Meeting Date: **11/6/2014**

Report Type: Review

Report ID: 2014-00802

City of SACRAMENTO **14**

City Council Report
915 I Street, 1st Floor
www.CityofSacramento.org

Title: (Agreement/Contract for Review and Information) Cooperative Purchase Agreement: Fleet Parts and Inventory Program Services

Location: Citywide

Recommendation: 1) Review a report a) approving the use of the National Joint Powers Alliance (NJPA) cooperative purchase agreement with Genuine Parts Company, dba National Auto Parts Association (NAPA) (Contract No. 010511-GPC) for on-site fleet parts and inventory program services; b) authorizing the City Manager or the City Manager's designee to execute: i) an agreement with NAPA (NAPA Agreement), implementing the NJPA cooperative purchase agreement, in an amount not to exceed $8.3 million through February 24, 2016 or until the NJPA cooperative purchase agreement is no longer available for use; and ii) execute purchases specified in the NAPA Agreement provided that sufficient funds are available in the budget adopted for the applicable fiscal year; and 2) continue to November 13, 2014 for approval.

Contact: Iseña Garcia, Program Specialist, (916) 808-1163; Keith Leech, Fleet Manager, (916) 808-5869, Department of General Services

Presenter: None

Department: General Services

Division: Fleet Management

Dept ID: 13001211

Attachments:

1-Description/Analysis

2-Agreement

3-Cooperative Purchase Agreement

City Attorney Review

Approved as to Form
Kourtney Burdick
10/28/2014 11:08:36 AM

Approvals/Acknowledgements

Department Director or Designee: Reina Schwartz - 10/16/2014 11:15:54 AM

James Sanchez, City Attorney Shirley Concolino, City Clerk Russell Fehr, City Treasurer
John F. Shirey, City Manager

Back to Report Table of Contents

Description/Analysis

Issue Detail: The Department of General Services (DGS), Fleet Management Division, has an ongoing requirement to supply parts and manage inventory for a diverse City fleet of 2,300 City vehicles and equipment. The City's contract with NAPA will expire on November 17, 2014 and Fleet Management recommends utilizing the NJPA cooperative purchase agreement with NAPA, implemented through an agreement between the City and NAPA, through February 24, 2016 or until the NJPA agreement is no longer available for use, to meet the City's inventory needs.

Policy Considerations: The recommendations in this report are in accordance with City Code Chapter 3.56 regarding the purchase of supplies and the use of cooperative purchase agreements and Resolution No. 2013-0367, which requires additional posting time for agreements greater than $1 million.

Economic Impacts: None

Environmental Considerations:

California Environmental Quality Act (CEQA): No environmental review is necessary because the recommendations in this report involve the purchase of on-site fleet parts and inventory services for City vehicles and equipment and are not considered to be a project in accordance with Section 15378(b)(2) of the CEQA guidelines.

Sustainability: Not applicable

Commission/Committee Action: None

Rationale for Recommendation: The Department of General Services (DGS), Fleet Management Division, has an ongoing requirement to supply parts and manage inventory for a diverse City fleet of 2,300 City vehicles and equipment with a replacement value of $180 million.

On November 17, 2009, City Council adopted Resolution No. 2009-728, awarding a five-year contract to NAPA for fleet parts and inventory program services. Under this contract, NAPA's Integrated Business Solution (IBS) provided a customized, streamlined parts management system for the City. Upon execution of the City's contract, NAPA purchased the City's entire parts inventory to transfer 100 percent accountability of all materials to NAPA. Transferring ownership and accountability of the parts inventory enabled the City to have access to inventory without the upfront investment to have parts on hand. This also eliminated parts obsolescence for the City because NAPA provided parts to the six maintenance facilities on an "as-needed" basis. NAPA has extensive vendor relationships and buying power synergies with other IBS locations, resulting in an increase in availability for parts and cost savings for City. Under NAPA IBS, parts have been supplied to the City expeditiously, which has led to an increase in shop productivity and improved vehicle turn-around time for maintenance and repairs. Furthermore, NAPA has reduced transactional costs to the City and implemented used part core return and warranty processes that assure maximizing cost recovery.

The City's contract with NAPA will expire on November 17, 2014, and Fleet Management recommends utilizing the NJPA cooperative purchase agreement with NAPA under the same terms and conditions as the City's current agreement (Attachment 2) through February 24, 2016 or until the NJPA agreement is no longer available for use.

In an ongoing effort to maximize cost savings and staff resources, many government agencies share contracting efforts through cooperative purchasing (such as use of the NJPA agreement). This procurement method increases pricing competitiveness and lowers capital costs through volume buying. When comparing the administrative costs of procurement, staff considers product research, source selection, specifications, advertising, staff reports, awarding, protest, and administration of the contract.

It is often more cost-effective to eliminate the cost and time spent on these administrative processes and purchase items and services through a cooperative purchasing program. The City has used both regional and national cooperative purchasing agreements to complement its own contracting initiatives. Cooperative purchasing enables City departments to evaluate a broader range of contracting opportunities and to share resources with other jurisdictions. Cooperative purchasing also leverages internal and external resources to maximize cost savings opportunities for the City. In a further effort to maximize cost savings opportunities for the City, Fleet Management will be working in cooperation with NJPA as they prepare their next solicitation for fleet parts and inventory management services prior to the expiration of their current contract.

Financial Considerations: In determining the recommended spending authorities for fleet parts and inventory services, Fleet Management staff reviewed the expenditure history and also considered future needs. Fleet Management estimates monthly expenditures of approximately $518,750, for a total estimated not-to-exceed amount of $8.3 million through February 24, 2016. The recommended not-to-exceed amount includes a three percent contingency to allow for changes in operational need for services provided to City departments and any potential manufacturer price increases for parts.

Sufficient funds are available in the DGS FY2014/15 operating budget (Fleet Fund, Fund 6501) to purchase the required parts and services through June 30, 2015. Purchases after June 30, 2015 and through the duration of the contract are subject to funding availability in the adopted budget of the applicable fiscal year.

Local Business Enterprise (LBE): NAPA is a local business enterprise. Under the City's current arrangement with NAPA, NAPA has purchased 55 percent of the City's parts needs from registered small businesses in the state of California, 40 percent of which have been purchased from local business enterprises.

Back to Report Table of Contents

ento

Tax ID # if applicable:

Requires Council Approval: ☐ No ☒ YES **Meeting:** 11/6-11/13/2014

☐ Real Estate ☐ Other Party Signature Needed ☐ Recording Requested

General Information

Type: NON Professional Services **PO Type:** **Not to Exceed: $8,300,000.00**	**Attachment: No.:** **Original Doc Number:**
Other Party: **Genuine Parts Co. NAPA Auto Parts**	**Certified Copies of Document::**
Project Name: On Site Fleet Parts Inventory Program	**Deed:** ☐ None ☐ Included ☐ Separate
Project Number: NA Bid Transaction #: N/A	E/SBE-:%

Department Information

Department: **General Services** Division: **Fleet Management**

Project Mgr: Isena Garcia

Contract Services: Director: **Reina J. Schwartz**

Phone Number: **808-1163** Org Number: **13001311**

Comment: **Original Contract Amount: $8,300,000.00**

Review and Signature Routing

Department	Signature or Initial	Date
Project Mgr:	JH	10/20/14
Contract Services:		

City Attorney	Signature or Initial	Date
City Attorney:	KCB	10/22/14

☐ **Send Interoffice Mail to Reina J. Schwartz (12500)**

☒ **Notify for Pick Up Call 808-1163**

Authorization	Signature or Initial	Date
Reina Schwartz Director, General Services:		
City Mgr: Yes ☒ No ☐		

For City Clerk Processing

Finalized:
Initial:
Date:

Imaged:
Initial:
Date:

Received:
(City Clerk Stamp Here)

Contract Cover/Routing Form: Must Accompany ALL Contracts; however, is not part of the contract. (01-01-13)

Resolution No. / Date

PROJECT #:
PROJECT NAME: On Site Fleet Parts Inventory Program
DEPARTMENT: General Services
DIVISION: Fleet Management

CITY OF SACRAMENTO

NONPROFESSIONAL FLEET SERVICES AND PARTS AGREEMENT

THIS AGREEMENT is made at Sacramento, California, as of_____, by and between the **CITY OF SACRAMENTO,** a municipal corporation ("CITY"), and

Genuine Parts Company/NAPA Auto Parts
4635 Northgate Bl.
Sacramento, CA 95834

("CONTRACTOR"), who agree as follows:

1. **Contract.** The Contract shall consist of this Agreement and each of the following documents (if applicable), which are incorporated herein by reference:

Invitation to Bid	Workers' Compensation Certificate
Instructions to Bidders	Contractor's Bid Proposal Form
Certificate(s) of Insurance	LBE Requirements
Drug-Free Workplace Policy and Affidavit	Technical Specifications
Declaration of Compliance (Equal Benefits Ordinance)	
Declaration of Compliance (Living Wage Ordinance)	

2. **Services.** Subject to the terms and conditions set forth in this Agreement, CONTRACTOR shall provide to CITY the services described in Exhibit A. CONTRACTOR shall provide said services at the time, place, and in the manner specified in Exhibit A. CONTRACTOR shall not be compensated for services outside the scope of Exhibit A unless prior to the commencement of such services: (a) CONTRACTOR notifies CITY and CITY agrees that such services are outside the scope of Exhibit A; (b) CONTRACTOR estimates the additional compensation required for these additional services; and (c) CITY, after notice, approves in writing a Supplemental Agreement specifying the additional services and amount of compensation therefor. CITY shall have no obligations whatsoever under this Agreement and/or any Supplemental Agreement, unless and until this Agreement or any Supplemental Agreement is approved by the Sacramento City Manager or the City Manager's authorized designee, or by the Sacramento City Council, as required by the Sacramento City Code.

3. **Payment.** CITY shall pay CONTRACTOR for services rendered pursuant to this Agreement at the times and in the manner set forth in Exhibit B. The payments specified in Exhibit B shall be the only payments to be made to CONTRACTOR for the services rendered pursuant to this Agreement unless pursuant to Section 1, above, CITY approves additional compensation for additional services. CONTRACTOR shall submit all billings for said services to CITY in the

manner specified in Exhibit B, or, if not specified in Exhibit B, according to the usual and customary procedures and practices that CONTRACTOR uses for billing clients similar to CITY.

4. **Facilities and Equipment.** Except as set forth in Exhibit C, CONTRACTOR shall, at its sole cost and expense, furnish all facilities and equipment that may be required for furnishing services pursuant to this Agreement. CITY shall furnish to CONTRACTOR only the facilities and equipment listed in Exhibit C according to any terms and conditions set forth in Exhibit C.

5. **General Provisions.** The General Provisions set forth in Exhibit D, that include indemnity and insurance requirements, are part of this Agreement. In the event of any conflict between the General Provisions and any terms or conditions of any document prepared or provided by CONTRACTOR and made a part of this Agreement, including without limitation any document relating to the scope of services or payment therefor, the General Provisions shall control over said terms or conditions.

6. **Living Wage Requirements.** This Agreement is subject to the provisions of Sacramento City Code Chapter 3.58, Living Wage. The requirements of Sacramento City Code Chapter 3.58 are summarized in Exhibit E. The CONTRACTOR is required to sign the attached Declaration of Compliance (Living Wage Ordinance) to assure compliance with these requirements.

7. **Non-Discrimination in Employee Benefits.** This Agreement is subject to the provisions of Sacramento City Code Chapter 3.54, Non-Discrimination in Employee Benefits by City Contractors. The requirements of Sacramento City Code Chapter 3.54 are summarized in Exhibit F. CONTRACTOR is required to sign the attached Declaration of Compliance (Equal Benefits Ordinance), to assure compliance with these requirements.

8. **Authority.** The person signing this Agreement for CONTRACTOR hereby represents and warrants that he/she is fully authorized to sign this Agreement on behalf of CONTRACTOR and to bind CONTRACTOR to the performance of its obligations hereunder.

9. **Exhibits.** All exhibits referred to herein are attached hereto and are by this reference incorporated as if set forth fully herein.

Executed as of the day and year first above stated.

CITY OF SACRAMENTO
A Municipal Corporation

By:_____

Print name:_____
Title:_____
For: John F. Shirey, City Manager

ATTEST:

_____

City Clerk

APPROVED TO AS FORM:

Kathleen C. Bonnick

City Attorney

Attachments

Exhibit A - Scope of Service
Exhibit B - Fee Schedule/Manner of Payment
Exhibit C - Facilities/Equipment Provided
Exhibit D - General Provisions
Exhibit E - Living Wage Requirements
Exhibit F - Non-Discrimination in Employee Benefits

CONTRACTOR:

Genuine Parts Company
NAME OF FIRM

58-024510
Federal I.D. No.

179-5669-9
State I.D. No.

106925
City of Sacramento Business Op. Tax Cert. No.

TYPE OF BUSINESS ENTITY *(check one)*:

_____ Individual/Sole Proprietor
_____ Partnership
X Corporation *(may require 2 signatures)*
_____ Limited Liability Company
_____ Other (*please specify*: _____)

Signature of Authorized Person

Print Name and Title
CHRISTOPHER T. GALLA
Assistant Vice President
Senior Counsel

Additional Signature (if required)

Print Name and Title

DECLARATION OF COMPLIANCE
Living Wage Ordinance

Name of Contractor: Genuine Parts Company

Address: 4635 Northgate Bl. Sacramento, CA 95834

The above-named contractor ("Contractor") hereby declares and agrees as follows:

1. Contractor has read and understands the Living Wage Requirements (the "Requirements") attached hereto as Exhibit E.

2. As a condition of receiving this Contract, Contractor agrees to fully comply with the Requirements, as well as any additional requirements that may be specified in the City of Sacramento's Living Wage Ordinance codified at Chapter 3.58 of the Sacramento City Code (the "Ordinance"). If required by the Ordinance, Contractor will pay not less than the minimum compensation specified in the Ordinance to Contractor's employees, for all time spent performing any work under this Contract.

3. If the amount of this Contract is less than $100,000, as a condition of receiving this Contract, Contractor will notify the City of Sacramento ("City") in writing if the aggregate value of this Contract and of any other Nonprofessional Services contract(s) covered by the Ordinance that the City has awarded to Contractor within the previous 12 months, is $100,000 or more.

4. Contractor acknowledges and agrees that the Requirements, the Ordinance and this Declaration shall constitute part of this Contract, and that these provisions shall govern in the event of any conflict with any other provisions of the Contract.

5. Contractor further acknowledges and agrees that any violation of the Requirements or the Ordinance constitutes a material breach of this Contract, and that, if such a breach occurs, the City will be authorized to terminate the Contact, and pursue all available legal and equitable remedies.

6. If requested by the City, Contractor will promptly submit certified payroll records to the City, for itself and/or for Contractor's subcontractor(s), as requested by the City, and Contractor will take any other steps as may be required by the City to determine whether Contractor's subcontractor(s) or Contractor have complied with the Requirements and the Ordinance.

7. Contractor will require all of its subcontractors who are covered by these requirements to comply with the Requirements and any additional requirements that may be specified in the Ordinance, and Contractor will include these requirements in all subcontracts covered by the Ordinance.

