

An Agreement made this ? day of May two thousand and ten between the States of Jersey [as represented by The Transport and Technical Services Department] (hereinafter referred to as “the Department”) and ????? (herein after referred to as “The Contractor”), whereas it is hereby agreed:

The Department operate a Voucher Parking Control System (known as “PAYCARDS”) and The Contractor has agreed to provide a service in the supply and distribution of such systems for a period of 3 years from the 1st July 2010 with an option to extend for 1 further year.

Either party may choose to terminate this contract by giving the other party not less than 6 months written notice of their intent to terminate, the written notice being sent to the registered office address of the other party by recorded delivery. Similarly the option to extend shall be in writing from the Department to the Contractor not less than 3 months before the expiry of the original 3 year period.

The Contractor agrees to:

1. Supply Paycards as specifically ordered by the Department in accordance with the price list attached as Appendix B. Except where the Department specifies a change in artwork for the Paycards or the book covers when the Department shall pay the reasonable cost of origination, and within the timeframe agreed between both parties for delivery.
2. Ensure that all deliveries of Paycards meet with the specified requirements of scratching within normal use and tolerance and are of a design and size previously approved by The Department. In the event of The Department wishing to change the design or size of the supplied Paycards, notice of such intent will be given, in writing, with not less than 3 months notice, and any incurred setup costs for new artwork etc., will be borne by The Department.
3. Ensure that all deliveries of Paycards are in multiple quantities of pallets of 250,000 individual tickets, prepared in books of 10 tickets, and boxed in units of 100 books per box, with a clear labelling of the contents of each box, including the value of each ticket – e.g. 1 Unit, 2 Unit, 4 Unit, as appropriate; start and finish serial number of the contents; and the box sequence in the production run. Each pallet is to be of a nature that will conform with the requirements of the nominated storage agent used by The

Department, and will be stacked in a manner which conforms with the requirements of any health and safety policy in force within the nominated storage agent, with the individual box labels visible from the outside. The entire pallet to be sealed in such a manner as to safely and securely retain all the contents, and to be labelled with content details including start and finish serial numbers of contained Paycards, and paycard denomination – e.g. 1 Unit etc. Full details contained in “Appendix C”.

4. Maintain and enlarge where appropriate the chain of outlets selling PAYCARDS to the public throughout the Island with a minimum of 180 outlets of which at least 100 will be in St Helier.
5. Establish between each outlet and themselves a legally binding contract as the specimen appended to this agreement marked “Appendix A”.
6. Provide to each retail outlet one or more window stickers carrying the scheme logo and the words
“PAYCARDS SOLD HERE”, as well as pricing structure.
7. Employ one or more persons (as appropriate) to act as a distributor to collect PAYCARDS from the store supplied by the Department and deliver them to the appointed outlets with such frequency that no more than 2% of the total outlets shall be out of stock at any time.
8. Keep extensive and accurate records as to the stock held by each outlet and the stock held by their own personnel (including the serial number of each card held and the date of delivery) and make these records available on demand to the Department and in any event for every month by the twelfth day of the following month except for December when they will be made available by the fifth day of January.
9. Collect monies from the outlets at the full retail value less the commission due as shown in Table 1 for each book of PAYCARDS sold by that outlet, (or at the rates as agreed from time to time between the parties) and banking same in their account at HSBC plc, Library Place, St Helier, or such bank as the two parties may agree from time to time.

