAD Program) in accordance with the Contract Documents and any relevant state and local laws regarding the enforcement of noise violations. Upon execution, the Contractor agrees to commence installation of two (2) “Noise Cameras” and related signage and Equipment at designated locations on Gay Street, at the location identified on Exhibit F, (Noise Enforcement Zone) in downtown Knoxville, and train the appropriate City personnel so that they may issue appropriate notices of violations. Installation should be completed no less than ninety (90) days after execution of this Agreement. During the term of this Agreement, upon mutual agreement of the Parties, the Contractor agrees to install and monitor additional MVAD cameras and related Equipment at locations designated by the City.

1.2 CONTRACT DOCUMENTS. The executed Contract Documents will consist of the following:

- (1) This Agreement
- (2) City's Request for Proposals and Addenda, Exhibit A
- (3) Proposal submitted by BLS, dated December 11, 2024, Exhibit B
- (4) Correspondence between BLS and City Representatives from December, 2024 until April, 2025, Collective Exhibit C
- (5) Designated Intersection Approaches, Exhibit D
- (6) Designated School Zone Approaches, Exhibit E
- (7) Designated Noise Camera Enforcement Zones, Exhibit F
- (8) Scope of Services of BLS and Obligations of the Parties, Collective Exhibit G
- (9) Maintenance Responsibilities, Exhibit H
- (10) Compensation, and Pricing, Exhibit I
- (11) Additional Rights and Obligations, Exhibit J
- (12) Equipment and Signage Information, Exhibit K
- (13) Collection of Fines, Exhibit L

The Contract Documents are incorporated herein by reference and made a part of this Agreement as if they were fully set out verbatim. To the extent there is a conflict between the terms of any of the documents that constitute this Agreement, the terms that provide the greater benefit to the City and/or impose the greater obligation on BLS shall control.

1.3 COOPERATIVE PURCHASING AGREEMENTS. This procurement process for this Agreement was conducted by the City of Knoxville through a fair and competitive Request for Proposals (RFP) process, in accordance with Tennessee law, specifically T.C.A. § 12-3-1205. This statute authorizes local governmental entities to participate in, sponsor, conduct, or administer cooperative purchasing agreements for goods, supplies, services, or equipment with other governmental entities, utility districts, or nonprofit corporations made up solely of government members. With the Contractor’s consent, other public

entities may use this Agreement. The Contractor will work directly with any public entity that chooses to do so.

That being said, the City of Knoxville, its officers, officials, and staff accept no responsibility for orders, payments, disputes, or any other transactions between the Contractor and participating entities, and assume no liability for any costs, damages, or claims arising from another entities use of this Agreement. While the City makes no representation regarding the availability of this Agreement for cooperative use, the Contractor may notify other public entities of its availability at its own discretion.

1.4 DEFINITIONS. In this Agreement, the words and phrases below shall have the following meanings:

- (A) “Authorized Officer” means any sworn officer designated by the Police Chief of the City to review Potential Violations and to authorize the Issuance of Citations in respect thereto.
- (B) “Authorized Violation” means each Potential Violation in the Violations Data for which authorization to issue a Citation in the form of an Electronic Signature is given by the Authorized Officer by using the Traffic Control and Safety Enforcement System.
- (C) “BLS Marks” means all trademarks registered in the name of BLS or any of its affiliates, such other trademarks as are used by BLS or any of its affiliates on or in relation to Traffic Control and Safety Enforcement System at any time during the Term of this Agreement, service marks, trade names, logos, brands and other marks owned by BLS, and all modifications or adaptations of any of the foregoing.
- (D) “BLS Project Manager” means the project manager initially appointed by BLS in accordance with this Agreement, or such person as BLS shall designate by providing written notice thereof to the City from time to time, who shall be responsible for overseeing the construction and installation of the Designated Intersection, School Zone and Noise Enforcement Zone Approaches and the implementation of the Traffic Control and Safety Enforcement System, and who shall have the power and authority to make management decisions relating to BLS’s obligations pursuant to this Agreement, including but not limited to change-order authorizations.
- (E) “Citation” means the notice of a Violation, which is mailed or otherwise delivered by BLS to the violator on the appropriate Enforcement Documentation in respect of each Authorized Violation.
- (F) “City” means the City of Knoxville, and each of its departments, divisions, agencies, boards and instrumentalities, and the City Court of the City of Knoxville.
- (G) “Confidential Proprietary Information” means, with respect to any Person, any information, matter or thing of a secret, confidential or private nature, whether or not so labeled, which is connected with such Person’s business or methods of operation or

concerning any of such Person's suppliers, licensors, licensees, customers or others with whom such Person has a business relationship, and which has current or potential value to such Person or the unauthorized disclosure of which could be detrimental to such Person, including but not limited to:

(1) Matters of a business nature, including but not limited to information relating to development plans, costs, finances, marketing plans, data, procedures, business opportunities, marketing methods, plans and strategies, the costs of construction, installation, materials or components, the prices such Person obtains or has obtained from its clients or customers, or at which such Person sells or has sold its services; and

(2) Matters of a technical nature, including but not limited to product information, trade secrets, know-how, formulae, innovations, inventions, devices, discoveries, techniques, formats, processes, methods, specifications, designs, patterns, schematics, data, access or security codes, compilations of information, test results and research and development projects. For purposes of this Agreement, the term "trade secrets" shall mean the broadest and most inclusive interpretation of trade secrets.

(3) Notwithstanding the foregoing, Confidential Proprietary Information will not include information that: (i) was generally available to the public or otherwise part of the public domain at the time of its disclosure, (ii) became generally available to the public or otherwise part of the public domain after its disclosure and other than through any act or omission by any party hereto in breach of this Agreement, (iii) was subsequently lawfully disclosed to the disclosing party by a person other than a party hereto, (iv) was required by a court of competent jurisdiction to be described, or (v) was required by applicable state law to be disclosed, specifically including The Tennessee Public Records Act, Tenn. Code Ann. §10-7-503, *et seq.*

(H) "Designated Intersection Approaches" means the Intersection Approaches set forth on Exhibit A attached hereto, and such additional Intersection Approaches as BLS and the City shall mutually agree from time to time.

(I) "Designated Noise Enforcement Zones" means the street areas set forth on Exhibit F attached hereto, and such additional Noise Enforcement Zones as BLS and the City shall mutually agree from time to time.

(J) "Designated School Zone Areas" means the School Zones set forth on Exhibit E attached hereto, and such additional School Zones as BLS and the City shall mutually agree from time to time.

(K) "Electronic Signature" means the method through which the Authorized Officer indicates his or her approval of the issuance of a Citation in respect of a Potential Violation using the Traffic Control and Safety Enforcement System.

- (L) “Enforcement Documentation” means the necessary and appropriate documentation related to the Traffic Control and Safety Enforcement System, including but not limited to warning letters, Citation notices (using the specifications of the City), a numbering sequence for use on all Citation notices (in accordance with applicable court rules, if any), instructions to accompany each issued Citation (including in such instructions a description of basic court procedures, payment options and information regarding the viewing of images and data collected by the Traffic Control and Safety Enforcement System), chain of custody records, criteria regarding operational policies for processing Citations (including with respect to coordinating with the Department of Motor Vehicles), and technical support documentation for applicable court and judicial officers.
- (M) “Equipment” means any and all cameras, sensors, equipment, components, products, software and other tangible and intangible property relating to the Traffic Control and Safety Enforcement System(s), including but not limited to all camera systems, back office computer systems, noise systems, housings, sensor arrays, laser and radar units, servers and poles.
- (N) “Fine” means a monetary sum assessed for a Citation, including but not limited to bail forfeitures, but excluding suspended fines.
- (O) “Governmental Authority” means any domestic or foreign government, governmental authority, court, tribunal, agency or other regulatory, administrative or judicial agency, commission or organization, and any subdivision, branch or department of any of the foregoing.
- (P) “Incident” refers to any violation of posted, enforceable traffic light, speed, or noise violation captured by the Traffic Control and Safety Enforcement System.
- (Q) “Installation Start Date” means the date on which BLS completes the construction and installation of the systems for all the (1) Intersection Approaches, (2) School Zone approaches, and (3) Noise Enforcement Zones in accordance with the terms of this Agreement so that each Intersection Approach, School Zone Approach, and Noise Enforcement Zone is operational for the purposes of functioning as part of the Traffic Control and Safety Enforcement System. There will be a separation Installation Start Date for each system.
- (R) “Intellectual Property” means, with respect to any Person, any and all now known or hereafter known tangible and intangible (a) rights associated with works of authorship throughout the world, including but not limited to copyrights, moral rights and mask-works, (b) trademark and trade name rights and similar rights, (c) trade secrets rights, (d) patents, designs, algorithms and other industrial property rights, (e) all other intellectual and industrial property rights (of every kind and nature throughout the universe and however designated), whether arising by operation of law, contract, license, or otherwise, and (f) all registrations, initial applications, renewals, extensions, continuations, divisions or reissues hereof now or hereafter in force (including any

rights in any of the foregoing), of such Person.

