



RESOLUTION OF THE CITY COUNCIL

No. 483

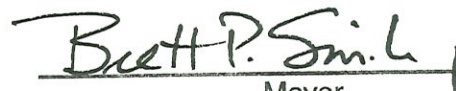
Approved December 9, 2024

RESOLVED, That the Mayor of the City of Providence is hereby authorized by this Council to enter into the Settlement Agreement, by and between the City of Providence, Rhode Island, Conduent State & Local Solutions, Inc. and Modaxo Traffic Management USA Inc., as presented in Exhibit A attached here.

IN CITY COUNCIL
DEC 05 2024
READ AND PASSED


RACHEL M. MILLER, PRESIDENT

CLERK

I HEREBY APPROVE.


Mayor
Date: 12/9/24

SETTLEMENT AGREEMENT & RELEASE

This Settlement Agreement (“Agreement”) is entered into and effective as of June 30, 2024, by and between the City of Providence, Rhode Island (“City”), Conduent State & Local Solutions, Inc. (“Conduent”) and Modaxo Traffic Management USA Inc., (“Modaxo”). Collectively, these entities may be referred to as the “Parties” and individually as a “Party.”

RECITALS

WHEREAS, the City engaged Conduent¹ for the processing and management of parking and moving violation citations under the following contracts:

Contract Between The City of Providence and ACS State and Local Solutions, Inc. to Provide Municipal Court Parking and Moving Violations Processing & Management Services dated July 2004, as amended, which expired May 31, 2022 (hereinafter, the “Parking/MV Contract 1”); and

Agreement Between City of Providence and Conduent State & Local Solutions, Inc. for Parking Citations, Moving Violations, and Environmental Violations Processing and Management Services, effective *nunc pro tunc* as of June 1, 2022, and expiring May 31, 2025, notwithstanding options for renewal (hereinafter, the “Parking/MV Contract 2”), which was signed in November 2023 with retroactive application.

WHEREAS, the City separately engaged Conduent for a red-light and speed camera violation program since 2014² under the following contract:

Red-light Camera License and Services Agreement By and Between Xerox State & Local Solutions, Inc. and The City of Providence, Rhode Island dated June 26, 2014, which expires June 29, 2024 (hereinafter, the “Red-Light Contract”). Said Red-Light Contract was originally only for red-light cameras and the scope of work expanded to include speed cameras as of August 17, 2017, with Amendment No. 2

WHEREAS, the City alleges that Conduent is in breach of the pricing terms of the Parking/MV Contract 1 and Parking/MV Contract 2 by billing the City between January 2018 and December 2022 for ticket processing fees of approximately \$1.5 Million that were not provided for or agreed to in said contracts ; and Conduent disputes those claims and alleges that the ticket processing fees at issue were eligible for payment (hereinafter referred to as the “Billing Dispute”).

WHEREAS, the Parking/MV Contract 1 also established an annual threshold for processing tickets and violations (the “Annual Threshold”). Conduent alleges that from 2014 through May 31, 2022, the City did not meet the Annual Threshold and that the City’s failure to

¹ The contracts were originally entered, and amended, by predecessor entities of Conduent, including ACS State & Local Solutions, Inc. and Xerox State & Local Solutions, Inc. (sometimes referred to as XSLS).

² The City originally engaged Conduent’s predecessor entity(ies) for a red-light camera violation program commencing in 2004 under a prior contract.

issue the minimum ticket volumes resulted in Conduent experiencing a financial shortfall of more than \$2 Million; and the City disputes those claims and alleges that any purported failure to meet the Annual Threshold was the result of performance, technology, and hardware maintenance issues on the part of Conduent and the COVID-19 pandemic (hereinafter referred to as the “Minimum Threshold Dispute”).

WHEREAS, on or about March 8, 2024, the City consented to the assignment of the Parking/MV Contract 2 and Red-Light Contract from Conduent to Modaxo (the “Assignment”).