8. Contractor agrees to defend, indemnify and hold harmless the City, its officers and employees against any claims, actions, damages, costs (including reasonable attorney fees) or other liabilities of any kind arising from any violation of the Requirements or the Ordinance by Contractor or by any subcontractor retained to perform work or provide services under this Contract.

The undersigned declares under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that he or she is authorized to bind the Contractor to the provisions of this Declaration.

Date: 10/14/14

Signature of Authorized Representative

Print name: CHRISTOPHER T. GALLA

Title: Assistant Vice President
Senior Counsel

DECLARATION OF COMPLIANCE
Equal Benefits Ordinance

Name of Contractor: Genuine Parts Company

Address: 4635 Northgate Bl. Sacramento, CA 95834

The above-named Contractor ("Contractor") hereby declares and agrees as follows:

1. Contractor has read and understands the Requirements of the Non-Discrimination In Employee Benefits Code (the "Requirements") attached hereto as Exhibit F.

2. As a condition of receiving this Contract, Contractor agrees to fully comply with the Requirements, as well as any additional requirements that may be specified in the City of Sacramento's Non-Discrimination In Employee Benefits Code codified at Chapter 3.54 of the Sacramento City Code (the "Ordinance").

3. Contractor understands, to the extent that such benefits are not preempted or prohibited by federal or state law, employee benefits covered by the Ordinance are any of the following:

   a. Bereavement Leave
   b. Disability, life, and other types of insurance
   c. Family medical leave
   d. Health benefits
   e. Membership or membership discounts
   f. Moving expenses
   g. Pension and retirement benefits
   h. Vacation
   i. Travel benefits
   j. Any other benefit offered to employees

   Contractor agrees that if Contractor offers any of the above-listed employee benefits, Contractor will offer those benefits, without discrimination between employees with spouses and employees with domestic partners, and without discrimination between the spouses and domestic partners of such employees.

4. Contractor understands that Contractor will not be considered to be discriminating in the provision or application of employee benefits under the following conditions or circumstances:

   a. If the actual cost of providing a benefit to a domestic partner or spouse exceeds the cost of providing the same benefit to a spouse or domestic partner of an employee, Contractor will not be required to provide the benefit, nor shall it be deemed

discriminatory, if Contractor requires the employee to pay the monetary difference in order to provide the benefit to the domestic partner or to the spouse.

b. If Contractor is unable to provide a certain benefit, despite taking reasonable measures to do so, if Contractor provides the employee with a cash equivalent Contractor will not be deemed to be discriminating in the application of that benefit.

c. If Contractor provides employee benefits neither to employee's spouses nor to employee's domestic partners.

d. If Contractor provides employee benefits to employees on a basis unrelated to marital or domestic partner status.

e. If Contractor submits written evidence of making reasonable efforts to end discrimination in employee benefits by implementing policies that will be enacted before the first effective date after the first open enrollment process following the date this Contract is executed by the City of Sacramento ("City"). Contractor understands that any delay in the implementation of such policies may not exceed one (1) year from the date this Contract is executed by the City, and applies only to those employee benefits for which an open enrollment process is applicable.

f. Until administrative steps can be taken to incorporate nondiscrimination in employee benefits. The time allotted for these administrative steps will apply only to those employee benefits for which administrative steps are necessary and may not exceed three (3) months from the date this Contract is executed by the City.

g. Until the expiration of a current collective bargaining agreement(s) if employee benefits are governed by such collective bargaining agreement(s).

h. Contractor takes all reasonable measures to end discrimination in employee benefits by either requesting that the union(s) involved agree to reopen the agreement(s) in order for Contractor to take whatever steps are necessary to end discrimination in employee benefits or by ending discrimination in employee benefits without reopening the collective bargaining agreement(s).

i. In the event Contractor cannot end discrimination in employee benefits despite taking all reasonable measures to do so, Contractor provides a cash equivalent to eligible employees for whom employee benefits, are not available. Unless otherwise authorized in writing by the City Manager, Contractor understands this cash equivalent must begin at the time the union(s) refuse to allow the collective bargaining agreement(s) to be reopened or not longer than three (3) months after the date this Contract is executed by the City.

5. Contractor understands that failure to comply with the provisions of Section 4(a) through 4(i), above, will subject Contractor to possible suspension and/or termination of this Contract for cause; repayment of any or all of the Contract amount disbursed by the City; debarment for

future contracts until all penalties and restitution have been paid in full and/or for up to two (2) years; and/or the imposition of a penalty, payable to the City, in the sum of $50.00 for each employee, for each calendar day during which the employee was discriminated against in violation of the provisions of the Ordinance.

6. Contractor understands and agrees to provide notice to each current employee and, within ten (10) days of hire, to each new employee, of their rights under the Ordinance. Contractor further agrees to maintain a copy of each such letter provided, in an appropriate file for inspection by authorized representatives of the City. Contractor also agrees to prominently display a poster informing each employee of these rights.

7. Contractor understands that Contractor has the right to request a waiver of, or exemption from, the provisions of the Ordinance by submitting a written request to the City's Procurement Services Division prior to Contract award, which request shall identify the provision(s) of the Ordinance authorizing such waiver or exemption and the factual basis for such waiver or exemption. The City shall determine in its sole discretion whether to approve any such request.

8. Contractor agrees to defend, indemnify and hold harmless, the City, its officers and employees, against any claims, actions, damages, costs (including reasonable attorney fees), or other liabilities of any kind arising from any violation of the Requirements or of the Ordinance by Contractor.

The undersigned declares under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that he or she is authorized to bind the Contractor to the provisions of this Declaration.

Signature of Authorized Representative

Date: 10/14/14

Print name: CHRISTOPHER T. GALLA

Title: Assistant Vice President
Senior Counsel

EXHIBIT A

NONPROFESSIONAL SERVICES AGREEMENT

SCOPE OF SERVICES

1. **Representatives.**

The CITY Representative for this Agreement is:

Iseña Garcia, Program Specialist
5730 24th Street, Bldg 1, Sacramento, CA 95822
Phone: (916) 808-1163 / Fax: (916) 399-9263 / E-mail: iygarcia@cityofsacramento.org

All CONTRACTOR questions pertaining to this Agreement shall be referred to the CITY Representative or the Representative's designee.

The CONTRACTOR Representative for this Agreement is:

Genuine Parts Company/NAPA Auto Parts
4635 Northgate Blvd., Sacramento, CA 95834
Phone: (916) 567-0700

All CITY questions pertaining to this Agreement shall be referred to the CONTRACTOR Representative. All correspondence to CONTRACTOR shall be addressed to the address set forth on page one of this Agreement. Unless otherwise provided in this Agreement, all correspondence to the CITY shall be addressed to the CITY Representative.

2. **Scope of Services.** [*Describe services to be provided here, or, if scope of services is described in an attachment, label the attachment "Attachment 1 to Exhibit A" and include the following sentence:*]

The services provided shall be as set forth in Attachment 1 to Exhibit A, attached hereto and incorporated herein.

3. **Time of Performance.** The services described herein shall be provided through February 24, 2016, or until the National Joint Powers Alliance (NJPA) cooperative purchase agreement with CONTRACTOR, number 010511-GPC, is no longer available for use.

ATTACHMENT 1 TO EXHIBIT A

City of Sacramento

On-Site Fleet Parts and Inventory Program

SCOPE OF SERVICES

CONTRACTOR shall provide Integrated Business Solutions ("IBS") services for the City, which consist of managing and operating three stand-alone, NAPA-staffed, full-service vehicle parts shops (**"Full-Service Shops"**) and two separate unmanned self-service shops (the **"Self-Service Shops"**) at the City locations identified in Section 4 of this Attachment 1 to Exhibit A (referred to as the **"City Locations"**), as well as managing the City's inventory of vehicle parts and assessing and planning for the City's parts needs. CONTRACTOR'S services are described in more detail below and shall be provided in accordance with the terms of CONTRACTOR'S cooperative purchase agreement with the National Joint Powers Alliance (NJPA) (agreement #010511-GPC). In the event of a conflict between the terms of this Agreement and the NJPA agreement, this Agreement shall prevail.

1 In-House Parts Operation

1.1 ***Overview of Services Provided.*** CONTRACTOR will stock and manage the City Locations with based primarily on the City's history file of the existing stock and vehicles in fleet; however, it will be modified where more coverage of parts (including quantity and variety of parts) and less depth can be maintained. CONTRACTOR, will provide the personnel and management to operate each City Location. The number of people and/or scheduling will be mutually agreed upon between the parties. The following services shall be provided by the CONTRACTOR:

1.1.1 A balanced inventory tailored to the City's vehicle maintenance needs and serviceable fleet.

1.1.2 Access to the area's largest inventory of automotive and heavy-duty replacement parts, paint, supplies and equipment. This access would be provided through daily stock orders to the City Locations from NAPA's Sacramento, CA Distribution Center to replenish the inventory on a regular basis.

1.1.3 A delivery truck available to procure non-stocked parts from the area NAPA stores and/or any other suppliers on a timely basis.

1.1.4 Only Original Equipment ("O.E.") quality parts shall be sold to the City.

1.1.5 Provide tires and bulk lubricants.

1.1.6 All limited warranties available from the manufacturer.

1.1.7 The necessary equipment for the following:

- Lube equipment for dispensing oils and greases.
- Hydraulic hose making equipment (Gates or Weatherhead).

1.1.8 Classroom and hands-on training through CONTRACTOR'S representatives and factory-trained instructors on as-needed basis as directed by the City. Training

shall also include over 95 DVD training programs, 80 manufacturer clinics, and 46 toll-free tech service numbers.

1.1.9 A Total Automotive Management System (TAMS) computer with the following capabilities:

- Invoicing, cataloging, master interchange, inventory control, custom pricing, inventory stocking information, inventory on order information, inventory on backorder information, lost sales reports and analysis, automatic inventory min/max review, inventory costing.

1.1.10 Ability to check inventory levels and order from any NAPA Distribution Centers in the Western Division with approximately $200 million in inventory.

1.1.11 All daily and monthly reports generated by TAMS computer upon request by authorized City Management.

1.1.12 Properly invoice all parts at the time of sale.

1.1.13 Provide the City with a detailed statement at the end of the month showing all invoice numbers and amounts purchased.

1.1.14 Provide the City with a BIN location of all stock inventory items every quarter.

1.1.15 Enter any information into the City's inventory database system at the time of sale as required by City, including complete repair order information.

1.2 ***Inventory.*** CONTRACTOR shall manage and operate three stand-alone, NAPA-staffed, full-service vehicle parts shops at the three Full-Service Locations. NAPA shall stock the two Self-Service Shops on an as-needed basis, in accordance with the City's needs. NAPA agrees to provide stock and non-stock O.E. equipment parts, supplies and equipment or NAPA aftermarket items in equal or higher quality including but not limited to the following:

- Automotive Replacement Parts
- Heavy Duty Parts
- Farm and Marine Supplies
- Integrated Business Solutions
- Bulk Oil and other Lubricants Chemicals
- Tools and Equipment
- Automotive Accessories
- Paint and Refinishing Supplies
- Tires
- Office Supplies
- Training Programs

CONTRACTOR will endeavor to provide chemicals and cleaners that are environmental friendly (green).

1.2.1 ***Parts Availability.*** If a situation arises that NAPA cannot locate a given part, the City of Sacramento Fleet Maintenance personnel will be notified. Should the City of Sacramento Fleet Maintenance personnel know of a source for such a part, NAPA should be notified to enable us to procure the part for the City of Sacramento Fleet Maintenance. If NAPA cannot provide the item within the

time frame needed, City of Sacramento Fleet Division can procure this item from another source.

1.2.2 ***Cores.*** CONTRACTOR shall accept industry standard cores of equal value for core exchanges and rebuilding provided the cores are deemed acceptable by the manufacturer standards.

1.2.3 ***Daily Stock Replenishment.*** Daily stock replenishment at all of the City Locations will be provided to City of Sacramento by CONTRACTOR'S NAPA Distribution Center located at 4635 Northgate Blvd, Sacramento, CA 95834. If not in stock, high priority items (also referred to as "hot shot" items or other emergency items will be ordered through the CONTRACTOR'S network of retail parts stores, in order to get the part as soon as possible.

1.2.4 ***Custom Stock.*** CONTRACTOR shall custom stock, both in part number spread and depth, an inventory to fit the City's needs, based on the City's requirements, using NAPA & non-NAPA inventory. For parts stocked in the stockrooms, response time shall only be a matter of minutes. CONTRACTOR shall stock the City Locations such that the City's on-demand parts needs are met at least 90% of the time. To accomplish this, CONTRACTOR shall stock the City Locations with parts that have been purchased by the City a minimum of three times in two years. On demand is defined as merchandise issued to the City by NAPA upon receipt of the request for merchandise from the City. Merchandise is defined as parts or goods. NAPA brand is defined as any parts, goods, tools, etc. that is carried and cataloged for sales by NAPA. The parties may agree upon a way for Customer to measure CONTRACTOR's service levels.

NAPA agrees to provide stock and non-stock O.E. equipment parts, supplies and equipment or NAPA aftermarket items in equal or higher quality. NAPA agrees to allow City of Sacramento to inspect the quality of materials, supplies and equipment proposed to be furnished and the City of Sacramento reserves the right to reject any item(s) that do not meet O.E. specifications. NAPA will notify the City of Sacramento Fleet Management of any item(s) not able to be obtained within (3) three business days. CONTRACTOR will not be held liable for any item it is unable to obtain, or be liable for items obtained by the City of Sacramento that fail to perform satisfactorily. CONTRACTOR shall provide Customer with daily status updates for stock or non-stock parts on order that result in repair delays for City vehicles and equipment (i.e. estimated time for delivery, back orders, etc.)

Furthermore, as CONTRACTOR receives price increase notices from their vendors, those items will be reviewed at quarterly meetings with the City.

1.2.5 ***Automotive Inventory.*** CONTRACTOR to extend NAPA IBS pricing (discounted pricing on parts that NAPA has secured from other vendors) for the following automotive inventory where possible and available:

- National exclusive NAPA IBS pricing and supply program with Michelin, BF Goodrich, and Uniroyal tires.
- National exclusive NAPA IBS pricing and supply program on bulk oil/fluids and equipment with Castrol.

- National exclusive supply agreement with TW/Traction Heavy Duty Warehouse with access to over 180 medium/heavy truck application parts suppliers.
- Added-value services: NAPA TAMS has the capability to handle non parts room inventories in tracking, usage and controls. NAPA TAMS can track and control "loose inventories": Welding shop supplies, loose steel, bulk bin-stock products. In addition, NAPA will track and maintain specific inventories on mobile service trucks. This service centers around reducing inventory shrink, adding more controls, and making sure all parts and pieces are accounted for in the City's Inventory Database System.

1.2.6 ***Nonautomotive Inventory.*** CONTRACTOR shall have the ability to supply nonautomotive products that include, but are not limited to office products and industrial products.