- (S) “Intersection Approach” means a conduit of travel with up to four (4) contiguous lanes from the curb (e.g., northbound, southbound, eastbound or westbound) on which at least one (1) system has been installed by BLS for the purposes of facilitating Traffic Control and Safety Enforcement System.
- (T) “Material Breach” means a breach of this Agreement that is so substantial that it defeats the purpose of the parties in entering this Agreement.
- (U) “Motor Vehicle” means every vehicle which is self-propelled, excluding motorized bicycles.
- (V) “Motor Vehicle Owner” means the person or entity identified by NLETS or other state vehicle registration office as the registered owner of a vehicle. Such terms shall also mean a motor vehicle lessee pursuant to a motor vehicle lease or rental agreement.
- (W) “Motor Vehicle Administration” (herein “MVA”) means information regarding a motor vehicle and/or motor vehicle owner derived from accessing a Criminal Justice Information (CJIS) database. Access to CJIS information may come from the State of the originating violation and other State or National driver and vehicle databases.
- (X) “Operational Period” means the period of time during the Term, commencing on the Installation Start Date for each System, during which the Traffic Control and Safety Enforcement System is functional in order to permit the identification and prosecution of Violations at the Designated Intersection, School Zone and Noise Enforcement Zone Approaches by a sworn police officer of the City and the issuance of Citations for such Authorized Violations using the Traffic Control and Safety Enforcement System.
- (Y) “Person” means a natural individual, company, Governmental Authority, partnership, firm, corporation, legal entity or other business association.
- (Z) “Police Project Manager” means the project manager appointed by the City in accordance with this Agreement, who shall be a sworn police officer and shall be responsible for overseeing the installation of the Intersection Approaches and the implementation of the Traffic Control and Safety Enforcement System, and who shall have the power and authority to make management decisions relating to the City’s obligations pursuant to this Agreement, including but not limited to change order authorizations (in consultation with the City’s Purchasing Agent), subject to any limitations set forth in the City of Knoxville City Charter, the City of Knoxville Code of Ordinances, or by the Knoxville City Council.
- (AA) “Potential Violation” means, with respect to any motor vehicle passing through a Designated Intersection Approach, Designated School Zone, or Noise Enforcement

Zone, the data processed and presented by the Traffic Control and Safety Enforcement System for the purpose of allowing the Authorized Officer to review such data and determine whether a Violation has occurred.

- (BB) “Program” means the scope of services covered by this Agreement and Contract Documents.
- (CC) “Proprietary Property” means, with respect to any Person, any written or tangible property owned or used by such Person in connection with such Person’s business, whether or not such property is copyrightable or also qualifies as Confidential Information, including without limitation products, processes, samples, equipment, files, lists, books, notebooks, records, documents, memoranda, reports, patterns, schematics, compilations, designs, drawings, data, test results, contracts, agreements, literature, correspondence, spread sheets, computer programs and software, computer print outs, other written and graphic records and the like, whether originals, copies, duplicates or summaries thereof, affecting or relating to the business of such Person, financial statements, budgets, projections and invoices.
- (DD) “Recorded Events” means photographic, electronic, digital, audio or video images of a motor vehicle recorded by an APE, NZE, or ASZE System and establishing a time sequence of the motor vehicle entering an intersection, school zone, or noise enforcement zone and noting its speed, its location at the time that the traffic signal turns red, or the decibel levels the vehicle is making, whichever is applicable to the violation.
- (EE) “School Zone” means a designated area near a school or school crosswalk with likely child pedestrian presence. It may include multiple or bi-directional travel lanes over a defined length. Typically one “school zone” refers to one side of a school, with up to four zones possible to cover all sides.
- (FF) “Start Date” means the date the first Citation is issued by BLS on behalf of the City of Knoxville.
- (GG) “Traffic Signal Controller Boxes” means the signal controller interface and detector, including but not limited to the radar, laser or video loop, as the case may be.
- (HH) “Traffic Safety Corridor” refers to a designated roadway segment (or Zone) identified through both quantitative data (e.g., crash hotspots, high violation rates, high traffic volumes) and qualitative community input, where serious crash risk, traffic violations, and public concern intersect. These corridors are part of a broader High Injury Network (HIN) and are prioritized for targeted interventions to reduce injuries and fatalities.

(II) “Traffic Control and Safety Enforcement System” means, collectively, the “Violation Processing System and all the Equipment, software, and clouds applications, back office processes and digital speed and traffic enforcement cameras, noise cameras, sensors, components, products, and other tangible and intangible property relating thereto which monitors, identifies and enforces Violations, including but not limited to, cameras, flashes, central processing units, signal controller interfaces and detectors (whether loop, laser, LiDAR, audio, radar or video loop) which, collectively, are capable of measuring Violations and recording such Violation data in the form of photographic images of motor vehicles. This Program consists of BSL implementing three different systems, as set forth below:

(1) “Automated Photo Enforcement System” or “APE System” means a digital, electronic system used to accurately detect and capture recorded events or video of motor vehicles committing a traffic infraction at a designated intersection approach. Generally, one or two cameras are installed in each location per system. At minimum, the system will consist of a photographic, video or electronic camera and a vehicle sensor installed to work in conjunction with an official traffic control sign, signal or device, and to automatically produce photographs, video or digital images of each vehicle violating a standard traffic control sign, signal or device. The APE System will be capable of measuring Violations and recording such Violation Data in the form of photographic and video evidence of motor vehicles, utilizing BLS’ unique hardware.

(2) “Automated School Zone Enforcement System” or “ASZE System” means a digital, electronic system used to accurately detect and capture recorded events or video of motor vehicles committing a speeding infraction in a designated school zone. Generally, the system will include placing multiple cameras in a designated area near a school or school crosswalk where there is likely child pedestrian presence, covering multiple or bi-directional travel lanes over a defined length. The camera count will be determined by conduction a traffic engineering study in accordance with Tennessee law, but at minimum, the System will consist of single beam, single lane Light Detection and Ranging (LiDAR) speed detection devices designed to detect the speed of each vehicle traveling through the school zone and to automatically produce photographs, video or digital images of each vehicle traveling over the speed limit in the designated area. The APE System will be capable of documenting Violations and recording such Violation Data in the form of photographic and video evidence.

(3) “Motor Vehicle Audio Detection and Identification System” or “MVAD System” means the process of installing and monitoring locations for violations of the City’s noise ordinance utilizing Equipment including but not limited to, photographic, video or electronica cameras to detect and identify excessive noise emanating from motor vehicles being operated within Noise Enforcement Zones within the City of Knoxville, and automatically producing Documentation (photographs, video or digital images and audio recordings and measurements of

any vehicle violating the provisions of Section 17-383 of the City Code. The system will consist of cameras, microphones, flashes, central processing units, signal controller interfaces, and detectors (including but not limited to loop, laser, radar, acoustic, or video-based technologies), which, collectively, are capable of measuring Violations and recording such Violation Data.

(JJ) “Violation” means any traffic, speed or noise violation contrary to the terms of the City of Knoxville Code of Ordinances.