10. Arrange bulk sales to anyone wishing to make the same (for this purpose bulk sales are defined as 50 books or more in one delivery).
11. Pay to the Department by the tenth day of each month (or on the next banking day where the tenth is a non-banking day) the moneys due for all books sold at the face value of the PAYCARDS less the retailer commission and the Contractors Management Charge (net figure currently shown as “Yield to the Department” in Table 1).
12. Respond to any request from traders to become retail outlets and ensure that all outlets that can be reasonably expected to make sales of 25 books per week or greater are duly appointed subject to their entering into a formal contract with The Contractor.
13. Pay to the Department at the retail value for any books for which they cannot account either as stock or as books sold.
14. Allow representatives of the Department to examine their records during office hours and any of their bank accounts at any time and instruct their auditors to provide any information as the Department may reasonably require and to render all possible assistance to verify the payments made and charges levied.
15. The Contractor undertakes to fully indemnify the Department for any potential or actual loss suffered, to the full retail value, of any part of a delivery being irrecoverably lost or stolen whilst in transit. The Contractor also undertakes to meet the full replacement cost of any part of a delivery which suffers damage whilst in transit. “In transit” shall be determined as the period from production through delivery until receipt is acknowledged in writing by an authorised representative of the Department’s nominated storage facility.
16. Agree in advance a timetable for production and delivery of all orders, which shall be used as a guideline measurement in the event of any failure to deliver or failure of the Department to place orders in sufficient time to maintain distributable stock levels.
17. Provide further supplies of cards in quantities at a price no greater than that paid for the initial quantity plus a percentage equal to the increased cost of producing and delivering the cards in terms of labour and material content. For this purpose the

prices and costs ruling on the commencement of the contract shall be deemed to be the reference costs for comparison purposes. Any such increases are to be justified by evidence that such costs are the result of the said increases and not increased margins. Notwithstanding the above, The Contractor will be entitled to pass on to the Department the cost of any additional unrecoverable taxes imposed on them either by the Department or by the UK Government.

18. Use their best endeavours to sell advertising space on the PAYCARDS and covers, such advertising to be subject to the prior approval of the Department. Where The Contractor sells the space, ninety percent (90%) of the income received by The Contractor from advertising (being defined as the revenue received from the advertiser, who will be billed separately by The Contractor for the setup and artwork production cost) will be paid by The Contractor to the Department, payment to be made within 30 days of The Contractor receiving payment.

19. The Contractor agrees to maintain a record of stocks held by The Department for the purposes of ensuring that a minimum level of not less than 13 weeks of stock, based on the previous 13 weeks sales can be maintained. It will be the responsibility of The Contractor to advise the Department of any possible shortage or requirement to place further orders to maintain the minimum stock level, ensuring that sufficient time is allowed for new stocks to be produced and delivered in accordance with the agreed production and delivery schedule.

20. During the duration of the contract The Contractor will keep in force fidelity insurance covering all monies collected on behalf of the Department and not yet paid to them.

The Department agrees:

1. To take delivery of PAYCARDS when required to do so by The Contractor to maintain the agreed minimum stock level, and not to exceed the maximum agreed stock levels of 12 (twelve) pallets containing a total of 3,000,000 (three million) Paycards; and to store in dry conditions at their own cost, and in accordance with the delivery schedule agreed between both parties.
2. To accept full liability for the said PAYCARDS whilst in their store.

3. To allow The Contractor's representatives access at all reasonable times to the stock of PAYCARDS for the purpose of distributing them to the appointed outlets. Any stock drawn by The Contractor, or their representatives from The Department's store must be accounted for by a hard copy stock receipt which is signed by The Contractor or their representative as well as a duly authorised employee of The Department.
4. To afford The Contractor all possible assistance in identifying suitable outlets, passing onto them enquiries received from potential outlets.
5. The Contractor shall be entitled to pence per 1 Unit Book, pence per 2 Unit Book and pence per 4 Unit Book, in respect of all sales of Paycards to contracted retailers.
6. In the event of the total annual quantity sold through retail outlets varying by an appreciable amount from 600,000 books both parties agree to re-negotiate the management charge to reflect the changes in costs incurred.
7. Notwithstanding the prices and charges detailed above, The Contractor shall have the right to pass onto the Department any additional costs they incur through changes on taxation, or duty imposed by the Department during the period of the contract.
8. All supplies received in accordance with the terms and conditions of this agreement to be paid for in full by the Department within 30 days of their delivery.

GENERAL CONDITIONS.

- I. If either party considers this agreement has been breached they shall be entitled to give written details of the breach together with a request that the breach be rectified. Should the other party fail to do so within 28 days of being so requested the aggrieved party shall be entitled to determine the contract forthwith.
- II. In the event of The Contractor failing to meet a scheduled delivery date, a penalty clause will be incurred which shall reduce the cost per paycard supplied

on the delayed delivery by % per week pro rata for each calendar week or part thereof that the delivery is late.