- Office Products: CONTRACTOR has the capability to work with distributors to stock, inventory and supply office supplies for any integrated store customer. The TAMS computer has the capability to stock and track this inventory for the City as NAPA tracks inventory for automotive parts and accessories.
- Industrial Products: CONTRACTOR has the capability to work directly with warehouse distributors for industrial supplies and related products, to stock, inventory and supply industrial supply products for any integrated store customer.

1.2.7 ***Consignment.*** Mutually agreed upon amounts of inventory shall be maintained at the two Self-Service Shops on a consignment-basis, and shall be physically inventoried by Customer and CONTRACTOR on a bi-monthly basis. Any missing or damaged inventory that is stocked in a Self-Service shop shall be the responsibility of the City. Any such costs shall appear on City's monthly invoice, the month following each inventory. Inventory will be withdrawn by Customer from the storeroom(s) at such rate as is necessary to meet the fleet needs of the Customer. Until parts are withdrawn from the storeroom, title shall remain in NAPA.

NAPA agrees to be wholly responsible for the on-site inventory at the Full-Service Shops provided that the stock area is totally secured and NAPA is the only authorized party for access.

1.2.8 ***Local Business Enterprise.*** CONTRACTOR agrees to purchase a minimum of 5% of total purchased items from a Local Business Enterprise. Where possible, CONTRACTOR shall use Local Business Enterprises for outside purchases.

1.2.9 ***Evaluation of Non-NAPA Vendors.*** With the current number of government customers utilizing the IBS program from NAPA, CONTRACTOR shall have the ability to stock and/or procure any product required by the City of Sacramento, to include but are not limited to automotive, heavy duty, Ag product, and safety products.

NAPA's suppliers of IBS inventory shall be continually measured using the following criteria:

- Shipping Performance
  - Turnaround time - 24 hours
  - Order fill - 90%
- Product Quality - understand the unique aspects of IBS as it relates to specifications and quality control
- Sales Support – adaptable to changes or special requirements
- Pricing Support – pricing shall be competitive with industry standard
- General Services
- Offering of Clinics or Technical Information
- Effective Cataloging
- Communications/Responsiveness

1.2.10 ***Warranty.*** All inventory supplied pursuant to this Agreement are subject to the terms of written warranties provided by the manufacturer of each part, and CONTRACTOR shall use reasonable commercial efforts to assist the City in processing all warranty claims for the replacement or issuing credit for the part, including labor reimbursement for NAPA parts (labor reimbursement shall fall under the NAPA labor reimbursement policy which the parties agree does not apply to commercial vehicles). ALL OTHER WARRANTIES, BOTH EXPRESS AND IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTIBILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY EXCLUDED. Labor claims will be evaluated by NAPA's third party claims administrator for approval. Reimbursement shall be made in the form of a credit to the City's account. For non-NAPA parts, labor reimbursement and parts warranties shall be negotiated by the CONTRACTOR with each applicable non-NAPA vendor that the City may have against NAPA and/or the manufacturer. The on-site store personnel will process all warranty claims and provide the CITY with information received from each claim processed. The manufacturer's warranty will be the sole and exclusive remedy of the City in connection with any claims concerning the parts supplied to City pursuant to this Agreement. Copies of the manufacturers' warranties will be available to City upon request.

1.2.11 ***Buy-Back of Inventory.*** Upon the termination, expiration, or non-renewal of the contract, the City shall purchase all non- NAPA branded inventory that are less than two (2) years old from date of original receipt, at CONTRACTOR'S acquisition cost, the City shall have the option to purchase all NAPA branded inventory at CONTRACTOR'S acquisition cost. The City will not purchase non usable or used parts.

1.3 Delivery Vehicle. CONTRACTOR shall provide a delivery vehicle and driver to pick up and deliver to the maintenance facility any O.E. type parts from vendor sources. If a situation arises that NAPA cannot locate a given part, the City of Sacramento Fleet Maintenance personnel will be notified. Should the City of Sacramento Fleet Maintenance personnel know of a source for such a part, NAPA should be notified to enable NAPA to procure the part for the City of Sacramento Fleet Maintenance. For parts stocked in the stockroom, response time will be instant; for parts not stocked in the stockroom, response time will

range from thirty minutes to three hours, depending on where parts can be obtained. Response time for items ordered outside the immediate area will vary from twenty-four hours and up. If time is crucial, and the item is not in the immediate area, the City of Sacramento Fleet Maintenance personnel will be notified and a determination will be made on how, when, and where the item can be obtained.Notwithstanding the foregoing, the parties agree that CONTRACTOR will use reasonable commercial efforts to meet required delivery times, but conditions out of CONTRACTOR's reasonable control, such as adverse traffic or weather conditions, may delay deliveries that are required from off-site locations and CONTRACTOR will not be held liable in any manner for such delayed deliveries. CONTRACTOR's employees shall make such deliveries in a manner consistent with safe and responsible driving practices.

1.4 ***Invoicing.*** CONTRACTOR shall properly invoice all parts at the time of sale and provide a detailed statement at the end of the month, showing all invoice numbers and amounts purchased. City shall only pay for parts it purchases.

Each invoice generated through the TAMS shall include specific information. This includes the part number, quantities, description of part or service, price of each part, invoice number, P.O. or reference number, and equipment number (if necessary). Each receiving employee will be required to have a City Fleet Management approved work order. CONTRACTOR will also set up specific account numbers for different departments or fleet description, i.e. account for the truck fleet, auto fleet, and equipment.

NAPA will not issue any item(s) to any City personnel without proper work order and/or requisition.

CONTRACTOR shall provide a detailed statement at the end of the month, showing all invoice numbers and amounts purchased. Each statement will have numerical listings of all invoices by month as well as any information that is in the P.O. field of original invoice. One invoice detailed per city specification per location shall be generated electronically monthly. The invoice shall be itemized to meet City accounting requirements—no exceptions. All items invoiced shall reference City equipment numbers, work order numbers and purchase order number(s).

CONTRACTOR shall submit quarterly expense budgets for NAPA's Operating Costs to the City in advance for City approval. Also, provide quarterly status for over the counter fill rates for each location.

2 ***Systems***

2.1 ***Computer System.*** CONTRACTOR shall provide, as a portion of its monthly operating expense, a TAMS (Total Automotive Management System) computer to the City. Fleet Administration will require supervisor access to TAMS (view only). This computer will remain the property of NAPA in the event of termination of this contract. This computer and the TAMS system will perform complete inventory control and invoicing functions as described below, as well as cataloging and part number interchange capabilities. Each system would have a printer and Monitors as needed.

- Invoicing and Cataloging

- Master Interchange
- Inventory-Control
- Custom Pricing
- Parts in Stock and On Order
- Parts on Backorder Information
- Lost Sales Report & Analysis
- Automatic Stock Levels By Part
- Parts Cost

The TAMS system operates on a PC hardware platform. The system will consist of at least I Server, 1 PC workstation and a minimum of I printer.

Since the TAMS hardware platform is PC based and subject to change, the exact hardware platform will be determined upon the opening of the IBS Operation.

The TAMS system provides a complete point of sale ("POS"), NAPA Parts Catalog, Inventory Control & Replenishment and Reporting software solution to the NAPA employee. In addition, the TAMS system will be attached to the NAPA Wide-Area-Network providing the NAPA employee to access to the inventory in every Genuine Parts Company Owned NAPA Distribution Center as well as filtered internet connectivity to outside parts vendors.

The TAMS POS system will capture all inventory and sales transactions entered for the City of Sacramento IBS Operation. These transactions can be exported and provided to the City of Sacramento upon request. If an export is not desired, you may choose to utilize one of many Inventory or Sales Reports from our POS system.

Exports can be performed in a CSV (comma separated) format. All reports are in a text format.

2.2 Integration. CONTRACTOR shall integrate NAPA's TAMS system with the City's Inventory Database System. CONTRACTOR and Fleet Management shall notify each other of software and hardware updates/upgrades, maintenance, or other system changes that may affect integration prior to implementation.

CONTRACTOR'S integration shall support the following:

- Electronic Catalog Lookup
  - Keyword Search
  - Category/Subcategory
  - Part Number
  - Manufacturer Number Search
- Part Number Availability
- Electronic Ordering from NAPA
- Automatic update of the City's Inventory Database System Work Order
  - Electronic Part Requests Only

These orders and queries are represented in XML and transferred via http. However, these orders and queries are not submitted directly to the TAMS POS system. Transactions are routed thru the internet to GPC's B2Bbridge. The B2Bbridge receives the request and then sends the request to the TAMS system and returns the response back to the system for processing.

CONTRACTOR's TAMS system shall integrate with the City's Inventory Database System (currently AssetWorks as of the effective date of this agreement). CONTRACTOR, at its sole cost and expense, shall ensure any upgrades or revisions to the TAMS system fully integrate with the City's Inventory Database Management System.

2.3 Specialized Equipment and Internet Tools provided to the City of Sacramento Facility.

2.3.1 ***MIC – Market Inventory Classification System*** – This tool is used by the CONTRACTOR to list most vehicles in a fleet and find/stock all applicable replacement parts. This tool will aid NAPA in maintaining the right mix of inventory for the City of Sacramento.

2.3.2 ***ProLink Connectivity*** – CONTRACTOR to provide any PC located in the Sacramento Fleet facility access to NAPA ProLink. This is an internet-based tool to check inventory levels, costs, etc. on parts stocked in the Full-Service Shops and Self-Service Shops (www.napaprolink.com).

2.3.3 ***FleetCross – Medium/Heavy Duty OE/Aftermarket E-Catalogs*** – CONTRACTOR to provide the Sacramento Fleet facility with access to FleetCross on the web (www.fleetcross.com). NAPA will utilize its contract with FleetCross to provide IBS stores customized parts and service referencing systems for many OE vehicles, equipment, and parts. NAPA would have their current access to FleetCross Information available for the personnel in the parts room for the City.

2.3.4 ***Mitchell On-Demand*** – CONTRACTOR will provide the City with full access to Mitchell On-Demand through NAPA for:

- Cars and Light Trucks
- Medium Duty Trucks up to Class 7
- Class 8 Heavy Duty Trucks, Trailers, etc.

2.3.5 ***Stars System*** – This tool is used by the CONTRACTOR to run user reports to track measure fill rate, daily status, daily transactions, cost savings, and in-stock status of inventory.

3 Personnel and Work Location

3.1 ***Personnel.*** CONTRACTOR to review the City of Sacramento locations as it relates to hours of operation, vehicle and equipment serviced, inventory requirements (NAPA & non NAPA products), and any other variables. CONTRACTOR shall review staffing needs with the Fleet Management prior to any adjustments being made to staffing levels.

3.1.1 ***On-Site Manager/Assistant Manager*** - Manage the City of Sacramento Full-Service and Self-Service Shops, provide excellent service to the City, provide positive leadership to all store employees (who are all employees of CONTRACTOR), encourage strong City relations, and to provide a high level of efficiency through effective personnel and asset management. Fully implement and support NAPA and the City programs and objectives.

3.1.2 ***Counter Parts Professional/Driver*** - This will be a training position. This person(s) will report to the Parts Manager. Primary duties will consist of making parts pick-ups and delivery to the City of Sacramento's Full-Service

and Self-Service Shops. This person will, through training provided by NAPA and the Parts Manager, become accustomed to the day-to-day operation and needs of the City.

NAPA will provide a delivery vehicle and driver to pick up and deliver to the maintenance facility any O.E. type parts from vendor sources. For parts stocked in the stockroom, response time will be instant; for parts not stocked in the stockroom, response time will range from thirty minutes to three hours, depending on where parts can be obtained. Response time for items ordered outside the immediate area will vary from twenty-four hours and up. If time is crucial, and the item is not in the immediate area, the City of Sacramento Fleet Maintenance personnel will be notified and a determination will be made on how, when, and where the item can be obtained.

3.1.3 ***Employees.*** CONTRACTOR and City shall attempt in good-faith to mutually agree upon the identity of the persons that will be selected to staff the Full-Service Shops. If a CONTRACTOR employee bas violated any City workplace policy provided to the CONTRACTOR in writing, or has violated any applicable laws while on City's premises, CONTRACTOR agrees to comply with City's request to reassign from City duty, such CONTRACTOR employee. In all other cases where City wishes to remove or replace any of the CONTRACTOR's personnel in the Full-Service Shops, CONTRACTOR and City will attempt to resolve the City's request by mutual agreement. If CONTRACTOR and City fail to mutually resolve a personnel issue after good faith attempt to do so, CONTRACTOR agrees to suspend and remove the employee and perform a full investigation. The employee's return to Full-Service Shops will be at the City's discretion.

3.2 Work Locations. CONTRACTOR shall secure the inventory in all City Locations and agree that upon execution of the contract CONTRACTOR will review all locations and inventory requirements and determine the appropriate space requirements needed to meet the expectations of the City.

3.3 ***Office Equipment.*** CONTRACTOR shall provide the necessary office equipment, phones, and data lines.

3.4 Security and Confidentiality. CONTRACTOR understands the need to maintain security of information and confidentiality and CONTRACTOR and all personnel employed by CONTRACTOR on the City properties must comply with current City policies and procedures including but not limited to security and confidentiality.

3.5 ***Training.*** On a weekly basis, CONTRACTOR shall notify the City of any available training.

4 ***City Locations and Schedule.*** CONTRACTOR shall service all City Fleet locations noted below and all locations shall be stocked with inventory adequate to meet the City's 90% fill rate. The following schedule was based on the current work schedule, current parts usage and space available at each location and is subject to change as needed. All locations with the exception of 24th Street are subject to be open on Holidays.

Full-Service Shops Locations	Parts Personnel Hours Monday - Friday	Delivery Driver Hours
24th Street	7:00 a.m. – 7:00 p.m.	7:00 a.m. – 7:00 p.m.
Meadowview	7:00 a.m. – 7:00 p.m.	Serviced by 24th Street
North Area Corp Yard (NACY)	7:00 a.m. – 7:00 p.m.	Serviced by 24th Street
Self-Service Shops Locations	**Parts Personnel Hours Monday - Friday**	**Delivery Driver Hours**
Kinney Facility	Serviced by NACY	Serviced by 24th Street
Rooney Facility	Serviced by 24th Street	Serviced by 24th Street

EXHIBIT B

NONPROFESSIONAL SERVICES AGREEMENT

FEE SCHEDULE/MANNER OF PAYMENT

1. **CONTRACTOR's Compensation.** The total of all fees paid to the CONTRACTOR for the performance of all services set forth in Exhibit A, including normal revisions (hereafter the "Services"), and for all authorized Reimbursable Expenses, shall not exceed the total sum of $8,300,000.00 _____.

2. **Billable Rates.** CONTRACTOR shall be paid for the performance of Services on an hourly rate, daily rate, flat fee, lump sum or other basis, as set forth in Attachment 1 to Exhibit B, attached hereto and incorporated herein. *[Attach list of billable rates that apply, labeled "Attachment 1 to Exhibit B".]*

3. **CONTRACTOR's Reimbursable Expenses.** Reimbursable Expenses shall be limited to actual expenditures of CONTRACTOR for expenses that are necessary for the proper completion of the Services and shall only be payable if specifically authorized in advance by CITY.