(KK) “Violation Criteria” means the standards and criteria by which Potential Violations will be evaluated by sworn police officers of the City, which standards and criteria shall include, but are not limited to:

- i. For Traffic Signal Violations: the duration of time that a traffic light must remain red prior to a Violation being deemed to have occurred, and the location(s) in an intersection which a motor vehicle must pass during a red light signal prior to being deemed to have committed a Violation, all of which shall be in compliance with all applicable laws, rules and regulations.
- ii. For School Zone Speed Violations: the location of the vehicle within the designated school zone and the speed of the vehicle at the time a Violation is deemed to have occurred, all of which shall be in compliance with all applicable laws, rules and regulations.
- iii. For Noise Enforcement Zone Violations: the location of the vehicle within the designated noise enforcement zone and the decibel level emanating from the vehicle in excess of the permissible level set forth in 17-383(c).

(LL) “Violations Data” means the images and other Violations data gathered by the Traffic Control and Safety Enforcement System at the Designated Intersection Approaches, Designated Noise Enforcement Zones, or Designated School Zones. Video images included as Violations Data shall be captured, stored and made available at a frame rate of no less than thirty (25) frames per second, in full color (except when IR is in use, particularly low to no light scenarios), provided however that close-up images of license plates may be in black and white.

(MM) “Violation Processing System” means the proprietary Internet-based citation processing program of BLS relating to the Traffic Control and Safety Enforcement System.

(NN) “Warning Period” means the thirty-day period of time determined by the Police Project Manager, during which period of time the Police Project Manager or his designee shall, through press releases to the media, advise the public that the BLS Traffic Control and Safety Enforcement System has been installed at a Designated School Zone, Noise Enforcement Zone, or Designated Intersection Approach and Citations will be issued through the Traffic Control and Safety Enforcement System on a date certain.

(OO) “Zone” means any single, two-lane thoroughfare where cameras are installed. Generally, one or two cameras are installed per zone.

- 1.5 TERM. The term of this Agreement (“Term”) shall commence upon the date of its full execution by the appropriate officials shown on the signature page and shall continue for five (5) years from the Start Date, as defined in this Agreement, with the option of renewing the Agreement for one (1) additional two-year extension, unless earlier terminated pursuant to the provisions of this Agreement.
- 1.6 SERVICES. At no cost to the City, BLS will support and provide a complete turnkey digital-only (where possible) Traffic Control and Safety Enforcement Program (comprised of Designated Intersections, School Zones and Motor Vehicle Audio Detection and Identification Programs) to the City, in accordance with the terms and provisions set forth in this Agreement and the Contract Documents. BLS shall provide maintenance and support services for the continued performance of the hardware, software, and other equipment installed at each Designated Intersection Approaches, School Zone locations, and Designated Noise Enforcement locations. At the City’s request, BLS also agrees to remove and dispose, at its sole cost, cameras and equipment upon termination of this Agreement. Removal of this equipment should occur within sixty (120) days of the City’s written request.

BLS shall further supply, install, maintain and support all hardware, software, and Equipment for additional Designated Intersection Approaches, School Zone locations and Noise Enforcement locations as agreed upon by the parties and in accordance with the Contract Documents. This all-digital Traffic Control and Safety Camera Enforcement Program will capture multiple still images and video, at locations that have been agreed upon by the City and as set forth in this Agreement or the Contract Documents. The Traffic Signal and Safety Camera Enforcement Program will include, but not be limited to: a complete citation processing system, utilizing BLS’ Violation Processing System, which includes citation printing and mailing, City Court staff training, expert witness testimony and other courtroom support, and a local customer service office.

(A) Analysis of Roadways. BLS agrees to perform an analysis on City-selected roadways to determine potential Violation rates and assess the most suitable locations for the APE, ASZE, and MVAD Systems. This analysis does not replace the state law requirement for a traffic study at new locations, which will be conducted by City Engineering.

(B) Installation. BLS will construct and install all Equipment for the APE, ASZE, and MVAD Systems at the Designated Intersection Approaches, Designated School Zone Approaches and Designated Noise Enforcement Zones. The City and BLS shall have the respective rights and obligations set forth in this Agreement and the Contract Documents attached hereto. Any and all drawings or design work from BLS submitted to the City of Knoxville with regard solely to the physical installation of BLS Equipment will become the property of the City of Knoxville and BLS agrees that it will not have any proprietary rights associated with said drawings or design work.

(C) Maintenance. In accordance with this Agreement and the Contract Documents, BLS agrees to keep the APE, ASZE and MVAD Systems and all associated Equipment in good working order at no cost to the City.

(D) Ownership of Violations Data. All Violations Data and data regarding Fines will become and remain the exclusive property of the City, and the City shall have access thereto at all times at no cost to the City. BLS reserves the right to use video and/or photos for the development and improvement of supporting systems. BLS shall not publicly disclose the Violations Data or privately disclose or use the Violations Data for any purposes whatsoever except as specified in this Agreement without the prior written consent of the City, except for information that:

1. is or becomes generally available to the public through no fault of BLS personnel;
2. is required to be disclosed by law or by a court of competent jurisdiction.

(E) Ownership of System. It is understood by the City that the System(s) and all associated hardware and software being provided by BLS are, and shall remain, the sole property of BLS unless separately procured by the City. The System(s) are being provided to the City only pursuant to the terms of this Agreement. The City agrees that it shall not make any modifications to BLS's equipment, nor disassemble or perform any type or reverse engineering to the System(s), nor infringe on any property or patent rights, nor cause or allow any other City to do any of the foregoing.

(F) Radar Feedback Signs. At no cost to the City, BLS will provide and install radar feedback speed signs for the ASE System to be utilized in school zones where permitted by law and with municipality and/or agency approval. The signs will be installed at the discretion of BLS and as per approved site construction plans, generally one (1) per ASE System. Notwithstanding the foregoing, the parties agree that the Municipality shall be responsible for assisting BLS in the placement, service, installation, and obtaining any regulatory approval related thereto. BLS will only provide service/maintenance on the signs throughout the term of this Agreement.

(G) Violation Processing. During the Operational Period, Violations shall be processed as follows, and each of the items below shall be at NO COST to the City:

- (1) All Violations Data shall be stored on BLS's CJIS compliant cloud system;
- (2) The Traffic Control and Safety Enforcement System shall process Violations Data gathered from the Designated Traffic Control, School Zone, and Noise Enforcement Zone Approaches into a format capable of review by the Authorized Officer via the Traffic Control and Safety Enforcement System;
- (3) The Traffic Control and Safety Enforcement System shall be accessible by the Authorized Officer through a virtual private network in encrypted format by use of a confidential password on any computer equipped with a high-speed Internet connection and a web browser;

