

★ Roll Call Number

Agenda Item Number

85 B

Date June 14, 2010

Communication from GATSO USA, Inc.

Moved by \_\_\_\_\_ to receive, file and

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GRIESS				
HENSLEY				
MAHAFFEY				
MEYER				
MOORE				
TOTAL				
MOTION CARRIED		APPROVED		
_____ Mayor				

**CERTIFICATE**

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

\_\_\_\_\_ City Clerk

REGISTRATION FORM TO SPEAK AT CITY COUNCIL MEETING

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To: The Honorable Mayor  
and  
Members of the City Council  
City of Des Moines, Iowa  
c/o City Clerk

I/We GATSO USA, Inc.  
(Please Print)

hereby request permission to speak at the Des Moines City Council  
meeting of June 14, 2010, regarding

RFP V10-041 (Enforcement Cameras)

See attachment re speaker(s.)

Name:   
(Signature)

Address: Belin McCormick, 666 Walnut Suite 202  
Des Moines 50309

Daytime Phone: 283-4665

PROCEDURAL RULES OF DES MOINES CITY COUNCIL:

Part III. Agenda

Rule 16. Citizen Agenda Requests. Any citizen may request the right to have an item placed on the Agenda (including a request to speak) by filing such request in writing with the City Clerk prior to noon on the Wednesday preceding the Council meeting.

Part V. Citizen Participation

Rule 27. Citizen's Right to Address Council. Persons other than Council Members shall be permitted to address the Council only upon specific Agenda Items.

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**RE: GATSO USA request to be heard at June 14 Meeting of the City Council**

GATSO anticipates that its President, Andrew Noble, would be the primary speaker on its behalf. However, also present at the Council meeting will be GATSO's Vice President Paul Bazzano; Dan Wall, counsel for CMA Consulting Services, Inc.; and GATSO's counsel, David Swinton. Mr. Bazzano and Mr. Wall also participated in parts of the selection process and/or the hearing on the Redflex appeal. Depending on the issues raised at the Council meeting and any questions the Council may have, GATSO may also offer to have Mr. Bazzano, Mr. Wall or Mr. Swinton speak on its behalf.

900 Cummings Ctr. 321-U  
Beverly, MA 01915  
USA

Tel 978 922 7294  
Fax 978 922 7293  
ussales@gatso.com



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June 9, 2010

Mayor Frank Cownie and  
Members of the Des Moines City Council  
c/o Des Moines City Clerk  
400 Robert D. Ray Drive  
Des Moines, IA 50309

FILED  
CITY CLERK  
DES MOINES, IOWA  
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Re: June 14, 2010 Council Meeting – Agenda Item: RFP V10-041 (Enforcement Cameras)

Dear Mayor and Members of the City Council:

On June 7, 2010 a written communication was filed with the City Clerk by counsel for Redflex Traffic Systems, Inc. ("Redflex") regarding a report that was issued on April 29, 2010 by Deputy City Manager Merrill Stanley affirming the City's Selection Committee to select GATSO USA ("GATSO") as the provider of Enforcement Cameras for the City of Des Moines. With all due respect to Redflex and its counsel, the June 7 letter contains patently inaccurate and distorted representations of fact and raises one or more issues not raised by Redflex in its appeal, contrary to the provisions of the Municipal Code governing that process. We will not attempt to address here every point raised in the June 7 letter, as the great majority of them have already been exhaustively addressed in the original selection and appeal processes. However, there are a handful of items on which we feel compelled to set the record straight.

Redflex asserts that GATSO's bid is inferior and non-compliant in part because of GATSO's clearly disclosed intent to utilize CMA Consulting Services, Inc. ("CMA") to perform back-office processing services.<sup>1</sup> Nothing in the RFP prohibited the use of subcontractors or required separate compliance by subcontractors with stipulations such as the submission of financial statements. Redflex also indicated its intent to utilize one or more subcontractors in certain aspects of its proposed performance but did not submit financial information for any such subcontractor. A CMA representative did present at the

<sup>1</sup> Back-office processing consists of viewing violation images in accordance with the City's business rules, gathering registered owner information and mailing the citations upon approval by the City's police department. All of these actions will be performed by CMA through a computer program designed for GATSO for specific use with GATSO cameras, delivering functionality to the City in accordance with the service levels that GATSO has guaranteed to the City and in a manner prescribed by GATSO. GATSO will retain direct responsibility for traffic studies and reports, intersection design, installation and commissioning of equipment, public information outreach, training of City staff, taking violation images, quality control for cameras and violation photographs, issuance of reports to the City, development of press information, and auditing of the program and its systems.