4. **Payments to CONTRACTOR.**

   A. Payments to CONTRACTOR shall be made within a reasonable time after receipt of CONTRACTOR's invoice, said payments to be made in proportion to services performed or as otherwise specified in Attachment 1 to Exhibit B. CONTRACTOR may request payment on a monthly basis. CONTRACTOR shall be responsible for the cost of supplying all documentation necessary to verify the monthly billings to the satisfaction of CITY.

   B. All invoices submitted by CONTRACTOR shall contain the following information:

      (1) Job Name
      (2) Description of services billed under this invoice, and overall status of project
      (3) Date of Invoice Issuance
      (4) Sequential Invoice Number
      (5) CITY's Purchase Order Number
      (6) Total Contract Amount
      (7) Amount of this Invoice (Itemize all Reimbursable Expenses)
      (8) Total Billed to Date
      (9) Total Remaining on Contract
      (10) Updated project schedule. This shall identify those steps that shall be taken to bring the project back on schedule if it is behind schedule.

   C. Items shall be separated into Services and Reimbursable Expenses. Billings that do not conform to the format outlined above shall be returned to CONTRACTOR for correction.

CITY shall not be responsible for delays in payment to CONTRACTOR resulting from CONTRACTOR's failure to comply with the invoice format described below.

D. Requests for payment shall be sent to:

City of Sacramento
Fleet Management Division
5730 24th St., Bldg 1
Sacramento, CA 95822
Phone: (916) 808-6631 / E-mail: DChoe@cityofsacramento.org
Attn: Daniel Choe

5. **Additional Services.** Additional Services are those services related to the scope of services of CONTRACTOR set forth in Exhibit A but not anticipated at the time of execution of this Agreement. Additional Services shall be provided only when a Supplemental Agreement authorizing such Additional Services is approved by CITY in accordance with CITY's Supplemental Agreement procedures. CITY reserves the right to perform any Additional Services with its own staff or to retain other contractors to perform said Additional Services.

6. **Accounting Records of CONTRACTOR.** During performance of this Agreement and for a period of two (2) years after completing all Services and Additional Services hereunder, CONTRACTOR shall maintain all accounting and financial records related to this Agreement, including, but not limited to, records of CONTRACTOR's costs for all Services and Additional Services performed under this Agreement and records of CONTRACTOR's Reimbursable Expenses, in accordance with generally accepted accounting practices, and shall keep and make such records available for inspection and audit by representatives of the CITY upon a minimum of ten (10) days written notice. All costs and expenses related to any audit shall be borne exclusively by the CITY.

7. **Taxes.** CONTRACTOR shall pay, when and as due, any and all taxes incurred as a result of CONTRACTOR's compensation hereunder, including estimated taxes, and shall provide CITY with proof of such payment upon request. CONTRACTOR hereby agrees to indemnify CITY for any claims, losses, costs, fees, liabilities, damages or injuries suffered by CITY arising out of CONTRACTOR's breach of this Section 7.

ATTACHMENT 1 TO EXHIBIT B

City of Sacramento

On-Site Fleet Parts and Inventory Program

BILLABLE RATES

1. ***Definitions.***

   1.1 Products. All inventory purchased by the City of Sacramento pursuant to this Agreement (including products manufactured by both NAPA suppliers and non-NAPA suppliers), including tires and bulk lubricants.

   1.2 ***Operational Expenses.*** Any and all costs and expenses associated with the operation of the Full-Service Shops or the vehicles used by CONTRACTOR in the operation of those stores, including but not limited to, salary and benefits payable to NAPA employees at the Full-Service Shops, workers compensation benefits and insurance, unemployment insurance, personal property insurance for the Full-Service Shops and Inventory, any deductible for losses covered under the personal property, automobile liability or general liability insurance policies of NAPA and all equipment supplied by NAPA.

2. ***Compensation.*** City shall compensate CONTRACTOR at the following rates:

Product/Service	Compensation
Products with an acquisition cost of $1,000 or less	The City shall receive a discount based on its total expenditures under the Agreement. The more the City spends, the greater the discount, as noted below: • Total City expenditures less than $2.4 million: Billed to the City at a 10% gross profit rate • Total City expenditures of over $2.4 million to$4.5 Million: Billed to the City at a 9% gross profit rate • Total City expenditures of over $4.5 million: Billed to the City at a 8% gross profit rate
Products with an acquisition cost of more than $1,000	• Acquisition cost of $1000.01- $5,000: Billed to the City at a 7% gross profit rate • Acquisition cost of $5000.01- $10,000: Billed to the City at a 5% gross profit rate • Acquisition cost of $10,000.01 or greater: Billed to the City at a 3% gross profit rate
Operational Expenses	Billed to the City at cost. An example of a profit and loss statement reflecting such costs and expenses will be provided to the City. NAPA shall provide any and all reasonable documentation the City requires to confirm the legitimacy of such expense.

3. ***Billing Operational Expenses.*** Operational Expenses will be charged to the City at cost, with all such charges to be included in the City of Sacramento monthly billing statement. The City will be billed at the end of each month for these expenses on an "in arrears" basis. CONTRACTOR will provide the City of Sacramento with a monthly cost statement/Profit and Loss Statement that will detail every operational expense to the City.

4. **City Employee Discount.** CONTRACTOR shall extend the pricing rates outlined in this Agreement to all City employees. Purchases by City of Sacramento employees shall not be made from any of the City Locations, but rather only through local NAPA stores that are open to the public.

EXHIBIT C

NONPROFESSIONAL SERVICES AGREEMENT

FACILITIES AND EQUIPMENT TO BE PROVIDED BY CITY

CITY shall [*check one*]

_____ Not furnish any facilities or equipment for this Agreement; or

__X__ Provide space at the following City locations for CONTRACTOR to use in accordance with the Scope of Services as stated in Exhibit A:

Sacramento Corporation Yard South
5730 24th Street
Sacramento, CA 95822

Meadowview Service Center
2812 Meadowview Road
Sacramento, CA 95832

North Area Corp Yard (NACY)
918 Del Paso Road
Sacramento, CA 95834

Kinney Police Facility
3550 Marysville Boulevard
Sacramento, CA 95838

Rooney Police Facility
5303 Franklin Boulevard
Sacramento, CA 95820

EXHIBIT D
NONPROFESSIONAL SERVICES AGREEMENT

GENERAL PROVISIONS

1. **Independent Contractor.**

A. It is understood and agreed that CONTRACTOR (including CONTRACTOR's employees) is an independent contractor and that no relationship of employer-employee exists between the parties hereto for any purpose whatsoever. Neither CONTRACTOR nor CONTRACTOR's assigned personnel shall be entitled to any benefits payable to employees of CITY. CITY is not required to make any deductions or withholdings from the compensation payable to CONTRACTOR under the provisions of this Agreement, and CONTRACTOR shall be issued a Form 1099 for its services hereunder. As an independent contractor, CONTRACTOR hereby agrees to indemnify and hold CITY harmless from any and all claims that may be made against CITY based upon any contention by any of CONTRACTOR's employees or by any third party, including but not limited to any state or federal agency, that an employer-employee relationship or a substitute therefor exists for any purpose whatsoever by reason of this Agreement or by reason of the nature and/or performance of any Services under this Agreement. (As used in this Exhibit D, the term "Services" shall include both Services and Additional Services as such terms are defined elsewhere in this Agreement.)

B. It is further understood and agreed by the parties hereto that CONTRACTOR, in the performance of its obligations hereunder, is subject to the control and direction of CITY as to the designation of tasks to be performed and the results to be accomplished under this Agreement, but not as to the means, methods, or sequence used by CONTRACTOR for accomplishing such results. To the extent that CONTRACTOR obtains permission to, and does, use CITY facilities, space, equipment or support services in the performance of this Agreement, this use shall be at the CONTRACTOR's sole discretion based on the CONTRACTOR's determination that such use will promote CONTRACTOR's efficiency and effectiveness. Except as may be specifically provided elsewhere in this Agreement, the CITY does not require that CONTRACTOR use CITY facilities, equipment or support services or work in CITY locations in the performance of this Agreement.

C. If, in the performance of this Agreement, any third persons are employed by CONTRACTOR, such persons shall be entirely and exclusively under the direction, supervision, and control of CONTRACTOR. Except as may be specifically provided elsewhere in this Agreement, all terms of employment, including hours, wages, working conditions, discipline, hiring, and discharging, or any other terms of employment or requirements of law, shall be determined by CONTRACTOR. It is further understood and agreed that CONTRACTOR shall issue W-2 or 1099 Forms for income and employment tax purposes, for all of CONTRACTOR's assigned personnel and subcontractors.

D. The provisions of this Section 1 shall survive any expiration or termination of this

Agreement. Nothing in this Agreement shall be construed to create an exclusive relationship between CITY and CONTRACTOR. CONTRACTOR may represent, perform services for, or be employed by such additional persons or companies as CONTRACTOR sees fit provided that CONTRACTOR does not violate the provisions of Section 5, below.

2. **Licenses; Permits, Etc.** CONTRACTOR represents and warrants that CONTRACTOR has all licenses, permits, City Business Operations Tax Certificate, qualifications, and approvals of whatsoever nature that are legally required for CONTRACTOR to practice its profession or provide any services under the Agreement. CONTRACTOR represents and warrants that CONTRACTOR shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement any licenses, permits, and approvals that are legally required for CONTRACTOR to practice its profession or provide such Services. Without limiting the generality of the foregoing, if CONTRACTOR is an out-of-state corporation, CONTRACTOR warrants and represents that it possesses a valid certificate of qualification to transact business in the State of California issued by the California Secretary of State pursuant to Section 2105 of the California Corporations Code.

3. **Time.** CONTRACTOR shall devote such time and effort to the performance of Services pursuant to this Agreement as is necessary for the satisfactory and timely performance of CONTRACTOR's obligations under this Agreement. Neither party shall be considered in default of this Agreement, to the extent that party's performance is prevented or delayed by any cause, present or future, that is beyond the reasonable control of that party.

4. **CONTRACTOR Not Agent.** Except as CITY may specify in writing, CONTRACTOR and CONTRACTOR's personnel shall have no authority, express or implied, to act on behalf of CITY in any capacity whatsoever as an agent. CONTRACTOR and CONTRACTOR's personnel shall have no authority, express or implied, to bind CITY to any obligations whatsoever.

5. **Conflicts of Interest.** CONTRACTOR covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, that would conflict in any manner with the interests of CITY or that would in any way hinder CONTRACTOR's performance of Services under this Agreement. CONTRACTOR further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor, without the written consent of CITY. CONTRACTOR agrees to avoid conflicts of interest or the appearance of any conflicts of interest with the interests of CITY at all times during the performance of this Agreement. If CONTRACTOR is or employs a former officer or employee of the CITY, CONTRACTOR and any such employee(s) shall comply with the provisions of Sacramento City Code Section 2.16.090 pertaining to appearances before the City Council or any CITY department, board, commission or committee.

6. **Confidentiality of CITY Information.** During performance of this Agreement, CONTRACTOR may gain access to and use CITY information regarding inventions, machinery, products, prices, apparatus, costs, discounts, future plans, business affairs, governmental affairs, processes, trade secrets, technical matters, systems, facilities, customer lists, product design, copyright, data, and other vital information (hereafter collectively referred to as "City Information") that

are valuable, special and unique assets of the CITY. CONTRACTOR agrees to protect all City Information and treat it as strictly confidential, and further agrees that CONTRACTOR shall not at any time, either directly or indirectly, divulge, disclose or communicate in any manner any City Information to any third party without the prior written consent of CITY. In addition, CONTRACTOR shall comply with all CITY policies governing the use of the CITY network and technology systems, as set forth in applicable provisions of the City of Sacramento Administrative Policy Instructions # 30. A violation by CONTRACTOR of this Section 6 shall be a material violation of this Agreement and shall justify legal and/or equitable relief.

7. CONTRACTOR Information.

A. CITY shall have full ownership and control, including ownership of any copyrights, of all information prepared, produced, or provided by CONTRACTOR pursuant to this Agreement. In this Agreement, the term "information" shall be construed to mean and include: any and all work product, submittals, reports, plans, specifications, and other deliverables consisting of documents, writings, handwritings, typewriting, printing, photostatting, photographing, computer models, and any other computerized data and every other means of recording any form of information, communications, or representation, including letters, works, pictures, drawings, sounds, or symbols, or any combination thereof. CONTRACTOR shall not be responsible for any unauthorized modification or use of such information for other than its intended purpose by CITY.

B. CONTRACTOR shall fully defend, indemnify and hold harmless CITY, its officers and employees, and each and every one of them, from and against any and all claims, actions, lawsuits or other proceedings alleging that all or any part of the information prepared, produced, or provided by CONTRACTOR pursuant to this Agreement infringes upon any third party's trademark, trade name, copyright, patent or other intellectual property rights. CITY shall make reasonable efforts to notify CONTRACTOR not later than ten (10) days after CITY is served with any such claim, action, lawsuit or other proceeding, provided that CITY's failure to provide such notice within such time period shall not relieve CONTRACTOR of its obligations hereunder, which shall survive any termination or expiration of this Agreement.

C. All proprietary and other information received from CONTRACTOR by CITY, whether received in connection with CONTRACTOR's proposal to CITY or in connection with any Services performed by CONTRACTOR, will be disclosed upon receipt of a request for disclosure, pursuant to the California Public Records Act; provided, however, that, if any information is set apart and clearly marked "trade secret" when it is provided to CITY, CITY shall give notice to CONTRACTOR of any request for the disclosure of such information. The CONTRACTOR shall then have five (5) days from the date it receives such notice to enter into an agreement with the CITY, satisfactory to the City Attorney, providing for the defense of, and complete indemnification and reimbursement for all costs (including plaintiff's attorney fees) incurred by CITY in any legal action to compel the disclosure of such information under the California Public Records Act. The CONTRACTOR shall have sole responsibility for defense of the actual "trade secret"

designation of such information.

D. The parties understand and agree that any failure by CONTRACTOR to respond to the notice provided by CITY and/or to enter into an agreement with CITY, in accordance with the provisions of subsection C, above, shall constitute a complete waiver by CONTRACTOR of any rights regarding the information designated "trade secret" by CONTRACTOR, and such information shall be disclosed by CITY pursuant to applicable procedures required by the Public Records Act.

8. **Standard of Performance.** CONTRACTOR shall perform all Services required pursuant to this Agreement in the manner and according to the standards currently observed by a competent practitioner of CONTRACTOR's profession in California. All products of whatsoever nature that CONTRACTOR delivers to CITY pursuant to this Agreement shall be prepared in a professional manner and conform to the standards of quality normally observed by a person currently practicing in CONTRACTOR's profession, and shall be provided in accordance with any schedule of performance specified in Exhibit A. CONTRACTOR shall assign only competent personnel to perform Services pursuant to this Agreement. CONTRACTOR shall notify CITY in writing of any changes in CONTRACTOR's staff assigned to perform the Services required under this Agreement, prior to any such performance. In the event that CITY, at any time during the term of this Agreement, desires the removal of any person assigned by CONTRACTOR to perform Services pursuant to this Agreement, because CITY, in its sole discretion, determines that such person is not performing in accordance with the standards required herein, CONTRACTOR shall remove such person immediately upon receiving notice from CITY of the desire of CITY for the removal of such person.