- (4) BLS shall provide the Authorized Officer with access to the Traffic Control and Safety Enforcement System for the purposes of reviewing the Violations Data within ten (10) business days of the suspected violation;
- (5) The City shall cause the Authorized Officer to review the Violations Data and to determine whether a Citation shall be issued with respect to each Potential Violation captured within such Violation Data, and transmit each such determination in the form of an Electronic Signature to BLS using the software or other applications or procedures provided by BLS on the BLS Traffic Control and Safety Enforcement System for such purpose, and BLS HEREBY ACKNOWLEDGES AND AGREES THAT THE DECISION TO ISSUE A CITATION SHALL BE THE SOLE, UNILATERAL AND EXCLUSIVE DECISION OF THE AUTHORIZED OFFICER AND SHALL BE MADE IN SUCH AUTHORIZED OFFICER'S SOLE DISCRETION (A "CITATION DECISION"), AND IN NO EVENT SHALL BLS HAVE THE ABILITY OR AUTHORIZATION TO MAKE A CITATION DECISION OR TO CONTEST OR DISPUTE A CITATION DECISION MADE BY THE AUTHORIZED OFFICER;
- (6) With respect to each Authorized Violation, BLS shall print and mail a Citation within twenty (20) business days of the date of the occurrence of the violation; provided, however, during the Warning Period, warning violation notices shall be issued in respect of all Authorized Violations;
- (7) BLS shall provide a customer service office to be located within the city limits of the City of Knoxville with personnel available to answer citizen inquiries, accept payment from citizens, and display video recordings of potential violations, Monday through Friday from 8:00 a.m. to 4:00 p.m.;
- (8) BLS shall provide a toll-free telephone number for the purposes of answering citizen questions and concerns;
- (9) BLS shall permit the Authorized Officer to generate monthly reports using the BLS Standard Report System and the Authorized Officer will have access to any upgrades made to the BLS Standard Report System software/database in order to create additional standard reports that may not be in existence at the time of the signing of this Agreement;
- (10) Upon BLS's receipt of a written request from the City and in addition to the reports available as set forth in the Contract Documents, BLS shall promptly provide a proposal to the City for reports regarding the processing and issuance of Citations, the maintenance and downtime records of the Designated Intersection, School Zone, or Noise Enforcement Zone Approaches and the functionality of the Traffic Control and Safety Enforcement System with respect thereto to the City in such format and for such periods as the City may reasonably request;
- (11) Upon the City's receipt of a written request from BLS, the City shall provide, without cost to BLS, reports regarding the prosecution of Citations.
- (12) During the term of this Agreement, and/or upon BLS's receipt of a written request from the City at least thirty (30) calendar days in advance of a court proceeding, BLS shall provide one or more expert witnesses for use by the

City in prosecuting Violations, and BLS agrees to discuss further expert witness support if necessary; and

- (13) During the term of this Agreement, BLS shall provide such training to police personnel as shall be reasonably necessary in order to allow such personnel to act as expert witnesses on behalf of the City with respect to the Traffic Control and Safety Enforcement System.

(H) Prosecution and Compensation. The City shall diligently prosecute Citations, and BLS shall have the right to receive the compensation set forth on Exhibit I attached hereto.

(I) Change Orders. The City may from time to time request changes to the work required to be performed or the addition of products or services to those required pursuant to the terms of this Agreement by providing written notice thereof to BLS, setting forth in reasonable detail the proposed changes (a “Change Order Notice”). Upon BLS’s receipt of a Change Order Notice, BLS shall deliver a written statement describing the effect, if any, the proposed changes would have on the pricing terms set forth in Exhibit I (the “Change Order Proposal”), which Change Order Proposal shall include (i) a detailed breakdown of the charge and schedule effects, (ii) a description of any resulting changes to the specifications and obligations of the parties, (iii) a schedule for the delivery and other performance obligations, and (iv) any other information relating to the proposed changes reasonably requested by the City. Following the City’s receipt of the Change Order Proposal, the parties shall negotiate in good faith and agree to a plan and schedule for implementation of the proposed changes, the time, manner and amount of payment or price increases or decreases, as the case may be, and any other matters relating to the proposed changes; provided, however, in the event that any proposed change involves only the addition of equipment or services to the existing Intersection, School Zone, or Noise Enforcement Zone Approaches or the addition of Intersection or School Zone Approaches to be covered by the terms of this Agreement, to the maximum extent applicable, the pricing terms set forth in Exhibit I shall govern. Any failure of the parties to reach agreement with respect to any of the foregoing as a result of any proposed changes shall not be deemed to be a breach of this Agreement.

1.7 CITY RESPONSIBILITIES. The City will be responsible for the Services set forth in Exhibits G and J to this Agreement. The City understands and agrees that certain aspects of BLS’s Services require the participation and cooperation of the City, without which BLS’s performance of the Services may be significantly impaired or delayed.

ARTICLE 2. LICENSE; RESERVATION OF RIGHTS

2.1 LICENSE. Subject to the terms and conditions of this Agreement, BLS hereby grants the City, and the City hereby accepts from BLS upon the terms and conditions herein specified, a non-exclusive, non-transferable license during the Term of this Agreement: (a) to access and use the Traffic Control and Safety Enforcement System for the sole purpose of reviewing Potential Violations and authorizing the issuance of Citations pursuant to the terms of this Agreement, and to print copies of any content posted on the Traffic Control

and Safety Enforcement System in connection therewith, (b) to use and display the BLS Marks on or in marketing, public awareness or education, or other publications or materials relating to the Traffic Control and Safety Enforcement System, so long as any and all such publications or materials are approved in advance by BLS, and (c) if the City chooses to do so, to disclose to the public that BLS is providing services to the City in connection with the Traffic Control and Safety Enforcement System pursuant to the terms of this Agreement and the Contract Documents.

- 2.2 RESERVATION OF RIGHTS. The City hereby acknowledges and agrees that: (a) BLS is the sole and exclusive owner of the Traffic Control and Safety Enforcement System, the BLS Marks, all Intellectual Property arising from or relating to the BLS Traffic Control and Safety Enforcement System, and any and all related Equipment, (b) the City neither has nor makes any claim to any right, title or interest in any of the foregoing, except as specifically granted or authorized under this Agreement, and (c) by reason of the exercise of any such rights or interests of the City pursuant to this Agreement, the City shall gain no additional right, title or interest therein.
- 2.3 RESTRICTED USE. The City hereby covenants and agrees that it shall not (a) make any modifications to the BLS Traffic Control and Safety Enforcement System, including but not limited to any Equipment, (b) alter, remove or tamper with any BLS Marks, (c) use any of the BLS Marks in any way which might prejudice their distinctiveness, validity or the goodwill of BLS therein, (d) use any trademarks or other marks other than the BLS Marks in connection with the City's use of the BLS Traffic Control and Safety Enforcement System pursuant to the terms of this Agreement without first obtaining the prior consent of BLS, or (e) disassemble, de-compile or otherwise perform any type of reverse engineering to the BLS Traffic Control and Safety Enforcement System, including but not limited to any Equipment, or to any Intellectual Property or Proprietary Property of BLS, or cause any other Person to do any of the foregoing.
- 2.4 PROTECTION OF RIGHTS. BLS shall have the right to take whatever action it deems necessary or desirable to remedy or prevent the infringement of any Intellectual Property of BLS, including without limitation the filing of applications to register as trademarks in any jurisdiction any of the BLS Marks, the filing of patent applications for any of the Intellectual Property of BLS, and making any other applications or filings with appropriate Governmental Authorities. The City shall not take any action to remedy or prevent such infringing activities, and shall not in its own name make any registrations or filings with respect to any of the BLS Marks or the Intellectual Property of BLS without the prior written consent of BLS.
- 2.5 INFRINGEMENT USE. The City shall give BLS prompt written notice of any action or claim, whether threatened or pending, against the City alleging that the BLS Marks, or any other Intellectual Property of BLS, infringes or violates any patent, trademark, copyright, trade secret or other Intellectual Property of any other Person, and the City shall render to BLS such reasonable cooperation and assistance as is reasonably requested by BLS in the defense thereof; provided, that BLS shall reimburse the City for any reasonable costs incurred in providing such cooperation and assistance. If such a claim is made and BLS

determines, in the exercise of its sole discretion, that an infringement may exist, BLS shall have the right, but not the obligation, to procure for the City the right to keep using the allegedly infringing items, modify them to avoid the alleged infringement or replace them with non-infringing items.