- III. In the event of The Contractor failing to supply Paycards which meet with the agreed design and/or scratching ability written notification of such defect shall be made by The Department, using recorded delivery service, to The Contractor and a period of 4 weeks shall be allowed for the problem to be rectified. In the event of the problem not being rectified within this period, and new supplies which meet the contract specification being delivered, a penalty of % per week pro rata per suspect/faulty or defective paycard shall be borne by The Contractor for each week or part thereof in excess of the agreed rectification period.
- IV. For this purpose notice shall be in the form of recorded delivery to the registered office address of the other party.
- V. The inability of either party to meet the conditions of this agreement due to war, civil commotion, strikes or lock outs shall not be deemed due cause for termination, nor will the inability of The Contractor to effectively distribute through employment licensing laws.
- VI. The parties hereby express their intention to settle any dispute by negotiation and failing that by an Arbitrator acceptable to both parties. In the event of the parties failing to agree on such an arbitrator the President of the Institute of Arbitrators shall be asked to appoint one. The Arbitrator's decision shall be binding on both parties and the Arbitrator's costs shall be borne by the party at fault or as directed by the Arbitrator.
- VII. This contract shall be subject to the laws of the Bailiwick of Jersey.

Signed on behalf of The Transport and Technical Services Department of the States of Jersey

On the day of 2010

Signed on behalf of ??????

Director

On the day of 2010

Appendix A

THIS AGREEMENT dated ? May 2010 is BETWEEN ??? whose registered office is at ??? and The Secondary Distributor.

1 DEFINITIONS

- (1) "The Territory" means the Controlled Parking Zones and Car Parks as defined by the Transport and Technical Services Department from time to time.
- (2) "The System" means the Parking Card System which is a copyright parking system of which The Contractor is the sole distributor in the Territory.
- (3) "The Cards" means the Paycards used by motorists in the territory in the implementation of the system.
- (4) "Retail Value" means the price determined by the Transport and Technical Services Department for each denomination paycard, from time to time.
- (5) "Discount" means a discount of 5.96% on each book of 1 unit Paycards before GST (currently 38 pence), 5% on each book of 2 unit Paycards before GST (currently 64 pence) and 4% on each book of 4 unit Paycards before GST (currently £1.02) respectively and/or any subsequent discount which may be notified to the Secondary Distributor in writing by the Primary Distributor.

- 2 The Transport and Technical Services Department ("the Scheme Operator") being the statutory body having responsibility for the control of parking in the territory has decided to operate the system for parking using the cards and it has been agreed that the Primary Distributor shall act as the Scheme Operator's Sole Agent in distributing the cards to all Secondary Distributors and in controlling the accounting and sale of the cards to the public and motorists.

3 DURATION AND TERMINATION

This agreement remains in force for a minimum period of six months and then until determined by either the Primary Distributor or the Secondary Distributor on one month's written notice, except for breach of this agreement.

4 SECONDARY DISTRIBUTOR'S OBLIGATIONS

The secondary Distributor shall:-

- (1) Take delivery from the Scheme Operator acting through its Agent and Primary Distributor an initial stock of cards;
- (2) Pay the Primary Distributor (who shall receive payment on the Scheme Operator's behalf) for any stock sold by the Secondary Distributor when the Primary Distributor delivers further stock and payment shall be at the retail value of the cards less the discount;
- (3) Obtain stock only from the Primary Distributor and from no other source;
- (4) Grant the Primary Distributor reasonable access to its premises for the purposes of checking the stock and replenishment;
- (5) Sell cards only at their retail value and sell cards in whatever quantity any member of the public shall request at all times during business hours subject to availability of stock;
- (6) At all times during business hours or whilst the Secondary Distributor's premises are open for business display the PAYCARDS SOLD HERE sign in a manner that is visible in the case of retail premises from the street outside the premises or in the case of other premises so that members of the public using such premises can readily see it;
- (7) Distribute to the public free of charge explanatory leaflets or literature in relation to the system as and when requested to do so by the Primary Distributor;
- (8) On termination of the contract deliver up all stocks of cards and leaflets to the Primary Distributor;
- (9) Take care of all stocks of cards and pay the Primary Distributor for any cards which may be lost or for which the Secondary Distributor does not or cannot account at any check of stock carried out by the Primary Distributor;
- (10) Accept replenishments of stocks or cards to a level of not less than two weeks stock as the Primary Distributor shall from time to time decide;
- (11) Bring any improper or wrongful use of the system to the attention of the Scheme Operator and the Primary Distributor.
- (12) Pay to the Primary Distributor any charges levied on him by his Bank occasioned by cheques of the Secondary Distributor being dishonoured by the Secondary Distributor's bank.