WHEREAS, Modaxo seeks to have the City exercise two remaining options under the Red-Light Contract and one of two options under the Parking/MV Contract 2, which the City is not obligated to do; and

WHEREAS, the Parties wish to resolve their differences amicably and avoid the expense and uncertainty of litigation.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Settlement Payment

- a. Conduent shall pay the City a total of Two Hundred and Fifty Thousand Dollars (\$250,000), toward which the payment previously made by Conduent to the City on or about April 19, 2024 in the amount of Fifty Thousand (\$50,000) in connection with the Assignment shall be a credit; and
- b. Conduent shall pay to the City the sum of the remaining Two Hundred Thousand Dollars (\$200,000), in accordance with Section 1.a, within thirty (30) calendar days of the full execution of this Agreement. Payment shall be made to the account provided by City by wire or ACH transfer.

2. Extension of Red-Light Contract and Parking/MV Contract 2, and Reduction of Red-Light Contract Pricing

- a. The City shall and hereby does exercise (I) two (2) remaining options under the Red-Light Contract and (II) one (1) of two (2) options under the Parking/MV Contract 2, which will result in the simultaneous expiration (or near simultaneous expiration) of said contracts in or about June 2026.
- b. In return for the City exercising the remaining options in Section 2.a above, Modaxo agrees to reduce the fees for the Red-Light Contract for the period from July 2024 through to June 2026 in the amount of \$39,583.33 per month, which is the equivalent of Four Hundred Seventy-Five Thousand Dollars (\$475,000) per year, equating to the total of Nine Hundred Fifty Thousand Dollars (\$950,000) over two (2) years.

3. Additional Services

As further consideration for this Agreement and extension of the Red-Light Contract and Parking/MV Contract 2, Modaxo agrees to provide, in addition to the terms of those contracts, the below listed services:

- a. Court Management Integration – Modaxo commits to using commercially reasonable efforts to implement the integration of Modaxo’s (formerly Conduent’s) technology (hardware and software) with the City’s new court case management software being provided by Curia Systems, Inc. Such commercially reasonable efforts shall include, but not be limited to, the negotiation of an agreement between Modaxo, Curia Systems, Inc., and the City, in which the three work collaboratively and agree on a commercially reasonable scope for the integration.
- b. Daily Court Reporting – Modaxo will send daily court reporting directly to court staff in advance of court hearings that will detail (i) how many notices have been issued for a given court hearing (date and time) and (ii) how many of the individuals receiving tickets/violations paid the tickets/violations after notice was sent but before the scheduled court appearance.
- c. eTims/Courtroom Technology - Modaxo agrees to use commercially reasonable efforts to update and improve the hardware and software to provide the City’s Municipal Court with a better experience, including providing the following:
 - i. Development upgrade for the cashiering solution, which is part of eTIMS;
 - ii. Forty-two (42) new handhelds and thirty-six (36) Bluetooth printers, if not already provided;
 - iii. Six (6) new computers, including related support and upgrades as necessary for functionality and compatibility with the City’s information technology;
 - iv. New version of Batch Data entry software; and

Three (3) new Receipt printers integrated with new version of Batch entry software.
- d. Replacement of Red-Light Cameras - Modaxo agrees to decommission five (5) red-light cameras and install two (2) new red-light cameras at appropriate locations, which locations shall be determined in conjunction with the City.
- e. Business Rules – Modaxo commits to review with City staff the applicable “business rules” related to red-light cameras and to change the so-called “business rules” to align with current practices, laws, and ordinances within three (3) months from the date the City executes this Agreement. The parties recognize that the “business rules” are a dynamic set of operational rules that may be changed, in

particular to reflect changes to policies and laws governing the use of red-light and speed cameras. Further, Modaxo recognizes that the City properly may request changes to the “business rules” in the future and at any time.

- f. Letterhead – If not already done, Modaxo will update the City’s letterhead on notices within seven (7) calendar days from the date the City executes this Agreement.