**ARTICLE 3.
REPRESENTATIONS, WARRANTIES AND LIMITED LIABILITY**

3.1 BLS REPRESENTATIONS AND WARRANTIES.

- (A) Authority. BLS hereby warrants and represents that it has all right, power and authority to execute and deliver this Agreement and perform its obligations hereunder.
- (B) Professional Services. BLS hereby warrants and represents that any and all services provided by BLS pursuant to this Agreement shall be performed in a professional and workmanlike manner and, with respect to the installation of the BLS School Zone Speed, Red Light and/or Noise Enforcement System, subject to applicable law, in compliance with all specifications provided to BLS by the City.
- (C) Equipment and Materials. BLS warrants that all equipment, hardware, materials and components provided under this Agreement and Contract Documents shall be free from defects in materials and workmanship under normal use and service for a period of twelve (12) months from the date of delivery and acceptance by the City.
- (D) Replacement and Maintenance. During the term of this Agreement, BLS shall, at its sole expense and within a commercially reasonable timeframe, repair or replace any defective Equipment, including but not limited to, any products, parts, or components that fails to meet the warranty standard. Replacement products or parts shall be warranted for the remainder of the original warranty period or ninety (90) days, whichever is longer.
- (E) Exclusions. BLS does not warrant the following:
 - a. Improper installation not performed by BLS or its authorized agents,
 - b. Misuse, neglect, accident, or unauthorized modifications,
 - c. Failure to follow BLS's written instructions for maintenance or operation,
 - d. Damage caused by environmental conditions, power surges, or acts of God.
- (F) Warranty Claim Process. All warranty claims must be submitted in writing to BLS within thirty (30) days of the discovery of the defect. The City shall provide reasonable access to the affected Equipment and shall cooperate with BLS in facilitating repair or replacement.

(G) No Waiver of Remedies. The warranty is in addition to, and does not limit, any other rights or remedies available to the City under this Agreement or applicable law.

3.2 CITY REPRESENTATIONS AND WARRANTIES.

(A) Authority. The City hereby warrants and represents that it has all right, power and authority to execute and deliver this Agreement and perform its obligations hereunder.

(B) Professional Services. The City hereby warrants and represents that any and all services provided by the City pursuant to this Agreement shall be performed in a professional and workmanlike manner.

3.3 LIMITED LIABILITY. Except as it relates to the Indemnification Clause below, neither party shall be liable to the other, by reason of any representation or express or implied warranty, condition or other term or any duty at common or civil law, for any indirect, incidental, special, lost profits or consequential damages, however, caused and on any theory of liability arising out of or relating to this Agreement.

**ARTICLE 4.
TERMINATION**

4.1 TERMINATION FOR CONVENIENCE. The City may terminate this Agreement at any time, with or without cause and without penalty or recourse, by giving written notice to BLS at least ninety (90) days before the effective termination date. BLS shall discontinue all services immediately upon receipt of written notice of termination. Other than the compensation set forth in Exhibit I, BLS will be entitled to receive as its sole and exclusive compensation the amount due to BLS for violations that have been paid prior to the effective termination date. In case of Termination for Convenience, BLS will continue to receive any future fees, profits, or other compensation or payments which BLS would have been entitled to receive if the Agreement had not been terminated for violations issued prior to termination. BLS shall deliver to the City all information, papers, reports and other materials accumulated or generated in performing the contract, whether completed or in progress.

4.2 TERMINATION FOR MATERIAL BREACH OR OTHER CAUSE. The City reserves the right to suspend or terminate this Agreement immediately if BLS commits any Material Breach of any of the provisions of this Agreement, and said breach is not remedied within thirty (30) calendar days (or within such other time period as the City and BLS shall mutually agree, which agreement shall not be unreasonably withheld or delayed) after written notice from the Purchasing Agent setting forth in reasonable detail the events which

caused the breach. Furthermore, the City may declare BLS ineligible for any further participation in City contracts. If this Agreement is terminated by the City for cause, BLS shall not receive any additional compensation other than the amount due to BLS for violations that have been paid prior to the effective termination date.

Either party shall have the right to terminate this Agreement immediately by written notice to the other if (i) federal or state statutes are amended to prohibit or substantially change the operation of photo red light enforcement systems; (ii) the City's ordinance authorizing automatic red light enforcement is modified or repealed; (iii) any court having jurisdiction over the City rules, in any case, that results from the BLS School Zone Speed, Red Light and/or Noise Enforcement System of photo red light enforcement are inadmissible in evidence, or that the use of photo red light enforcement is illegal or unauthorized.

4.3 TERMINATION BY LEGISLATION. If the law is changed to prohibit or substantially interface with the operation or feasibility of any of the APE, ASZE, or MVAD Systems, or the parties' obligations under this Agreement, parties may agree to (a) renegotiate the contract or (b) terminate the contract for cause. Notwithstanding any provision to the contrary, this Agreement terminates automatically upon a determination by any Court of jurisdiction, State or Federal, that the APE or ASZE System(s) or the underlying infractions are unconstitutional, illegal, or otherwise prohibited. Any legislative act, State or Federal, which prohibits the use of the APS or ASZE Systems or the enforcement of the underlying infractions shall also automatically terminate this Agreement. If this Agreement is terminated by the City due to a change in the law, BLS shall receive the compensation due to BLS for violations that have been paid prior to the effective termination date.

4.4 PROCEDURES UPON TERMINATION. Upon termination of this Agreement for any reason, the parties recognize that BLS and the City will use their best efforts to continue processing any pending and legitimate traffic law violations. However, all image capture activities provided by BLS under this Agreement shall cease immediately. With regard to Violations pending at the time of termination, BLS and the City shall be entitled to their share of all fines specified in Exhibit I to this Agreement as if the Agreement were still in effect.

Additionally, the termination of this Agreement shall not relieve either party of any liability that accrued prior to such termination. Except as set forth in this Section 4.4 and in Section 4.7, upon the termination of this Agreement, all of the provisions of this Agreement shall terminate.

Furthermore, BLS shall (i) cease any work in connection with the construction or installation activities and services in connection with the Traffic Control and Safety Enforcement System, (ii) promptly deliver to the City any and all Proprietary Property or Confidential Proprietary Information of the City provided to BLS pursuant to this Agreement, (iii) promptly deliver a final report to the City regarding the collection of data and the issuance of Citations in such format and for such periods as the City may reasonably request, and which final report BLS shall update or supplement from time to time when and if additional data or information becomes available, (iv) promptly deliver to the City a

final invoice stating all fees and charges properly owed by the City to BLS for work performed and Citations issued by BLS prior to the termination, and (v) provide such assistance as the City may reasonably request from time to time in connection with prosecuting and enforcing Citations issued prior to the termination of this Agreement.

With the exception of activities necessary to complete processing and litigating any pending Violations, the City shall (i) immediately cease using the Traffic Control and Safety Enforcement System, accessing the Traffic Control and Safety Enforcement System and using any other Intellectual Property of BLS, and (ii) promptly release to BLS any and all Proprietary Property of BLS provided to the City pursuant to this Agreement.

- 4.5 EQUIPMENT TO BE REMOVED BY BLS UPON TERMINATION OF AGREEMENT. BLS shall, within 60 days of the effective termination date of this Agreement, and at BLS's sole expense, commence the removal of any and all Equipment of BLS installed in connection with BLS's performance of its obligations under this Agreement, and BLS shall restore the Designated Intersection, School Zone and Noise Enforcement Zone Approaches to substantially the same condition such Designated Intersection Approaches were in immediately prior to this Agreement, including fixed installations such as trenched cabling and/or permanent structures such as concrete bases. Concrete bases will be demolished to twelve (12) inches below grade, unless otherwise agreed upon by the City. If BLS fails to commence the removal of Equipment within 60 days of the effective termination date of this Agreement, the City may charge monthly rent to BLS, and BLS agrees to pay said rent, for a period no longer than three (3) months. The monthly rent shall be determined by using the total revenue for each specific approach for the past year divided by twelve. If the approach has been in place for less than twelve full months, the denominator for computing the average shall be the maximum number of full months of operation. Should the rent be for less than a full month, a daily rental rate shall be the monthly rate divided by thirty (30).

At the conclusion of the three-month rental period, should BLS still have failed to remove said Equipment, the Equipment shall immediately become the property of the City.

- 4.6 OWNERSHIP OF EQUIPMENT TO BE TRANSFERRED TO THE CITY IN THE EVENT OF DEFAULT BY BLS. In the event this Agreement is terminated by the City pursuant to Section 4.2 hereof by reason of a Material Breach by BLS, upon such termination all of the Equipment installed by BLS during the term of this Agreement shall be removed by BLS within sixty (60) calendar days of the date of the termination. Failure to remove said Equipment within sixty (60) calendar days will result in the Equipment becoming the property of the City, and BLS shall execute any documents necessary to evidence ownership of the Photo Enforcement Equipment in the City, including but not limited to bills of sale. In addition, the City shall be entitled to pursue any other remedies for a Material Breach to which the City may be entitled.
- 4.7 SURVIVAL. Notwithstanding the foregoing, the definitions set forth in Article 1.4, and each of the following provisions shall survive the termination of this Agreement: Articles 3, 5, and 6, and the rights and obligations therein, set forth in this Agreement which either

by their terms state, or evidence the intent of the parties, that the provisions survive the expiration or termination of the Agreement, or must survive to give effect to the provisions of this Agreement.