- (13) The Secondary Distributor will ensure that a suitable insurance policy is in place to cover the cost of any lost, stolen or damaged Paycards that have not been paid for in full by the Secondary Distributor at the time of delivery. The Secondary Distributor accepts full responsibility for the safe keeping of all stock delivered by the Primary Distributor on a “sale or return” basis.

5. PRIMARY DISTRIBUTOR’S OBLIGATIONS

The Primary Distributor shall:-

- (1) Deliver to the Secondary Distributor stocks of cards on a regular basis so as to ensure in as far as is possible that the Secondary Distributor always has sufficient stock and to respond to any request for stock replenishment within 2 days (excluding Sunday);
- (2) Supply free of charge one or more “PAYCARDS SOLD HERE” signs as deemed by him appropriate to ensure adequate signing of the Secondary Distributor’s premises;
- (3) Supply the Secondary Distributor with written details of quantity and serial numbers of cards supplied at each replenishment and an invoice for cards used.

6. OWNERSHIP OF THE CARDS

It is agreed that at all times the cards remains the property of the Scheme Operator while in the Secondary Distributor’s possession or control.

SIGNED FOR AND ON BEHALF OF

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PRINT NAME AND POSITION IN COMPANY

SIGNED FOR AND ON BEHALF OF

.....

DIRECTOR & COMPANY SECRETARY

APPENDIX B

Price Schedule for Paycards

Quantity of each type (books)	Price per book
50,000	pence
100,000	pence
200,000	pence
300,000	pence

TABLE 1

Details of Management & Distribution Charges

Management charge per Book

Pay Card Value (a)	Current book value (before GST) as at 1/2/2010 (b)	Outlet Commission (c)	The Contractor Charge (d)	Total Charge (e) = (c)+(d)	GST 3% of b (f)	Yield to the Department (b) +(f)- (e)
1 Unit	£6.40	38p (5.96%)			£0.20	
2 Unit	£12.80	64p (5%)			£0.40	
4 Unit	£25.60	£1.02 (4%)			£0.80	

APPENDIX C
PAYCARD SPECIFICATION AND DELIVERY

- A. All Paycards supplied under this contract to be packaged in book of 10 Paycards per book, of a design previously agreed with The Department, and to be of a quality that will allow users to scratch the removable covering to reveal the printed area beneath by using either a finger nail, vehicle key, coin or other such item without undue pressure being required. Each book to have a front and back cover, also of a design previously agreed with The Department. Each Paycard to have a unique sequential serial number printed on its front face, with each unit value having separate serial numbering.
- B. The books are packaged in boxes of 100 books of 10 Paycards each, and then sealed, with a label stuck on the end of each box, identifying its contents by paycard unit value, serial number range and sequence of box in production run. Each box to contain the 100 books in 4 piles of 25 books per pile without allowing any undue movement of the contents within the box.
- C. The boxes are packaged in lots of 250 boxes (250,000 individual Paycards in 250 boxes of 100 books of 10 Paycards per box) on a pallet that meets the “Euro Pallet” standard, measuring not more than 1 metre by 1.2 metres, and is not packaged more than 2 metres high from the base of the pallet board. The entire pallet to be securely sealed in shrink wrap or similar material to prevent any movement of the contents during transit, and labelled with the contents information clearly visible – paycard unit value, serial number range and sequence of production in run.
- D. Deliveries will be packaged in a material that will not allow the content to be viewed during shipment, and in such a manner as to easily indicate during visual inspection, any attempted tampering with the contents. This is required due to the value of each delivery and to ensure that any thefts or attempted thefts can be easily identified. The transit wrapping material will be removed upon receipt at The Department’s nominated storage area, leaving the shrink wrap with content details as per paragraph A above.