9. **Term; Suspension; Termination.**

A. This Agreement shall become effective on the date that it is approved by both parties, set forth on the first page of the Agreement, and shall continue in effect until both parties have fully performed their respective obligations under this Agreement, unless sooner terminated as provided herein.

B. CITY shall have the right at any time to temporarily suspend CONTRACTOR's performance hereunder, in whole or in part, by giving a written notice of suspension to CONTRACTOR. If CITY gives such notice of suspension, CONTRACTOR shall immediately suspend its activities under this Agreement, as specified in such notice.

C. Either CITY or CONTRACTOR may terminate this Agreement for its convenience by giving the other party at least sixty (60) days prior written notice of such termination. If CITY terminates this Agreement:

(1) CONTRACTOR shall, not later than five days after the effective date of termination, deliver to CITY copies of all information prepared pursuant to this Agreement.

(2) CITY shall pay CONTRACTOR the reasonable value of Services rendered by CONTRACTOR prior to termination; provided, however, CITY shall not in any manner be liable for lost profits that might have been made by CONTRACTOR had the Agreement not been terminated or had CONTRACTOR completed the Services required by this Agreement. In this regard, CONTRACTOR shall furnish to CITY such financial information as in the judgment of the CITY is necessary for CITY to determine the reasonable value of the Services render by CONTRACTOR. The foregoing is cumulative and does not affect any right or remedy that CITY may have in law or equity.

10. Indemnity.

A. Indemnity: CONTRACTOR shall defend, hold harmless and indemnify CITY, its officers and employees, and each and every one of them, from and against any and all actions, damages, costs, liabilities, claims, demands, losses, judgments, penalties, costs and expenses of every type and description, including, but not limited to, any fees and/or costs reasonably incurred by CITY's staff attorneys or outside attorneys and any fees and expenses incurred in enforcing this provision (hereafter collectively referred to as "Liabilities"), including but not limited to Liabilities arising from personal injury or death, damage to personal, real or intellectual property or the environment, contractual or other economic damages, or regulatory penalties, arising out of or in any way connected with performance of or failure to perform this Agreement by CONTRACTOR, any subcontractor or agent, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, whether or not (i) such Liabilities are caused in part by a party indemnified hereunder or (ii) such Liabilities are litigated, settled or reduced to judgment; provided that the foregoing indemnity does not apply to liability for any damage or expense for death or bodily injury to persons or damage to property to the extent arising from the sole negligence or willful misconduct of CITY, its agents, servants, or independent contractors who are directly responsible to CITY, except when such agents, servants, or independent contractors are under the direct supervision and control of CONTRACTOR.

B. Insurance Policies; Intellectual Property Claims: The existence or acceptance by CITY of any of the insurance policies or coverages described in this Agreement shall not affect or limit any of CITY's rights under this Section 10, nor shall the limits of such insurance limit the liability of CONTRACTOR hereunder. This Section 10 shall not apply to any intellectual property claims, actions, lawsuits or other proceedings subject to the provisions of Section 7.B., above. The provisions of this Section 10 shall survive any expiration or termination of this Agreement.

11. Insurance Requirements. During the entire term of this Agreement, CONTRACTOR shall maintain the insurance coverage described in this Section 11.

Full compensation for all premiums that CONTRACTOR is required to pay for the insurance coverage described herein shall be included in the compensation specified for the Services

provided by CONTRACTOR under this Agreement. No additional compensation will be provided for CONTRACTOR's insurance premiums.

It is understood and agreed by the CONTRACTOR that its liability to the CITY shall not in any way be limited to or affected by the amount of insurance coverage required or carried by the CONTRACTOR in connection with this Agreement.

A. Minimum Scope & Limits of Insurance Coverage

(1) Commercial General Liability Insurance, providing coverage at least as broad as ISO CGL Form 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage and personal injury, with limits of not less than three million dollars ($3,000,000) per occurrence. The policy shall provide contractual liability and products and completed operations coverage for the term of the policy.

(2) Automobile Liability Insurance providing coverage at least as broad as ISO Form CA 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage and personal injury, with limits of not less than two million dollars ($2,000,000) per occurrence. The policy shall provide coverage for owned, non-owned and/or hired autos as appropriate to the operations of the CONTRACTOR.

No automobile liability insurance shall be required if CONTRACTOR completes the following certification:

"I certify that a motor vehicle will not be used in the performance of any work or services under this agreement." _____ (CONTRACTOR initials)

(3) Workers' Compensation Insurance with statutory limits, and Employers' Liability Insurance with limits of not less than one million dollars ($1,000,000). The Worker's Compensation policy shall include a waiver of subrogation for contracts involving construction or maintenance, or if required by the CITY by selecting the option below:

__X__ Workers' Compensation waiver of subrogation in favor of the City is required for all work performed by the CONTRACTOR.

No Workers' Compensation insurance shall be required if CONTRACTOR completes the following certification:

"I certify that my business has no employees, and that I do not employ anyone. I am exempt from the legal requirements to provide Workers' Compensation insurance." _____ (CONTRACTOR initials)

B. Additional Insured Coverage

(1) Commercial General Liability Insurance: The CITY, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insureds as respects general liability arising out of activities performed by or on behalf of CONTRACTOR, products and completed operations of CONTRACTOR, and premises owned, leased or used by CONTRACTOR. The general liability additional insured endorsement must be signed by an authorized representative of the insurance carrier for contracts involving construction or maintenance, or if required by the CITY by selecting the option below:

_____ Additional insured endorsement must be signed by an authorized representative of the insurance carrier.

If the policy includes a blanket additional insured endorsement or contractual additional insured coverage, the above signature requirement may be fulfilled by submitting that document with a signed declaration page referencing the blanket endorsement or policy form.

(2) Automobile Liability Insurance: The CITY, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insureds as respects auto liability.

C. Other Insurance Provisions

The policies are to contain, or be endorsed to contain, the following provisions:

(1) CONTRACTOR's insurance coverage shall be primary insurance as respects CITY, its officials, employees and volunteers. Any insurance or self-insurance maintained by CITY, its officials, employees or volunteers shall be in excess of CONTRACTOR's insurance and shall not contribute with it.

(2) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to CITY, its officials, employees or volunteers.

(3) Coverage shall state that CONTRACTOR's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

(4) CITY will be provided with thirty (30) days written notice of cancellation or material change in the policy language or terms.

D. Acceptability of Insurance

Insurance shall be placed with insurers with a Bests' rating of not less than A:V. Self-

insured retentions, policy terms or other variations that do not comply with the requirements of this Section 11 must be declared to and approved by the CITY Risk Management Division in writing prior to execution of this Agreement.

E. Verification of Coverage

(1) CONTRACTOR shall furnish CITY with certificates and required endorsements evidencing the insurance required. The certificates and endorsements shall be forwarded to the CITY representative named in Exhibit A. Copies of policies shall be delivered to the CITY on demand. Certificates of insurance shall be signed by an authorized representative of the insurance carrier.

(2) The CITY may withdraw its offer of contract or cancel this Agreement if the certificates of insurance and endorsements required have not been provided prior to execution of this Agreement. The CITY may withhold payments to CONTRACTOR and/or cancel the Agreement if the insurance is canceled or CONTRACTOR otherwise ceases to be insured as required herein.

F. Subcontractors

CONTRACTOR shall require and verify that all subcontractors maintain insurance coverage that meets the minimum scope and limits of insurance coverage specified in subsection A, above.

12. **Equal Employment Opportunity.** During the performance of this Agreement, CONTRACTOR, for itself, its assignees and successors in interest, agrees as follows:

A. Compliance With Regulations: CONTRACTOR shall comply with the Executive Order 11246 entitled "Equal Opportunity in Federal Employment", as amended by Executive Order 11375 and 12086, and as supplemented in Department of Labor regulations (41 CFR Chapter 60), hereinafter collectively referred to as the "Regulations".

B. Nondiscrimination: CONTRACTOR, with regards to the work performed by it after award and prior to completion of the work pursuant to this Agreement, shall not discriminate on the ground of race, color, religion, sex, national origin, age, marital status, physical handicap or sexual orientation in selection and retention of subcontractors, including procurement of materials and leases of equipment. CONTRACTOR shall not participate either directly or indirectly in discrimination prohibited by the Regulations.

C. Solicitations for Subcontractors, Including Procurement of Materials and Equipment: In all solicitations either by competitive bidding or negotiations made by CONTRACTOR for work to be performed under any subcontract, including all procurement of materials or equipment, each potential subcontractor or supplier shall be notified by CONTRACTOR of CONTRACTOR's obligation under this Agreement and the Regulations relative to nondiscrimination on the ground of race, color, religion, sex, national origin, age, marital

status, physical handicap or sexual orientation.

D. Information and Reports: CONTRACTOR shall provide all information and reports required by the Regulations, or by any orders or instructions issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information and its facilities as may be determined by the CITY to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of CONTRACTOR is in the exclusive possession of another who fails or refuses to furnish this information, CONTRACTOR shall so certify to the CITY, and shall set forth what efforts it has made to obtain the information.

E. Sanctions for Noncompliance: In the event of noncompliance by CONTRACTOR with the nondiscrimination provisions of this Agreement, the CITY shall impose such sanctions as it may determine to be appropriate including, but not limited to:

(1) Withholding of payments to CONTRACTOR under this Agreement until CONTRACTOR complies;

(2) Cancellation, termination, or suspension of the Agreement, in whole or in part.

F. Incorporation of Provisions: CONTRACTOR shall include the provisions of subsections A through E, above, in every subcontract, including procurement of materials and leases of equipment, unless exempted by the Regulations, or by any order or instructions issued pursuant thereto. CONTRACTOR shall take such action with respect to any subcontract or procurement as the CITY may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event CONTRACTOR becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, CONTRACTOR may request CITY to enter such litigation to protect the interests of CITY.

13. **Entire Agreement.** This document, including all Exhibits, contains the entire agreement between the parties and supersedes whatever oral or written understanding they may have had prior to the execution of this Agreement. No alteration to the terms of this Agreement shall be valid unless approved in writing by CONTRACTOR, and by CITY, in accordance with applicable provisions of the Sacramento City Code.

14. **Severability.** If any portion of this Agreement or the application thereof to any person or circumstance shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

15. **Waiver.** Neither CITY acceptance of, or payment for, any Service or Additional Service performed by CONTRACTOR, nor any waiver by either party of any default, breach or condition precedent, shall be construed as a waiver of any provision of this Agreement, nor as a waiver of any other default, breach or condition precedent or any other right hereunder.

16. **Enforcement of Agreement.** This Agreement shall be governed, construed and enforced in accordance with the laws of the State of California. Venue of any litigation arising out of or connected with this Agreement shall lie exclusively in the state trial court or Federal District Court located in Sacramento County in the State of California, and the parties consent to jurisdiction over their persons and over the subject matter of any such litigation in such courts, and consent to service of process issued by such courts.

17. **Assignment Prohibited.** The expertise and experience of CONTRACTOR are material considerations for this Agreement. CITY has a strong interest in the qualifications and capability of the persons and entities that will fulfill the obligations imposed on CONTRACTOR under this Agreement. In recognition of this interest, CONTRACTOR shall not assign any right or obligation pursuant to this Agreement without the written consent of the CITY. Any attempted or purported assignment without CITY's written consent shall be void and of no effect.

18. **Binding Effect.** This Agreement shall be binding on the heirs, executors, administrators, successors and assigns of the parties, subject to the provisions of Section 17, above.

19. **Use Tax Requirements.** During the performance of this Agreement, CONTRACTOR, for itself, its assignees and successors in interest, agrees as follows:

    A. Use Tax Direct Payment Permit: For all leases and purchases of materials, equipment, supplies, or other tangible personal property used to perform the Contract or Agreement and shipped from outside California, the Contractor and any subcontractors leasing or purchasing such materials, equipment, supplies or other tangible personal property shall obtain a Use Tax Direct Payment Permit from the California State Board of Equalization ("SBE") in accordance with the applicable SBE criteria and requirements.

    B. Sellers Permit: For any construction contract and any construction subcontract in the amount of $5,000,000 or more, Contractor and the subcontractor(s) shall obtain sellers permits from the SBE and shall register the jobsite as the place of business for the purpose of allocating local sales and use tax to the City. Contractor and its subcontractors shall remit the self-accrued use tax to the SBE, and shall provide a copy of each remittance to the City.

    C. The above provisions shall apply in all instances unless prohibited by the funding source for the Contract or Agreement.

EXHIBIT E
LIVING WAGE REQUIREMENTS
(Nonprofessional Service Agreement)

The Living Wage Ordinance

The City of Sacramento's Living Wage Ordinance (the "LWO") is codified as Chapter 3.58 of the Sacramento City Code. The LWO requires certain firms that enter into agreements or contracts (all subsequent references to a "contract" or "contracts" will refer to both contracts and agreements) to provide certain services to or for the CITY, to pay a specified minimum level of compensation to their employees for time spent performing any work on the CITY contract. The LWO also applies to certain subcontractors.

The LWO applies to contracts entered into, amended, or renewed or extended at the CITY's discretion, on or after March 1, 2004 (the "LWO Effective Date").

Contracts and Contractors Covered by the LWO

Determining whether the LWO applies to a specific CITY contract, contractor or subcontractor, depends on whether the contract, contractor and/or subcontractor meet the criteria specified in the LWO for contract type, contract amount, contractor size (# of employees), subcontract amount and subcontractor size (# of employees). These criteria are summarized below.

Contract Type

The LWO applies only to contracts for Nonprofessional Services. Under the LWO, this includes contracts for any services of a nonprofessional character, including but not limited to tree trimming services, repair services for motor vehicles and office equipment, vehicle towing, and security services.

The LWO does not apply to: (1) Incidental services, such as delivery, installation or maintenance, that are provided under contracts for the purchase or lease of equipment, supplies, or other personal property; (2) contracts that are subject to CITY, state, or federal prevailing-wage requirements; (3) contracts for professional services (including but not limited to services rendered by engineers, architects, auditors, banks, consultants, actuaries and attorneys); and (4) contracts with nonprofit corporations that are organized under section 501 of the Internal Revenue Code and have fewer than 100 employees, whether full or part time.

Contract Amount

The LWO applies to contracts entered into or amended after the LWO Effective Date that provide compensation from the CITY of $100,000 or more. In addition, the LWO applies to a contract entered into or amended after the LWO Effective Date that, by itself, does not reach this amount, if the aggregate value of that contract and of any other Nonprofessional Services contracts covered by the LWO that the CITY has awarded to the same person or firm within the previous 12 months, is $100,000 or more. IT IS THE CONTRACTOR'S RESPONSIBILITY TO DETERMINE WHETHER THIS AGGREGATE VALUE IS $100,000 OR MORE, AND TO NOTIFY THE CITY IN WRITING WHENEVER THIS IS THE CASE.

Contractor Size

The LWO only applies to a contractor that has at least 25 employees, working either full or part time. The number of employees that a contractor has is determined by adding the contractor's employees and the employees of any other person or entity deemed to be a "Related Person" under the LWO.[a]

Subcontract Amount

The LWO applies to a subcontractor providing services under a covered contract if the amount of the subcontract is at least 25 % of the contract amount, without regard to the number of employees the subcontractor has.