ARTICLE 5. CONFIDENTIALITY

No information provided by BLS to the City will be of a confidential nature unless specifically designated in writing as proprietary and confidential by BLS; however, nothing in this paragraph shall be construed to be contrary to the terms and provisions of the Tennessee Public Records Act, Tenn. Code Ann. §10-7-503, *et seq.* (the “Act”) insofar as it may be applicable. The City agrees to provide BLS an opportunity to redact proprietary and/or confidential information pertaining to trade secrets and/or sensitive operations before releasing information complying with the records request, however BLS agrees to make said redactions within three (3) business days or less, so that the City is able to respond to any requestor in accordance with the timeframes set forth in the Act. Furthermore, BLS understands and agrees that it will defend the City, at BLS’s cost, should the City be required to defend said redactions in a court of law.

Except as required by law, during the term of this Agreement and for a period of three (3) years thereafter, neither party shall disclose to any third person, or use for itself in any way for pecuniary gain, any Confidential Proprietary Information learned from the other party during the course of the negotiations for this Agreement or during the Term of this Agreement. Upon termination of this Agreement, each party shall return to the other all marked Confidential Proprietary Information of such party. To the extent permitted by law, each party shall retain in confidence and not disclose to any third party any Confidential Proprietary Information without the other party’s express written consent, except (a) to its employees who are reasonably required to have the Confidential Proprietary Information, (b) to its agents, representatives, attorneys and other professional advisors that have a need to know such Confidential Proprietary Information, provided that such parties undertake in writing (or are otherwise bound by rules of professional conduct) to keep such information strictly confidential, and (c) pursuant to, and to the extent of, a request or order by any Governmental Authority, or (d) pursuant to a lawful request under the laws relating to public records, and specifically including the provisions of the Tennessee Public Records Act, Tenn. Code Ann. §10-7-503, *et seq.*

Notwithstanding the foregoing, BLS agrees that all relevant information obtained by BLS through the operation of the APE and/or ASZE and/or ANE System(s) shall be made available to the City at any time during BLS's normal working hours upon reasonable notice, excluding trade secrets and other confidential or proprietary information not reasonably necessary for the prosecution of Notices of Violation/Liability or the fulfillment of BLS's obligations to City under this Agreement.

ARTICLE 6. INDEMNIFICATION

INDEMNIFICATION BY BLS. BLS shall defend, indemnify and hold harmless the City, its officers, employees and agents from any and all liabilities which may accrue against the City, its officers, employees and agents or any third party for any and all lawsuits, claims, demands, losses or

damages alleged to have arisen from an act or omission of BLS in performance of this Agreement or from BLS' failure to perform this Agreement using ordinary care and skill, except where such injury, damage, or loss was caused by the sole negligence of the City, its agents or employees.

BLS shall save, indemnify and hold the City harmless from the cost of the defense of any claim, demand, suit or cause of action made or brought against the City alleging liability referenced above, including, but not limited to, costs, fees, attorney fees, and other expenses of any kind whatsoever arising in connection with the defense of the City; and BLS shall assume and take over the defense of the City in any such claim, demand, suit, or cause of action upon written notice and demand for same by the City. BLS will have the right to defend the City with counsel of its choice that is satisfactory to the City, and the City will provide reasonable cooperation in the defense as BLS may request. BLS will not consent to the entry of any judgment or enter into any settlement with respect to an indemnified claim without the prior written consent of the City, such consent not to be unreasonably withheld or delayed. The City shall have the right to participate in the defense against the indemnified claims with counsel of its choice at its own expense.

BLS shall save, indemnify and hold City harmless and pay judgments that shall be rendered in any such actions, suits, claims or demands against City alleging liability referenced above.

The indemnification and hold harmless provisions of this Agreement shall survive termination of the Agreement.

ARTICLE 7. NOTICES

NOTICES. Any notices to be given hereunder shall be in writing, and shall be deemed to have been given (a) upon delivery, if delivered by hand, (b) three (3) days after being mailed first class, certified mail, return receipt requested, postage and registry fees prepaid, or (c) one Business Day after being delivered to a reputable overnight courier service, excluding the U.S. Postal Service, prepaid, marked for next day delivery, if the courier service obtains a signature acknowledging receipt, in each case addressed or sent to such party as follows:

Notices to BLS:

Mark Hutchinson, CEO
Blue Line Solutions, LLC
4409 Oakwood Drive
Chattanooga, TN 37416
mark@bluelinesolutions.org
423-333-0490

Notices to the City:

Paul Noel, Chief
1650 Huron Street
Knoxville, TN 37917
(865) 215-7229

City of Knoxville
City Department of Engineering
3131 Morris Avenue
Knoxville, Tennessee 37909
865-215-6100

City of Knoxville
Penny Owens
Purchasing Agent
City/County Building
400 Main Street
P.O. Box 1631
Knoxville, Tennessee 37901

With a copy to:

Mark Parker, Director
Information Services Divisions
P.O. Box 1631
Knoxville, Tennessee 37901
865-215-2524

City of Knoxville Law Department
P.O. Box 1631
Knoxville, Tennessee 37901
865-215-2050

**ARTICLE 8.
ETHICAL STANDARDS**

BLS hereby takes notice of and affirms that it is not in violation of, or has not participated, and will not participate, in the violation of any of the following ethical standards prescribed by the Knoxville City Code:

(A) Sec. 2-1048. Conflict of Interest.

It shall be unlawful for any employee of the city to participate, directly or indirectly, through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or purchase standard, rendering advice, investigation, auditing or otherwise, in any proceeding or application, request for ruling or other determination, claim or controversy or other matter pertaining to any contract or subcontract and any solicitation or proposal therefor, where to the employee's knowledge there is a financial interest possessed by:

- (1) The employee or the employee's immediate family;
- (2) A business other than a public agency in which the employee or a member of the employee's immediate family serves as an officer, director, trustee, partner or employee; or
- (3) Any other person or business with whom the employee or a member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment.

(B) Sec. 2-1049. Receipt of Benefits from City Contracts by Councilmembers, Employees and Officers of the City.

It shall be unlawful for any member of council, member of the board of education, officer or employee of the city to have or hold any interest in the profits or emoluments of

any contract, job, work or service, either by himself or by another, directly or indirectly. Any such contract for a job, work or service for the city in which any member of council, member of the board of education, officer or employee has or holds any such interest is void.

(C) Sec. 2-1050. Gratuities and Kickbacks Prohibited.

Gratuities. It is unlawful for any person to offer, give or agree to give to any person, while a city employee, or for any person, while a city employee, to solicit, demand, accept or agree to accept from another person, anything of a pecuniary value for or because of:

- (1) An official action taken, or to be taken, or which could be taken;
- (2) A legal duty performed, or to be performed, or which could be performed;
or
- (3) A legal duty violated, or to be violated, or which could be violated by such person while a city employee.

Anything of nominal value shall be presumed not to constitute a gratuity under this section.

Kickbacks. It is unlawful for any payment, gratuity or benefit to be made by or on behalf of a subcontractor or any person associated therewith as an inducement for the award of a subcontract or order.

(D) Sec. 2-1051. Covenant Relating to Contingent Fees.

(a) *Representation of BLS.* Every person, before being awarded a contract in excess of ten thousand dollars (\$10,000.00) with the city, shall represent that no other person has been retained to solicit or secure the contract with the city upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except for bona fide employees or bona fide established commercial, selling agencies maintained by the person so representing for the purpose of securing business.

(b) *Intentional violation unlawful.* The intentional violation of the representation specified in subsection (a) of this section is unlawful.