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appeal hearing a comprehensive overview of CMA's financial strength and its outstanding track record of innovation and services to local and state governments nationwide.

In the appeal and in the June 7 letter Redflex went to extraordinary lengths to attempt to smear the reputation of CMA, including but not limited to its reference to the indictment of the former CEO of CMA. The conduct alleged in the indictment occurred before the executive joined CMA and had nothing to do with CMA's business. The executive resigned from CMA shortly after the indictment and has since had nothing to do with CMA's business. Redflex also sought to support its characterization of CMA's background as "questionable" by the submission of an otherwise unsubstantiated newspaper article from June 2008 which focused on the ethics of a New York State Assemblyman and a former staffer who became a lobbyist for CMA, not on any alleged wrongdoing by CMA.

Redflex also argues at length that GATSO lacks the two years' minimum experience required by the RFP. GATSO is the U.S. operating subsidiary of a European company which has been producing photo-enforcement technology for more than 50 years, and CMA has been delivering back-office processing services for more than 20 years. Today, GATSO and its parent company have installations in over 45,000 locations in over 60 countries worldwide. GATSO has secured more government approvals and certification for its technology than Redflex or any other company. GATSO's parent developed the first speed enforcement camera as well as the first red light camera. GATSO has been providing full-service turnkey photo enforcement programs in the United States since early 2007. The selection committee and the hearing officer thus correctly concluded not only that GATSO had the necessary experience, but that the experience of its parent was attributable to GATSO for the purpose of evaluating its bid.

Section 2-756(a) of the Municipal Code required that Redflex's appeal set forth "all of its objections to the committee's recommendation and all arguments in support thereof." Redflex seeks to sidestep that requirement through its June 7 letter in at least one important respect. Redflex asserts for the first time in the letter, again citing only a substantiated newspaper article as the basis for its assertion, that GATSO cameras in Dallas, Texas have a citation issuance rate of 14% as compared to Redflex's claimed citation issuance rate of 66%. However, Redflex fails to disclose that the program in Dallas is not operated by GATSO, the cameras were not installed by GATSO, and that the cameras supplied to a 3<sup>rd</sup> party company for use in Dallas were not the same type of cameras included in GATSO's response to the RFP for Des Moines.

In fact, as but one example of a recent project which was installed and operated by GATSO, GATSO's actual citation issuance rate for the City of Cedar Rapids has been as high as 90%.

Finally, Redflex asserts that its ability to pursue an appeal has been impeded by difficulties allegedly encountered with the City's compliance with Redflex's requests for inspection of public records under Iowa Code Chapter 22. Obviously, the City Attorney is in the best position to address this claim, but it should be noted that if Redflex believed the City's response to its requests was not adequate, Chapter 22 provides a method for enforcement of the rights of the requesting party and Redflex to date has not availed itself of that remedy. Moreover, in light of the fact that the City has postponed the Council meeting to address the bid recommendation not once but twice to accommodate Redflex's appeal and requests for records, if Redflex believed that it was still lacking any relevant information responsive to its requests it could have sought yet another extension, but has not done so.

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This and other aspects of Redflex's appeal suggest that it represents a fairly desperate attempt to derail by any means necessary a bid selection process which has been handled carefully and conscientiously by City staff from the outset, when in fact the outcome of that process was both in compliance with the RFP and in the best interests of the City. GATSO respectfully requests that the findings of the Deputy City Manager in the Redflex appeal be affirmed by the Council and that the recommendation to accept GATSO's bid be approved.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Andrew Noble'.

Andrew Noble  
President, GATSO USA

cc: Redflex Traffic Systems