Subcontractor Size

The LWO also applies to a subcontractor providing services under a covered contract if the subcontractor has at least 25 employees, working either full or part time, whether or not the amount of the subcontract is at least 25 % of the contract amount.

Payment of Living Wage to Covered Employees

If a contractor or subcontractor meets the criteria specified in the LWO for contract type, contract amount, contractor size, subcontract amount and/or subcontractor size, the contractor or subcontractor is deemed to be a "Covered Employer" under the LWO. The LWO requires a Covered Employer to provide specified minimum compensation to its employees who perform work directly related to the CITY contract (these employees are called "Covered Employees" under the LWO), for all hours the Covered Employees perform under the CITY contract.[b]

---

[a] The LWO provides that a person or entity is a Related Person when any of the following circumstances exists:

(1) The person or entity and the contractor are both corporations, and (i) share a majority of members of their governing boards, or (ii) have two or more officers in common, or (iii) are controlled by the same majority shareholder or shareholders (control means more than 50% of the corporation's voting power), or (iv) are in a parent-subsidiary relationship (such a relationship exists when one corporation directly or indirectly owns shares possessing more than 50% of another corporation's voting power); or

(2) The person or entity otherwise controls and directs, or is controlled and directed by, the contractor, as determined by the City Manager.

[b] A Covered Employee includes full-time, part-time, contingent, contract and temporary employees, but does not include: (1) individuals who participate in job-training-and-education programs that have, as their express purpose, the provision of basic job skills and education to participants, with the goal of earning a high-school-equivalency diploma and permanent employment; (2) student interns; (3) individuals participating in specialized-training programs; and (4) an employee whose term and conditions

The minimum compensation required is as follows:

(1) If health benefits are provided to Covered Employees and the Covered Employer's contribution for the benefits is at least $1.50 for each hour, then the rates are as follows:

(a) During 2007, the greater of $10.00 an hour or $9.00 adjusted by the increase in the Consumer Price Index for All Urban Consumers, San Francisco/Oakland/San Jose area (1982--1984=100) from January 1, 2004, through December 31, 2006.

(b) For each year after 2007, the rate shall be based on the rate from the immediately preceding year adjusted by the increase in the Consumer Price Index for All Urban Consumers, San Francisco/Oakland/San Jose area (1982--1984=100) from January 1 through December 31 of the immediately preceding year.

(2) If health benefits are not provided to Covered Employees or if health benefits are provided but the Covered Employer's contribution for the benefits is less than $1.50 for each hour, then the rates are as follows:

(a) During 2007, the greater of $11.50 an hour or $10.50 adjusted by the increase in the Consumer Price Index for All Urban Consumers, San Francisco/Oakland/San Jose area (1982--1984=100) from January 1, 2004, through December 31, 2006.

(b) For each year after 2007, the rate shall be based on the rate from the immediately preceding year adjusted by the increase in the Consumer Price Index for All Urban Consumers, San Francisco/Oakland/San Jose area (1982--1984=100) from January 1 through December 31 of the immediately preceding year.

Notification to Covered Employees

The LWO requires a Covered Employer to give each existing employee and (at the time of hire) each new employee a copy of the following written notification:

This company may enter into a contract to perform services for the City of Sacramento. If you work on such a contract, then you are entitled to be paid a living wage for each hour so worked. For more information, see Chapter 3.58 of the Sacramento City Code, which can be viewed at www.cityofsacramento.org.

The LWO requires the above notification to be provided in each language spoken by 10% or more of the Covered Employer's workforce.

---

of employment are governed by a bona fide collective-bargaining agreement containing an express waiver of the LWO.

The LWO also requires a Covered Employer to inform all employees of their possible right to the federal Earned Income Credit (EIC), and to make available to those employees any forms required to secure advance EIC payments from the Covered Employer.

Subcontractor Compliance

A contractor is responsible for requiring all of its subcontractors who are covered by these requirements to comply with the provisions of the LWO, by including these requirements in all subcontracts covered by the LWO.

Other Provisions of the LWO

Use of Funds Paid Under CITY Contracts

Under the LWO, Covered Employers may not directly use CITY funds to persuade Covered Employees to support or oppose unionization, and Covered Employers may not directly use CITY funds to schedule or hold meetings related to union representation during the Covered Employees' working hours. These restrictions do not apply to expenditures made during good-faith collective bargaining or to expenditures required under bona fide collective-bargaining agreements.

No Reduction in Non-Wage Benefits

Under the LWO, Covered Employers may not fund any wage increases required by the LWO, nor shall Covered Employers otherwise respond to the enactment of the LWO, by reducing the health, insurance, pension, vacation, or other non-wage benefits of any of their employees.

No Retaliation

The LWO prohibits a Covered Employer from taking any adverse action against a Covered Employee because the Covered Employee does any of the following: (1) exercises or asserts his or her rights under the LWO; (2) informs or assists other Covered Employees concerning their rights and the Covered Employer's obligations under the LWO; (3) complains about the Covered Employer's failure to comply with the LWO; or (4) seeks to enforce the LWO.

No Reduction in Collective-Bargaining Wage Rates

The LWO does not require or authorize any Covered Employer to reduce wages set by a collective-bargaining agreement or required under any prevailing-wage law.

Violations and Monitoring

The LWO provides that any violation of the LWO by a CITY contractor constitutes a material breach of the contract, and authorizes the CITY to terminate the contract and pursue all available legal and equitable remedies. In order to monitor compliance, the LWO authorizes the CITY to require Covered Employers to verify their compliance with the LWO by submitting certified payroll records to the CITY, and to take such other steps as may be necessary for the CITY to determine whether the requirements of the LWO have been satisfied.

The LWO also includes provisions authorizing an employee or interested person to file a judicial action against a contractor or subcontractor for violation of the LWO.

Declaration of Compliance

To assure compliance with the LWO, any person or entity entering into a contract to provide Nonprofessional Services to or for the CITY, on or after March 1, 2004, is required to provide the CITY with a signed Declaration of Compliance in the form required by the CITY, prior to the CITY's execution of the contract. The Declaration of Compliance shall be signed by a duly authorized representative of the person or entity entering into the contract, and, when accepted by the CITY, shall constitute part of the contract.

Additional Information

- For a complete description of the LWO's provisions, refer to the LWO codified at Sacramento City Code Chapter 3.58. The Sacramento City Code is available on the internet at www.cityofsacramento.org.
- For more information on the LWO requirements and the CITY's LWO program, contact Procurement Services at 916-808-6240.

EXHIBIT F

REQUIREMENTS OF THE NON-DISCRIMINATION IN EMPLOYEE BENEFITS CODE

INTRODUCTION

The Sacramento Non-Discrimination In Employee Benefits Code (the "Ordinance"), codified as Sacramento City Code Chapter 3.54, prohibits City contractors from discriminating in the provision of employee benefits between employees with spouses and employees with domestic partners, and between the spouses and domestic partners of employees.

APPLICATION

The provisions of the Ordinance apply to any contract or agreement (as defined below), between a Contractor and the City of Sacramento, in an amount exceeding $100,000.00. The Ordinance applies to that portion of a contractor's operations that occur: (i) within the City of Sacramento; (ii) on real property outside the City of Sacramento if the property is owned by the City or if the City has a right to occupy the property; or (iii) at any location where a significant amount of work related to a City contract is being performed.

The Ordinance does not apply: to subcontractors or subcontracts of any Contractor or contractors; to transactions entered into pursuant to cooperative purchasing agreements approved by the Sacramento City Council; to legal contracts of other governmental jurisdictions or public agencies without separate competitive bidding by the City; where the requirements of the ordinance will violate or are inconsistent with the terms or conditions of a grant, subvention or agreement with a public agency or the instructions of an authorized representative of any such agency with respect to any such grant, subvention or agreement; to permits for excavation or street construction; or to agreements for the use of City right-of-way where a contracting utility has the power of eminent domain.

DEFINITIONS

As set forth in the Ordinance, the following definitions apply:

"Contract" means an agreement for public works or improvements to be performed, or for goods or services to be purchased or grants to be provided, at the expense of the City or to be paid out of moneys deposited in the treasury or out of the trust money under the control or collected by the City. "Contract" also means a written agreement for the exclusive use ("exclusive use" means the right to use or occupy real property to the exclusion of others, other than the right reserved by the fee owner) or occupancy of real property for a term exceeding 29 days in any calendar year, whether by singular or cumulative instrument, (i) for the operation or use by others of real property owned or controlled by the City for the operation of a business, social, or other establishment or organization, including leases, concessions, franchises and easements, or (ii) for the City's use or occupancy of real property owned by others, including leases, concessions, franchises and easements.

"Contract" shall not include: a revocable at-will use or encroachment permit for the use of or encroachment on City property regardless of the ultimate duration of such permit; excavation,

street construction or street use permits; agreements for the use of City right-of-way where a contracting utility has the power of eminent domain; or agreements governing the use of City property that constitute a public forum for activities that are primarily for the purpose of espousing or advocating causes or ideas and that are generally protected by the First Amendment to the United States Constitution or that are primarily recreational in nature.

"Contractor" means any person or persons, firm, partnership, corporation, company, or combination thereof, that enters into a Contract with the City. "Contractor" does not include a public entity.

"Domestic Partner" means any person who has a currently registered domestic partnership with a governmental entity pursuant to state or local law authorizing the registration.

"Employee Benefits" means bereavement leave; disability, life, and other types of insurance; family medical leave; health benefits; membership or membership discounts; moving expenses; pension and retirement benefits; vacation; travel benefits; and any other benefit given to employees. "Employee benefits" shall not include benefits to the extent that the application of the requirements of this chapter to such benefits may be preempted by federal or state.

CONTRACTOR'S OBLIGATION TO PROVIDE THE CITY WITH DOCUMENTATION AND INFORMATION

Contractor shall provide the City with documentation and information verifying its compliance with the requirements of the Ordinance within ten (10) days of receipt of a request from the City. Contractors shall keep accurate payroll records, showing, for each City Contract, the employee's name, address, Social Security number, work classification, straight time pay rate, overtime pay rate, overtime hours worked, status and exemptions, and benefits for each day and pay period that the employee works on the City Contract. Each request for payroll records shall be accompanied by an affidavit to be completed and returned by the Contractor, as stated, attesting that the information contained in the payroll records is true and correct, and that the Contractor has complied with the requirements of the Ordinance. A violation of the Ordinance or noncompliance with the requirements of the Ordinance shall constitute a breach of contract.

EMPLOYER COMPLIANCE CERTIFICATE AND NOTICE REQUIREMENTS

(a) All contractors seeking a Contract subject to the Ordinance shall submit a completed Declaration of Compliance Form, signed by an authorized representative, with each proposal, bid or application. The Declaration of Compliance shall be made a part of the executed contract, and will be made available for public inspection and copying during regular business hours.

(b) The Contractor shall give each existing employee working directing on a City contract, and (at the time of hire), each new employee, a copy of the notification provided as Attachment "A."

(c) Contractor shall post, in a place visible to all employees, a copy of the notice provided as Attachment "B."

Attachment A

YOUR RIGHTS UNDER THE CITY OF SACRAMENTO'S NON-DISCRIMINATION IN EMPLOYEE BENEFITS CODE

On ..... (date), your employer (the "Employer") entered into a contract with the City of Sacramento (the "City") for ..... (contract details), and as a condition of that contract, agreed to abide by the requirements of the City's Non-Discrimination In Employee Benefits Code (Sacramento City Code Section 3.54).

The Ordinance does not require the Employer to provide employee benefits. The Ordinance does require that if certain employee benefits are provided by the Employer, that those benefits be provided without discrimination between employees with spouses and employees with domestic partners, and without discrimination between the spouse or domestic partner of employees.

The Ordinance covers any employee working on the specific contract referenced above, but only for the period of time while those employees are actually working on this specific contract.

The included employee benefits are:

- Bereavement leave
- Disability, life and other types of insurance
- Family medical leave
- Health benefits
- Membership or membership discounts
- Moving expenses
- Pension and retirement benefits
- Vacation
- Travel benefits
- Any other benefits given to employees

(Employee Benefits does not include benefits that may be preempted by federal or state law.)

If you feel you have been discriminated or retaliated against by your employer in the terms and conditions of your application for employment, or in your employment, or in the application of these employee benefits, because of your status as an applicant or as an employee protected by the Ordinance, or because you reported a violation of the Ordinance, and after having exhausted all remedies with your employer,

You May . . .

- Submit a written complaint to the City of Sacramento, Contract Services Unit, containing the details of the alleged violation. The address is:

  City of Sacramento
  Procurement Services Division
  5730 24th Street, Bldg. 1
  Sacramento, CA 95822

- Bring an action in the appropriate division of the Superior Court of the State of California against the Employer and obtain the following remedies:

  - Reinstatement, injunctive relief, compensatory damages and punitive damages

  - Reasonable attorney's fees and costs

Attachment B

YOUR RIGHTS UNDER THE CITY OF SACRAMENTO'S NON-DISCRIMINATION IN EMPLOYEE BENEFITS CODE

If your employer provides employee benefits, they must be provided to those employees working on a City of Sacramento contract without discriminating between employees with spouses and employees with domestic partners.

The included employee benefits are:

- Bereavement leave
- Disability, life and other types of insurance
- Family medical leave
- Health benefits
- Membership or membership discounts
- Moving expenses
- Pension and retirement benefits
- Vacation
- Travel benefits
- Any other benefits given to employees

If you feel you have been discriminated against by your employer . . .

You May . . .

O Submit a written complaint to the City of Sacramento, Contract Services Unit, containing the details of the alleged violation. The address is:

City of Sacramento
Procurement Services Division
5730 24th Street, Bldg. 1
Sacramento, CA 95822

O Bring an action in the appropriate division of the Superior Court of the State of California against the employer and obtain reinstatement, injunctive relief, compensatory damages, punitive damages and reasonable attorney's fees and costs.

Discrimination and Retaliation Prohibited.

If you feel you have been discriminated or retaliated against by your employer in the terms and conditions of your application for employment, or in your employment, because of your status as an applicant or as an employee protected by the Ordinance, or because you reported a violation of this Ordinance . . .

You May Also . . .
Submit a written complaint to the City of Sacramento, Contract Services Unit, at the same address, containing the details of the alleged violation.

CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY) 10/03/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

Holder Identifier :

PRODUCER
Aon Risk Services South, Inc.
Atlanta GA Office
c/o Aon Client Services
4 Overlook Point
Lincolnshire IL 60069 USA

CONTACT NAME:
PHONE (A/C. No. Ext): 866-283-7122 FAX (A/C. No.): 800-363-0105
E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A:	Safety National Casualty Corp	15105
INSURER B:	Old Republic Insurance Company	24147
INSURER C:	ACE Property & Casualty Insurance Co.	20699
INSURER D:		
INSURER E:		
INSURER F:		

INSURED
GENUINE PARTS CO & SUBSIDIARIES -
NAPA, Motion, Balkamp, Altrom, EIS,
Rayloc, SP Richards, Drago Supply,
Tarrant, General Tool & Supply etal
2999 Circle 75 Parkway
Atlanta GA 30339 USA

COVERAGES **CERTIFICATE NUMBER:** 570055486184 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. **Limits shown are as requested**

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
B	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE / X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY / PRO-JECT / LOC OTHER:			MWZY302706	09/01/2014	09/01/2015	EACH OCCURRENCE	$2,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$1,000,000
							MED EXP (Any one person)	$5,000
							PERSONAL & ADV INJURY	$2,000,000
							GENERAL AGGREGATE	$3,000,000
							PRODUCTS - COMP/OP AGG	$3,000,000
B	AUTOMOBILE LIABILITY X ANY AUTO ALL OWNED AUTOS / SCHEDULED AUTOS HIRED AUTOS / NON-OWNED AUTOS			MWTB 302355	09/01/2014	09/01/2015	COMBINED SINGLE LIMIT (Ea accident)	$5,000,000
							BODILY INJURY (Per person)	
							BODILY INJURY (Per accident)	
							PROPERTY DAMAGE (Per accident)	
C	X UMBRELLA LIAB / X OCCUR EXCESS LIAB / CLAIMS-MADE DED / X RETENTION $100,000			XOOG27423371	09/01/2014	09/01/2015	EACH OCCURRENCE	$5,000,000
							AGGREGATE	$5,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		LDS4049768 AOS	01/01/2014	01/01/2015	X PER STATUTE / OTH-ER	
A				SP4049766 OH	01/01/2014	01/01/2015	E.L. EACH ACCIDENT	$1,000,000
							E.L. DISEASE-EA EMPLOYEE	$1,000,000
				SIR applies per policy terms & conditions			E.L. DISEASE-POLICY LIMIT	$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

City of Sacramento is included as Additional Insured in accordance with the policy provisions of the General Liability policy. A Waiver of Subrogation is granted in favor of City of Sacramento in accordance with the policy provisions of the Workers' Compensation policy.

Certificate No : 570055486184

CERTIFICATE HOLDER

City of Sacramento
Attn: Isena Garcia
5730 24th Street
Sacramento CO 95822 USA

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Aon Risk Services South Inc.

©1988-2014 ACORD CORPORATION. All rights reserved.

The ACORD name and logo are registered marks of ACORD

AGENCY CUSTOMER ID: 10638915

LOC #:

ADDITIONAL REMARKS SCHEDULE

AGENCY		NAMED INSURED
Aon Risk Services South, Inc.		GENUINE PARTS CO & SUBSIDIARIES -
POLICY NUMBER		
See Certificate Number: 570055486184		
CARRIER	NAIC CODE	EFFECTIVE DATE:
See Certificate Number: 570055486184		

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: ACORD 25 **FORM TITLE:** Certificate of Liability Insurance

Locations:

On Site GPC Employee's
#070 Sacramento IBS
5730 24th St.
Sacramento, CA 95822

#071 NACY
918 W Del Paso Rd.
Sacramento, CA 95834

#072 Meadowview
2812 Meadowview Rd.
Sacramento, CA 95832

#073 Kinney Garage
3550 Marysville Blvd.
Sacramento, CA 95838

#074 Rooney Garage
5330 Franklin Blvd.
Sacramento, CA 95820

© 2008 ACORD CORPORATION. All rights reserved.

The ACORD name and logo are registered marks of ACORD

IL 10 (12/06) OLD REPUBLIC INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART/FORM

1. Additional insured endorsement when required by contract:

WHO IS AN INSURED (Section II) is amended to include as an additional insured any person or organization required by written contract to be added as an insured but only with respect to liability arising out of claims for which you agreed to defend, indemnify, and/or hold the additional insured harmless within the written agreement. The additional insured shall only be entitled to coverage up to the limits set out in the written agreement; if no such limit is specified, the limit shall be that of your primary policy.

This insurance will be primary to and non-contributing with any other insurance available to such person(s) or organization(s).

2. Additional insured endorsement when no written contract exists:

WHO IS AN INSURED (Section II) is amended to include as an insured any person or organization requesting additional insured status but only to the extent a claim solely arises out of your negligent acts or omissions. The additional insured shall only be entitled to coverage up to the limits of your primary policy.

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

SCHEDULE

WHERE A WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS IS REQUIRED BY WRITTEN CONTRACT, SUCH ADDITIONAL ENTITIES SHALL BE CONSIDERED AUTOMATICALLY SCHEDULED BY THE COMPANY.

INDIVIDUALLY SCHEDULED WAIVERS SHALL NOT BE CONSTRUED TO OVERRIDE NOR NEGATE THIS BLANKET WAIVER.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.
(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective 01/01/2014 Policy No. LDS4049768 Endorsement No.

Insured GENUINE PARTS COMPANY Premium $ Included

Insurance Company Safety National Casualty Corporation

Countersigned By _____

© 1983 National Council on Compensation Insurance.

Back to Report Table of Contents

5th YEAR RENEWAL OF AGREEMENT

Made by and Between

NAPA (Genuine Parts Company) (Vendor)
2994 Circle 75 Parkway
Atlanta, GA 30339

and

National Joint Powers Alliance® (NJPA)
202 12th Street NE
Staples, MN 56479
Phone: (218) 894-1930

Whereas:

"Vendor" and "NJPA" have entered into an "Acceptance and Award #010511-GPC" for the procurement of Vehicle Maintenance and Repair with Related Equipment, Supplies and Services, and having a maturity date of February 24, 2015, and which are subject to annual renewals and a 5th year extension at the option of both parties.

Now therefore:

Members of NJPA would benefit from exercising the fifth year option. "Vendor" and "NJPA" hereby desire and agree to exercise the 5th year renewal option for the above defined contract for the period of February 24, 2015 to February 24, 2016.

National Joint Powers Alliance® (NJPA)

By: _____, Its: Executive Director/CEO

Name printed or typed: Chad Coauette

Date _____

NAPA (Genuine Parts Company)

By: _____, Its: Vice President Integrated Supply Solutions

Name printed or typed: Jerry Knight

Date 7/10/14

Vendor Agreement #010511-GPC (Agreement)
Between

GENUINE PARTS COMPANY DBA NAPA (Awarded Vendor)
2999 Circle 75 Parkway
Atlanta, GA 30339
AND
NATIONAL JOINT POWERS ALLIANCE® (NJPA)
200 1st ST NE
Staples, MN 56479

Whereas; NJPA issued an Request for Proposal #010511 (RFP) for the provision of VEHICLE MAINTENANCE AND REPAIR WITH RELATED EQUIPMENT, SUPPLIES AND SERVICES to NJPA and NJPA Members nationwide; and

Whereas; GENUINE PARTS COMPANY dba NAPA. responded to said RFP committing to the provision of VEHICLE MAINTENANCE AND REPAIR WITH RELATED EQUIPMENT, SUPPLIES AND SERVICES to NJPA and NJPA Members; and

Whereas; NJPA has awarded the contract proposed in the RFP, which is identified as NJPA contract 010511-GPC (the Contract), to Awarded Vendor, and

Whereas; NJPA and Awarded Vendor desire to further define their relationship under the Contract as contained herein.

Now therefore; In consideration of the mutual covenants contained herein, IT IS HEREBY AGREED BETWEEN THE PARTIES AS FOLLOWS:

The effective date of this agreement shall be FEBRUARY 24, 2011.

ARTICLE 1. PURPOSE AND INTENT

1.1 The purpose and intent of this Agreement is to:

1.1.1 Augment the terms and conditions of the Contract #010511-GPC originally identified in the RFP and modified in Schedule C of the Awarded Vendor's bid response,

1.1.2 Identify specific marketing and sales training responsibilities for both NJPA and Awarded Vendor, and

1.1.3 to finalize the administration fee to be paid by the Awarded Vendor to NJPA.

ARTICLE 2. TERMS AND CONDITIONS

2.1 NJPA and Awarded Vendor agree to the terms and conditions contained in RFP #010511 AND the exceptions to those terms and conditions identified in Form C of Awarded Vendor's bid response EXCEPT as identified herein:

No further exceptions made.

ARTICLE 3. AWARDED VENDOR MARKETING RESPONSIBILITIES

3.1 Sales Force Training.

3.1.1 Awarded Vendor will be responsible for the facilitation of training for Awarded Vendor's sales force, vendor's manufacturers' sales forces and appropriate levels of management by NJPA with regard to the use and value of the Contract.

3.1.2 Awarded Vendor will be responsible for facilitation of training their sales force and appropriate levels of management by Awarded Vendor regarding internal matters relevant to the Contract including, but not limited to, order process, product delivery, and funds flow.

3.1.3 Awarded Vendor will be responsible for identifying and organizing follow-up training(s) on these subjects as needed.

3.1.4 Awarded Vendor agrees to facilitate the meeting of specific marketing individual(s) to meet and plan overall marketing goals and initiatives.

3.1.5 Awarded Vendor will be responsible to allow opportunities for NJPA staff to meet with management and sales level staff of Awarded Vendor at national and regional functions.

3.2 Trade Shows.

3.2.1 Awarded Vendor will strongly consider exhibiting at the following national trade shows environments in cooperation with NJPA:

AASA	American Association of School Administrators	February
NAEP	National Association of Education Procurement	March
I-ASBO	International Association of School Business Officials	September
NACO	National Association of Counties	July
NIGP	National Institute of Government Purchasing	August

Participation will generally be through a display booth setting where Awarded Vendor will be responsible for the provision of personnel, marketing material, and equipment for the purposes of promoting this contract at various defined trade shows. Awarded Vendor will be responsible for co-branding marketing material distributed at these shows in the name of Awarded Vendor and NJPA. Awarded Vendor may request waiver of participation in any trade show Awarded Vendor feels is inapplicable to their Contract.

3.2.2 Awarded Vendor will give strong consideration to attending and displaying at additional trade shows recommended by NJPA.

3.3 Marketing Material.

3.3.1 Awarded Vendor will be responsible for creating, and up-dating as needed, marketing material co-branded by both Awarded Vendor and NJPA in both print and electronic forms for disbursement through various appropriate channels, such as the NJPA Cooperative Purchasing catalog, or as agreed to by both parties. Any such marketing materials or any notification or description of the Contract distributed by NJPA to Members shall be approved in advance by Awarded Vendor.

3.3.2 Awarded Vendor shall be granted use of the NJPA trademarks, service marks, logos, name or any other proprietary description of NJPA, whether registered or unregistered, subject to NJPA's prior approval. In addition, Awarded Vendor shall be entitled to inform, both orally and in printed form, any and all prospects that Awarded Vendor has a contractual benefit relationship with NJPA for the purposes of serving NJPA members.

3.3.3 NJPA membership listings provided as a result of the Contract and this Agreement shall be confidentially used by Awarded Vendor and not disseminated to its customers or the business community.

3.4 Contract operations and delivery.

3.4.1 Awarded Vendor will be responsible for processing and shipping orders for contracted products and services requested from qualified and participating NJPA Members.
3.4.2 Awarded Vendor will be responsible for submitting calendar quarterly reports to NJPA showing the gross sales for each Participating NJPA Member or qualified Member sold during a quarterly time frame. (Article 6 - 6.1)
3.4.3 Awarded Vendor will be responsible to pay NJPA an administrative fee as defined herein.
3.4.4 Awarded Vendor will be responsible for maintaining current product and price lists with NJPA according to the terms and conditions of the Contract.
3.4.5 Awarded Vendor will be responsible for delivering technical assistance and education regarding the equipment and products purchased through the RFP and resulting Contract.
3.4.6 Awarded Vendor will be responsible for offering and promoting the Program and Contract to all current and qualified NJPA members.

ARTICLE 4. NJPA ADMINSTRATIVE/ MARKETING RESPONSIBILITIES

4.1 Sales Force Training.

4.1.1 NJPA Will work with Awarded Vendor to identify the appropriate levels of management as well as the Awarded Vendor's sales force to be trained in the use and effectiveness of the Contract.
4.1.2 NJPA will provide personnel to train identified individuals in the use and effectiveness of the Contract in person on Awarded Vendor's site, or through webcast or webinar, where reasonable efficiencies of such training can be achieved.
4.1.3 NJPA will work with Awarded Vendor to identify ongoing training needs.

4.2 Trade Shows.

4.2.1 NJPA will work with Awarded Vendor to identify appropriate trade show venues for the promotion of the Contract.

4.3 Marketing Material.

4.3.1 NJPA will be responsible for assisting in the development of marketing brochures, as well as providing general support, retention, and assistance in the marketing of the program.
4.3.2 NJPA shall not use the trademarks, service marks, logo, name or any other proprietary description of Awarded Vendor, whether registered or unregistered, without Awarded Vendor's prior approval.

4.3.3 NJPA agrees to supply Awarded Vendor with access to NJPA Members through regular updates of its membership list and various communications. Awarded Vendor agrees that NJPA Members' list remain the property of NJPA and can only be used with prior permission of NJPA.
4.3.4 NJPA shall provide opportunity to participate in the NJPA catalog marketing program at no cost to Awarded Vendor.
4.3.5 NJPA agrees to promote the Awarded Vendor Contract as a new member benefit in NJPA publications.

4.4 Contract Operations and Delivery.

4.4.1 NJPA will be responsible for receiving available leads and forwarding of those leads to Awarded Vendor for follow-up.
4.4.2 NJPA will be responsible for acting as a liaison as necessary between NJPA Members and Awarded Vendor to communicate the NJPA message and resolve any contract issues.
4.4.3 NJPA will receive, evaluate, process, and respond in a reasonably timely manner to requests from Awarded Vendor for changes in prices and products covered by this contract.

ARTICLE 5. AUDITS

5.1 During the Term, Awarded Vendor will, upon not less than thirty (30) business days prior written request, make available to NJPA no more than once per calendar year, at Awarded Vendor's corporate offices, during normal business hours, the invoice reports and/or invoice documents from Awarded Vendor pertaining to all invoices sent by Awarded Vendor and payments made by NJPA members for all products purchased under this contract. NJPA may employ an independent auditor or NJPA may choose to conduct such audit on its own behalf. Awarded Vendor shall have the right to approve the independent auditor, which approval shall not be unreasonably withheld. Upon approval and after the auditor has executed an appropriate confidentiality agreement, Awarded Vendor will permit the auditor to review the relevant Awarded Vendor documents. NJPA shall be responsible for paying the auditor's fees. The parties will make every reasonable effort to fairly and equitably resolve discrepancies to the satisfaction of both parties.

ARTICLE 6. FEES

6.1 Awarded Vendor will pay NJPA an administrative fee of 1.0% (One Percent) of the sales resulting from NJPA #010511-GPC net of returns and allowances to NJPA or NJPA Members during each calendar quarter. Said administrative fees are to be paid within thirty (30) days after the end of each calendar quarter and commencing on the effective date of this contract.

ARTICLE 7. MISCELLANEOUS

7.1 Notices. Notices permitted or required to be given hereunder shall be deemed sufficient if delivered to the address identified herein, or any updated address for which proper notice of address change has been affected. Notices may be delivered by hand or through the use of a third party delivery service. The sender is responsible for the documentation of delivery for any notice.