(E) Sec. 2-1052. Restrictions on Employment of Present and Former City Employees.

Contemporaneous employment prohibited. It shall be unlawful for any city employee to become or be, while such employee, an employee of any party contracting with the particular department or agency in which the person is employed.

For violations of the ethical standards outlined in the Knoxville City Code, the City has the following remedies:

- (1) Oral or written warnings or reprimands;
- (2) Cancellation of transactions; and

- (3) Suspension or debarment from being a Contractor or subcontractor under city or city funded contracts.

The value of anything transferred in violation of these ethical standards shall be recoverable by the City from such person. All procedures under this section shall be in accord with due process requirements, included but not limited to a right to notice and hearing prior to imposition of any cancellation, suspension or debarment from being a Contractor or subcontractor under a city contract.

ARTICLE 9. NON-DISCRIMINATION

BLS hereby agrees that it:

- A. Will not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, disability, familial status or national origin;
- B. Will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, sex, age, disability or familial status or national origin;
- C. Will in all solicitations or advertisements for employees placed by or on behalf of itself, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, age, disability, familial status or national origin;
- D. Will include these provisions in every subcontract or sublease let by or for it;

ARTICLE 10. INSURANCE

BLS shall at its sole expense obtain and maintain in full force and effect for the duration of the Agreement and any extension hereof at least the following types and amounts of insurance for claims which may arise from or in connection with this Agreement. Contractor shall furnish the City of Knoxville with properly executed certificates of insurance which shall clearly evidence all insurance required by the City. All insurance must be underwritten by insurers with an A.M. Best rating of A-VIII or better. Such insurance shall be at a minimum, the following:

1. **Commercial General and Umbrella Liability Insurance:** occurrence version commercial general liability insurance, and if necessary umbrella liability insurance, with a limit of not less than \$2,000,000 each occurrence for bodily injury, personal injury, property damage, and products and completed operations. If such insurance contains a general aggregate limit, it shall apply separately to the work/location in this Agreement or be no less than \$3,000,000.

Such insurance shall:

- a. Contain or be endorsed to contain a provision that includes the City, its officials, officers, employees, and volunteers as additional insureds with respect to liability arising out of work or operations performed by or on behalf of BLS including materials, parts, or equipment furnished in connection with such work or operations. The coverage shall contain no special limitations on the scope of its protection afforded to the above-listed insureds. Proof of additional insured status up to and including copies of endorsements and/or policy wording will be required.
 - b. For any claims related to this project, BLS's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance programs covering the City, its officials, officers, employees, and volunteers shall be excess of BLS's insurance and shall not contribute with it.
 - c. At the sole discretion of the City, dedicated limits of liability for this specific project may be required.
2. **Automobile Liability Insurance:** including vehicles owned, hired, and non-owned, with a combined single limit of not less than \$1,000,000 each accident. Such insurance shall include coverage for loading and unloading hazards. Insurance shall contain or be endorsed to contain a provision that includes the City, its officials, officers, employees, and volunteers as additional insureds with respect to liability arising out of automobiles owned, leased, hired, or borrowed by or on behalf of BLS.
 3. **Workers' Compensation Insurance:** BLS shall maintain workers' compensation insurance with statutory limits as required by the State of Tennessee or other applicable laws and employers' liability insurance with limits of not less than \$500,000. BLS shall require each of its subcontractors to provide Workers' Compensation for all of the latter's employees to be engaged in such work unless such employees are covered by BLS's workers' compensation insurance coverage.
 4. **Cyber Liability Coverage:** BLS shall maintain Cyber Liability Insurance (also referred to as Network Security and Privacy Coverage) with limits of not less than \$5,000,000 for each occurrence and an annual aggregate of \$5,000,000 covering claims involving privacy violations; information theft; damage to, or destruction of, electronic information; intentional and/or unintentional release of private information; alteration of electronic information; extortion; and network security. There should be no special limitations in the policy with respect to copyright, trademark, or other infringement of media. If not covered in a separate policy, the policy shall include Technology Errors and Omissions. Coverage shall also provide business interruption and extra expense coverage. Use of a claims-made policy must be approved by the City and will require evidence of a retroactive date prior to the inception of the contract and at least three (3) subsequent annual renewals after the contract is complete.

5. **Professional Liability Coverage:** *(including Errors & Omissions)*. BLS shall maintain professional liability insurance covering claims arising from real or alleged negligent errors, omissions, or acts committed in the performance of professional services under this contract with limits of \$2,000,000. Coverage for contingent bodily injury and property damage should be included or endorsed onto the policy. If the coverage is written on a claims-made form:
 - a. The “Retro Date” must be shown and must be before the date of the contract or the beginning of contract work.
 - b. Insurance must be maintained and evidence of insurance must be provided for at least three (3) years after completion of the contract work and acceptance by the City.
 - c. If coverage is cancelled or non-renewed and not replaced with another claims-made policy form with a “Retro Date” prior to the contract effective date, Consultant must purchase “extended reporting” coverage for a minimum of three (3) years after completion of contract work.
 - d. A copy of the claims reporting requirements must be submitted to the City for review.

6. Other Insurance Requirements. BLS shall:
 - a. Prior to commencement of services, furnish the City with original certificates and amendatory endorsements effecting coverage required by this section and provide that such insurance shall not be cancelled, allowed to expire, or be materially reduced in coverage except on 30 days’ prior written notice to the City Attorney of Knoxville, P.O. Box 1631, Knoxville, Tennessee 37901. Proof of policy provisions regarding notice of cancellation will be required.
 - b. Upon the City’s request, provide certified copies of endorsements and policies in lieu of or in addition to certificates of insurance. A policy will only be requested after the City’s Risk Manager has reviewed the contract and proof of coverage has not been provided. Should the certificate of insurance refer to specific coverage wording or endorsement(s), proof of such policy wording or endorsement(s) will be required.
 - c. Replace certificates, policies, and endorsements for any such insurance expiring prior to completion of services.
 - d. Maintain such insurance from the time services commence until services are completed. Failure to maintain or renew coverage or to provide evidence of renewal may be treated by the City as a material breach of contract.
 - e. If BLS cannot procure insurance through an insurer having an A.M. Best rating of A-VIII, BLS may, in the alternative, place such insurance with insurer licensed to do business in Tennessee and having A.M. Best Company ratings of no less than

A. Modification of this standard may be considered upon appeal to the City Law Director.

- f. Require all subcontractors to maintain during the term of the Agreement Commercial General Liability insurance, Business Automobile Liability insurance, and Workers' Compensation/Employer's Liability insurance (unless subcontractor's employees are covered by BLS's insurance) in the same manner as specified for BLS. BLS shall furnish subcontractors' certificates of insurance to the City without expense immediately upon request.

Large Deductibles; Self-Insured Retentions. Any deductibles and/or self-insured retentions greater than \$50,000 must be disclosed to and approved by the City of Knoxville prior to the commencement of services. Use of large deductibles and/or self-insured retentions will require proof of financial ability as determined by the City.

Waiver of Subrogation Required. The cyber liability and technology errors and omissions insurer shall agree to waive all rights of subrogation against the City, its officers, officials, and employees for losses arising from work performed by BLS for the City. Proof of waiver of subrogation up to and including copies of endorsements and/or policy wording will be required.

Occurrence Basis Requirement. All general liability policies must be written on an occurrence basis unless the Risk Manager determines that a claims made basis is reasonable in the specific circumstance. Use of policies written on a claims made basis must be approved by the Risk Manager and retroactive dates and/or continuation dates must be provided to the City prior to commencement of any work performed. Professional Liability and Environmental Liability (Pollution Coverage) are most commonly written on a claims made basis and are generally acceptable in that form.