4. Release and Waiver

- a. Upon receipt of the Settlement Payment, the City releases and forever discharges Conduent and Modaxo, including their affiliates, parents, successors, predecessors, officers, employees, shareholders, assigns, and agents from any and all claims, damages, losses, expenses, and liability related to the Billing Dispute under Parking/MV Contract 1 and Parking/MV Contract 2 (with the exception of claims or actions for breach or enforcement of this Agreement).
- b. Conduent and Modaxo release and forever discharge the City, including its officers, employees, and agents, from any and all claims, damages, losses, expenses, and liability related to the Minimum Threshold Dispute under the Parking/MV Contract 1 (with the exception of claims or actions for breach or enforcement of this Agreement).
- c. Except in relation to a breach of the terms of this Agreement, this Agreement may be pleaded as a full and complete defense by any Party (and its related bodies corporate and any of their directors, officers, employees, and agents, and each of them, past, and present) to any demand, claim, action or proceeding taken, commenced, or maintained by or on behalf of any other Party (or its related bodies corporate) relating to any matter in respect of which the Parties have been released under this Agreement.
- d. This Agreement is only effective and binding once all Parties have signed the Agreement. However, after the Agreement is effective, the delay or failure of any one or more Parties to satisfy the terms of this Agreement shall not affect the release(s) for those Parties who have satisfied the Agreement.

5. Non-Admission of Liability

This Agreement constitutes a settlement of disputed claims and does not constitute an admission of liability by any Party.

6. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Rhode Island.

7. Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, whether written or oral.

8. Severance

The Parties acknowledge that if any provision of this Agreement, or part thereof, is found to be void or invalid by a court of competent jurisdiction, such void or invalid provision, or part thereof, shall be deemed to be severed from this Agreement without in any way affecting the validity, enforceability, or effect of any of the remaining provisions, or parts thereof, which shall be and remain in full force and effect.

9. Amendments

This Agreement may only be amended or modified by a written instrument executed by all Parties.

10. Warranty and Acknowledgement

- a. Each of the signatories to this Agreement represents and warrants to the other that he or she, as the case may be, has full authority to enter into this Agreement on behalf of any Party on whose behalf it has executed this Agreement and to bind that Party to the terms of this Agreement.
- b. Each Party represents and warrants that:
 - i. it has entered into this Agreement voluntarily;
 - ii. it has obtained independent advice as to the nature, effect and extent of the terms of this Agreement;
 - iii. it has full legal capacity and power to enter into and perform its obligations under this Agreement; and
 - iv. it has taken all action required and obtained or been granted all consents, approvals, permissions, and authorizations, whether internal or external, necessary to enable it to enter into and perform its obligations under this Agreement.
- c. Each Party acknowledges that in executing this Agreement, it is acting for its own account and is not relying on any representations, information or advice which may have been given by or on behalf of any other Party.

11. Costs, Expenses and Duties

Except as expressly provided in this Agreement, each Party must pay its own costs and expenses of negotiating, preparing, and executing this Agreement and any other instrument executed under this Agreement.

12. No Reliance

No Party to this Agreement has relied on any statement by any other Party not expressly included in this Agreement.

13. Bar to Legal Proceedings

- a. Save to the extent needed to enforce the terms of this Agreement, each Party to this Agreement covenants that it or its affiliates or related bodies corporate will not:
 - i. bring a claim against any other Party to this Agreement; or
 - ii. assist, encourage or cause any third party to bring a claim against any other Party to this Agreement;insofar as any such claim concerns the subject matter of a release given by a Party in Section 4 of this Agreement.
- b. Each Party to this Agreement acknowledges and agrees that this clause may be pleaded in bar to any such claim.
- c. The Parties acknowledge that any breach of this Section can be restrained by an injunction.

14. Further Assurances

- a. Except as expressly provided in this Agreement, each Party must, at its own expense, do all things reasonably necessary to give full effect to this Agreement and the matters contemplated by it.
- b. Each Party agrees to procure that its related bodies corporate adhere to this Agreement as if they were named as a Party in it.

15. Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Remainder of this Page is Left Intentionally Blank]
[Signature Page to Follow]

IN WITNESS WHEREOF, the Parties hereto have executed this Settlement Agreement as of the day and year first above written.

**CONDUENT STATE & LOCAL
SOLUTIONS, INC.**

CITY OF PROVIDENCE

Name / Title:

Name / Title:

**MODAXO TRAFFIC
MANAGEMENT USA, INC.**

Approved as to form and correctness.

Name / Title:

Jeff Dana, Esq.
City Solicitor

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