ARTICLE 11. MISCELLANEOUS

- 11.1 INDEPENDENT CONTRACTOR. BLS and its agents and employees shall perform all work and render all services as an independent contractor; neither it nor its employees shall be considered employees, partners or agents of the City, nor shall it or its employees be entitled to any benefits, insurance, pension, or workers' compensation as an employee of the City.
- 11.2 ASSIGNMENT. BLS shall not assign or transfer any interest in this Agreement without obtaining the prior written approval of the City, which consent shall not be unreasonably withheld or delayed; provided, however, the City hereby acknowledges that the performance of BLS's Systems, Equipment, and obligations pursuant to this Agreement require a significant investment by BLS, and that, in order to finance such investment, BLS may be required to enter into certain agreements or arrangements with financial institutions or other similar entities. The City hereby agrees that BLS shall have the right to assign or

pledge its rights under this Agreement in connection with any financing subject to the City's prior written approval, which approval shall not be unreasonably withheld or delayed. The City further agrees that in the event BLS provides written notice to the City that it intends to assign or pledge its rights pursuant to this Agreement, and in the event the City fails to provide such approval or fails to object within thirty (30) days after its receipt of such notice from BLS, then BLS shall be free to effect such transaction.

- 11.3 SUBCONTRACTS TO THE AGREEMENT. Other than the subcontractors set forth in this Agreement or its Contract Documents, BLS shall not enter into a subcontract for any of the services performed under this Agreement without obtaining the prior written approval of the City.
- 11.4 WRITTEN AMENDMENTS. This Agreement may be modified only by a written amendment or addendum that has been executed and approved by the appropriate officials shown on the signature page of this Agreement.
- 11.5 REQUIRED APPROVALS. Neither BLS nor the City is bound by this Agreement until it is approved by the appropriate officials shown on the signature page of this Agreement.
- 11.6 ARTICLE CAPTIONS. The captions appearing in this Agreement are for convenience only and are not a part of this Agreement; they do not in any way limit or amplify the provisions of this Agreement.
- 11.7 SEVERABILITY. If any provision of this Agreement is determined to be unenforceable or invalid, such determination shall not affect the validity of the other provisions contained in this Agreement. Failure to enforce any provision of this Agreement does not affect the rights of the parties to enforce such provision in another circumstance, nor does it affect the rights of the parties to enforce any other provision of this Agreement at any time.
- 11.8 FEDERAL, STATE AND LOCAL REQUIREMENTS. The Parties are responsible for full compliance with all applicable federal, state, and local laws, rules and regulations. Nothing contained in this Agreement shall be construed to require the commission of any act contrary to law, and whenever there is a conflict between any term, condition or provision of this Agreement and any present or future statute, law, ordinance or regulation contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the term, condition or provision of this Agreement affected shall be curtailed and limited only to the extent necessary to bring it within the requirement of the law, provided that such construction is consistent with the intent of the Parties as expressed in this Agreement. In accordance with Tennessee Code Annotated § 55-8-108(n), the parties agree that this Agreement shall conform to any applicable revisions of state law.
- 11.9 BOYCOTT OF ISRAEL. BLS certifies that it is not engaged in, and will not for the duration of this Agreement engage in, a boycott of Israel.
- 11.10 NO BENEFIT FOR THIRD PARTIES. The services to be performed by BLS pursuant to this agreement with the City are intended solely for the benefit of the City, and no benefit

is conferred hereby, nor is any contractual relationship established herewith, upon or with any person or entity not a party to this Agreement. No such person or entity shall be entitled to rely on BLS' performance of its services hereunder, and no right to assert a claim against the City or BLS, its officers, employees, agents or contractors shall accrue to the Contractor or to any subcontractors, independently retained professional consultant, supplier, fabricator, manufacturer, lender, tenant, insurer, surety or any other third party as a result of this Agreement or the performance or non-performance of the Contractor's services hereunder.

- 11.11 NON-RELIANCE OF PARTIES. Parties explicitly agree that they have **not** relied upon any earlier or outside representations other than what has been included in this Agreement. Furthermore, neither party has been induced to enter into this Agreement by anything other than the specific written terms set forth herein.
- 11.12 FORCE MAJEURE. Neither party shall be liable to the other for any delay or failure to perform any of the services or obligations set forth in this Agreement due to causes beyond its reasonable control, and performance times shall be considered extended for a period of time equivalent to the time lost because of such delay plus a reasonable period of time to allow the parties to recommence performance of their respective obligations hereunder. Should a circumstance of force majeure last more than ninety (90) days, either party may by written notice to the other terminate this Agreement. The term "force majeure" as used herein shall mean the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States or of the State or any of their departments, agencies or officials, or any civil or military authority; insurrections, riots, landslides, earthquakes, fires, storms, tornadoes, droughts, floods, explosions, breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of either party.
- 11.13 AUDIT RIGHTS. Each of parties hereto shall have the right to audit the books and records of the other party hereto (the "Audited Party") solely for the purpose of verifying the payments, if any, payable pursuant to this Agreement. Any such audit shall be conducted upon not less than forty-eight (48) hours' prior notice to the Audited Party, at mutually convenient times and during the Audited Party's normal business hours. Except as otherwise provided in this Agreement, the cost of any such audit shall be borne by the non-Audited Party. In the event any such audit establishes any underpayment of any payment payable by the Audited Party to the non-Audited Party pursuant to this Agreement, the Audited Party shall promptly pay the amount of the shortfall, and in the event that any such audit establishes that the Audited Party has underpaid payments due under this Agreement by more than twenty five percent (25%) of the amount actually owing, the cost of such audit shall be borne by the Audited Party. In the event any such audit establishes any overpayment by the Audited Party of any payment made pursuant to this Agreement, the non-Audited Party shall promptly refund to the Audited Party the amount of the excess.

- 11.14 WAIVER. Any waiver by either party of a breach of any provision of this Agreement shall not be considered as a waiver of any subsequent breach of the same or any other provision thereof.
- 11.15 EXECUTION AND COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and such counterparts together shall constitute only one instrument. Any one of such counterparts shall be sufficient for the purpose of proving the existence and terms of this Agreement, and no party shall be required to produce an original or all of such counterparts in making such proof.
- 11.16 COVENANT OF FURTHER ASSURANCES. All parties to this Agreement shall, upon request, perform any and all acts and execute and deliver any and all certificates, instruments and other documents that may be necessary or appropriate to carry out any of the terms, conditions and provisions hereof or to carry out the intent of this Agreement.
- 11.17 EEO/AA. The City of Knoxville is an EEO/AA/Title VI/Section 504/ ADA/ADEA Employer.
- 11.18 GOVERNING LAW AND VENUE. This Agreement shall be governed and construed in accordance with the laws of the State of Tennessee. Any action for breach of this Agreement or to enforce or nullify any provision of this agreement shall be instituted only in a court of appropriate jurisdiction in Knox County, Tennessee.
- 11.19 ENTIRE AGREEMENT. This Agreement forms the entire Agreement between the City and BLS. Any prior representations, promises, agreements, oral or otherwise, between the parties, which are not embodied in this writing, shall be of no force or effect

IN WITNESS WHEREOF, the City and Blue Line Solutions, LLC. have caused this Agreement to be executed in two (2) copies on the day and year first written below.

APPROVED AS TO FORM:

CITY OF KNOXVILLE

CHARLES W. SWANSON
LAW DIRECTOR

BY: _____
INDYA KINCANNON
MAYOR

DATE: _____

FUNDS CERTIFIED:

BLUE LINE SOLUTIONS, LLC.

BOYCE EVANS
FINANCE DIRECTOR

BY: _____
PRESIDENT & CEO

Exhibits:

- Exhibit A: City's Request for Proposals and Addenda
- Exhibit B: Proposal submitted by BLS, dated December 11, 2024
- Exhibit C: Correspondence between BLS and City from 12/24 until 5/25
- Exhibit D: Designated Intersection Approaches
- Exhibit E: Designated School Zone Approaches
- Exhibit F: Designated Noise Camera Enforcement Zone
- Exhibit G: BLS and City Obligations and Scope of Work
- Exhibit H: Maintenance Responsibilities
- Exhibit I: Compensation, and Pricing
- Exhibit J: Additional Rights and Obligations
- Exhibit K: Equipment and Signage Information
- Exhibit L: Collection Procedures for Fines