7.2 Entire Agreement. The individuals signing this Contract hereby represent that they are authorized on behalf of their respective organizations to execute this Agreement and the Contract contains the entire understanding between the parties concerning the subject matter.

7.3 Severability. In the event that any of the terms of this Contract are in conflict with any rule, law, statutory provision or are otherwise unenforceable under the laws or regulations of any government or subdivision thereof, such terms shall be deemed stricken from this Contract, but such invalidity or unenforceability shall not invalidate any of the other terms of this Contract. This Contract shall continue in force, unless the invalidity or unenforceability of any such provisions hereof does substantial harm to, or where the invalid or unenforceable provisions compromise an integral part of, or are otherwise inseparable from the remainder of this Contract.

7.4 Waiver. Failure by either party to take action or assert any right hereunder shall not be deemed a waiver of such right in the event of the continuation or repetition of the circumstances giving rise to such right.

7.5 Relationship of Parties. This agreement is not a contract of employment. The relationship between NJPA and Awarded Vendor is one of independent contractors each free to exercise judgment and discretion with regard to the conduct of their respective businesses. The parties do not intend this agreement to create and this agreement is not to be construed as creating a partnership, joint venture, master-servant, principal–agent, or any other relationship. Except as provided elsewhere in this agreement, neither party may be held liable for acts of omission or commission of the other party and neither party is authorized or has the power to obligate or bid the other party by contract, agreement, warranty, representation or otherwise in any manner whatsoever except as may be expressly provided herein.

7.6 Indemnity: Each party agrees that it will be responsible for its own negligent acts and the result thereof to the extent authorized by law and shall not be responsible for the negligent acts of the other party and the results thereof. NJPA's liability shall be governed by the provisions of the Minnesota Tort Claims Act, Minnesota Statutes, Section §3.736, and other applicable law. Neither party shall be liable to the other for any incidental or consequential damages of any kind under this agreement.

IN WITNESS WHEREOF, the parties have executed this Contract effective the day and year referenced below.

GENUINE PARTS COMPANY DBA NAPA

By _____
Authorized Signature-Signed

By DENNIS P. TOLIVAR
Authorized Signature-Printed

Date 4-1-11

Notice Address:

2999 Circle 75 Parkway
Atlanta, GA 30339

NATIONAL JOINT POWERS ALLIANCE®

By _____
Authorized Signature-Signed

By TODD LUSCIO
Authorized Signature-Printed

Date 4/6/11

Notice Address:

200 1st Street NE
Staples, MN 56479

Genuine Parts Company dba NAPA
Primary Contact Information

Awarded Vendor Name GENUINE PARTS COMPANY / NAPA AUTO PARTS

Address 2999 CIRCLE 75 PARKWAY

ATLANTA, GA 30339

Phone 770-612-2065 Fax 770-859-2920

Program Contact Name JETT KUNTZ

Contact's Title NATIONAL DIRECTOR - IBS

Email JETT_KUNTZ@GENPT.COM

Web Site WWW.NAPA-IBS.COM

National Joint Powers Alliance® (herein NJPA) REQUEST FOR PROPOSAL (herein RFP)

for the procurement of

VEHICLE MAINTENANCE AND REPAIR WITH RELATED EQUIPMENT, SUPPLIES, AND SERVICES

RFP Opening

January 5, 2011
4:30 p.m.
At the offices of the
National Joint Powers Alliance®
200 First Street NE, Staples, MN 56479

RFP #010511

The National Joint Powers Alliance® (NJPA) issues this request for proposal (RFP) to provide VEHICLE MAINTENANCE AND REPAIR WITH RELATED EQUIPMENT, SUPPLIES, AND SERVICES. Specifications are available until December 17, 2010 by letter of request to NJPA at 200 First Street Northeast, Staples, MN 56479, or by e-mail at RFP@njpacoop.org. Proposals will be received until January 4, 2011 at 4:30 p.m. Central Time and opened January 5, 2011 at 8:00AM Central Time.

The text above is the Public Notice to Proposers to be used by NJPA.

RFP Timeline

November 26, 2010 and December 3, 2010	• *Publication of RFP in the print and online Minneapolis Star Tribune, the NJPA website, and on the website of noticetobidders.com*
December 17, 2010	• *Deadline for RFP requests*
December 21, 2010 10:00AM Central Time	• *Pre-Proposal Conference (webcast – conference call)*
January 4, 2011 4:30 PM Central Time	• *Deadline for Submission of Proposals*
January 5, 2011 8:00AM Central Time.	• *Public Opening of proposals*

Direct questions regarding this RFP to:

Gregg Meierhofer at gregg.meierhofer@njpacoop.org or (218)894-1930

RFP Procedures offers the methods for submitting questions.

TABLE OF CONTENTS

1. INTRODUCTION
   A. About NJPA
   B. Joint Exercise of Powers
   C. Why Propose a National Cooperative Procurement Contract
   D. The intent of this RFP
   E. Scope of this proposal
   F. Specifications for services/products being proposed
   G. Certification – Firm offer to contract
2. DEFINITIONS
   A. Proposer – Vendor
   B. Contract
   C. Time
   D. Proposer's Response
   E. Currency
3. INSTRUCTIONS TO PREPARING YOUR PROPOSAL
   A. Pre-Proposal Conference
   B. Identification of key personnel
   C. Proposer's exceptions to terms and conditions
   D. Formal instructions to Proposers
   E. Contents and tabbing for proposal submission
   F. Questions and answers about this RFP
   G. Modification or withdrawal of a submitted proposal
   H. Value added attributes, services/services and products
   I. Certificate of Insurance
   J. Order Process and/or Funds Flow
   K. Administrative Fees
4. PRICING STRATEGIES
   A. Line-Item pricing
   B. Percentage discount from catalog or category
   C. Hot list pricing
   D. Ceiling Price
   E. Volume Price Discounts
   F. Sourced Goods
   G. Total Cost of Acquisition
   H. Requesting Product and Service additions, deletions, and substitutions
   I. Requesting Price Changes
   J. Pricing and Services/products Change Format
   K. Single Statement of Pricing – Historical Record
   L. Sales Tax
   M. Shipping and Shipping program
   N. Normal Working Hours
5. MARKETING PLAN
6. PROPOSAL OPENING PROCEDURE
7. EVALUATION OF PROPOSALS
   A. Proposal evaluation process
   B. Proposer Responsiveness
   C. Proposal evaluation criteria
   D. Cost Scoring Evaluation
   E. Product Testing
   F. Past performance information
   G. Waiver of formalities
8. POST AWARD OPERATING ISSUES
   A. Subsequent Agreements
   B. NJPA Member Sign-up procedure
   C. Reporting of sale activity
   D. Audits
   E. Hub Partners
   F. Trade-ins
   G. Out of Stock Notification
   H. Termination of a Contract resulting from this RFP
9. GENERAL TERMS AND CONDITIONS
   A. Advertisement of RFP
   B. Advertising a Contract Resulting From RFP
   C. Applicable law
   D. Assignment of Contract
   E. Proposer's List
   F. Captions, Headings, and Illustrations
   G. Confidential Information
   H. Data Privacy
   I. Entire Agreement
   J. Force Majeure
   K. Gratuities
   L. Hazardous Substances
   M. Legal Remedies
   N. Licenses
   O. Material Suppliers and Sub-Contractors
   P. Non-Wavier of Rights
   Q. Protests of Awards Made
   R. Provisions Required by Law
   S. Public Record
   T. Right to Assurance
   U. Suspension or Disbarment Status
   V. Human Rights Certificate
   W. Severability
   X. Relationship of Parties

1. INTRODUCTION

A. ABOUT NJPA

1.1 The National Joint Powers Alliance®- (NJPA)- is a public agency serving as a national municipal contracting agency established under the Service Cooperative statute by Minnesota Legislative Statute §123A.21 with the authority to develop and offer, among other services, cooperative procurement services to its membership. Eligible membership includes cities, counties, governmental agencies, both public and non-public educational agencies, colleges, universities and non-profit organizations. This Minnesota Statute also allows for service to NJPA Member agencies in Minnesota and all other states.

1.2 To this end, NJPA has established a series of procurement contracts with various Vendors of services/products and which NJPA Members desire to procure. These procurement contracts are created in compliance with applicable Minnesota Municipal Contracting Laws. A complete listing of NJPA cooperative procurement contracts can be found at www.njpacoop.org.

1.3 NJPA's publicly elected Board of Directors calls for all proposals, awards all Contracts, hosts those resulting Contracts and offers them for the benefit of its Membership.

1.3.1 Subject to Approval of the Board: Any award of Contract made by an authorized NJPA Employee will be subject to such action by the NJPA Board of Directors.

1.4 NJPA currently serves over 30,000 member agencies. Both membership and utilization of NJPA Contracts continues to expand at exponential rates. The value of our Contracts driven to our Members is reflected in our growth.

B. JOINT EXERCISE OF POWERS LAWS

1.4 NJPA cooperatively shares those contracts with its Members nationwide through various "Joint Exercise of Powers Laws" established in Minnesota and most other States. The Minnesota "Joint Exercise of Powers Law" is Minnesota Statute §471.59 which states "Two or more governmental units…may jointly or cooperatively exercise any power common to the contracting parties…" Similar Joint Exercise of Powers Laws for each State of the United States can be found on our website at http://www.njpacoop.org/LEARN/About/Legal.html and clicking on that state at the bottom of the web-page.

C. WHY PROPOSE A NATIONAL COOPERATIVE PROCUREMENT CONTRACT

1.6 National Cooperative Procurement Contracts create value for both Municipal buyers and their Vendors of services/products in two ways:

1.6.1 We **save the time and effort** of many municipal buyers bringing individual procurement proposals AND the time and effort of the Vendors in responding individually to those invitations. A single invitation for a cooperatively held contract can replace potentially thousands of invitations for the same items from individual NJPA Members.

1.6.2 We earn **volume purchasing discounts** which are passed on to our Members. A single awarded proposal is likewise exposed to thousands of potential Municipal purchasing units nationwide creating efficiency and savings to the business community as they sell products and services to government and education agencies..

1.7 State laws that permit or encourage cooperative purchasing contracts do so with the belief that lower prices, better overall value and time savings will be the result.

1.8 The collective purchasing power of thousands of NJPA Members nationwide offer the opportunity for volume pricing discounts. Although no volume is guaranteed by a Contract resulting from this RFP, substantial volume is anticipated and volume pricing is requested and justified.

1.9 NJPA and its Members desire the best value for their procurement dollar as well as a competitive price. Pre-competed procurement contracts offer NJPA and its Members the ability to more directly compare non-price factors in their procurement analysis and it offers Vendors the opportunity to display those attributes without the timing and interpretation constraints of a typical individual proposal process.

D. THE INTENT OF THIS RFP

1.10 The intent of this RFP is to award an Exclusive Single Award Contract to a qualifying service provider Proposer demonstrating a solution which meets and/or exceeds the requirements of NJPA and its Members within the scope of **"VEHICLE MAINTENANCE AND REPAIR WITH RELATED EQUIPMENT, SUPPLIES, AND SERVICES"**. Qualifying Proposers must be able to demonstrate the knowledge of any and all applicable industry standards, laws and regulations; and the ability to both market to and service NJPA Members in all 50 states. All proposals received will be evaluated based on (among several other factors) their ability to provide the greatest utility to NJPA and NJPA Members and across the widest spectrum of services and products.

1.11 A response to this RFP can be in the form of a Line-Item Pricing and/or Percentage Discount from Catalog or Category Pricing purchasing contract. NJPA desires a relationship with a vendor providing a broad array of services, supplies, accessories anticipated and generally requested and desired by NJPA members from the **"**VEHICLE MAINTENANCE AND REPAIR WITH RELATED EQUIPMENT, SUPPLIES, AND SERVICES**"** industry. Those services and products must include those most commonly used and desired by NJPA and its Members. NJPA is seeking a Prime and Exclusive Vendor relationship to best serve the overall needs of NJPA and NJPA Members nationally.

1.13 Multiple Awards: Although it is NJPA's intent to award a contract to a single Vendor, NJPA reserves the right to award a Contract to multiple Proposers where the responding Proposers are deemed to lack the ability to appropriately service a national contract or such action is deemed to be in the best interests of NJPA and its Members

1.14 Award by Board of Directors: An Award of Contract may be made by the NJPA Board of Directors based on the recommendation of the NJPA Proposal Review Committee and on the best interests of NJPA and its Members. NJPA is seeking a Prime, Exclusive Vendor relationship(s) to meet this need. The goal and intent of this RFP is to follow through with a proposal award and contract to be marketed nationally through a cooperative effort between the awarded vendor(s) and NJPA to its participating members.

1.15 Best Responsive – Responsible Proposer: It is the intent of NJPA to award a Contract to the best responsible and responsive Proposer(s) offering the best overall quality and selection of services/products and services meeting the commonly requested specifications of the NJPA and NJPA Members, provided the Proposer's Response has been submitted in accordance with the requirements of this RFP.

1.16 Sealed Proposals: NJPA will receive sealed proposal responses to this RFP in accordance with accepted standards set forth in the Minnesota Procurement Code and Uniform Municipal Contracting Law. Awards may be made to responsible and responsive Proposers whose proposals are determined in writing to be the most advantageous to NJPA and its current or qualifying future NJPA Members.

1.17 Use of Contract: Any Contract resulting from this solicitation shall be awarded with the understanding that it is for the sole convenience of NJPA and its Members. NJPA and/or its members

reserve the right to obtain like goods and services solely from this Contract or from another contract source of their choice. NJPA most desires an Exclusive Contract to a qualifying Proposer together with their network of service providers demonstrating a solution which meets or exceeds the needs of NJPA or NJPA Members within the scope of **"VEHICLE MAINTENANCE AND REPAIR WITH RELATED EQUIPMENT, SUPPLIES, AND SERVICES"**. Qualifying Proposers must be able to demonstrate knowledge of applicable industry standards, laws and regulations. National Proposers must also demonstrate the ability to both market to and service NJPA Members in all 50 states, with potential to serve internationally. All proposals received will be evaluated based on (among other factors) your ability to provide the greatest utility to NJPA and NJPA Members and across the widest spectrum of services/products.

1.18 NJPA's Interest in a contract resulting from this RFP: Not withstanding its own use, to the extent NJPA issues this RFP and any resulting contract for the use of its Members, NJPA's interests and liability for said use shall be limited to the competitive proposal process performed and terms and conditions relating to said contract and shall not extend to the services, products, or warranties of the Awarded Vendor or the intended or unintended effects of the goods and services procured there from.

1.19 Sole Source of responsibility- NJPA desires a "Sole Source of Responsibility" Vendor meaning the Vendor will take sole responsibility for the performance of delivered services/products. NJPA also desires sole responsibility with regard to:

1.19.1 Scope of Services/products: NJPA desires a single provider for the broadest possible scope of the goods and services being proposed over the largest possible geographic area and to the largest possible cross-section of NJPA Members.

1.19.2 Vendor use of sub-contractors in sourcing or delivering goods and services: NJPA desires a single source of responsibility for services/products proposed. Proposer's are assumed to have sub-contractor relationships with all organizations and individuals whom are external to the Proposer and are involved in providing or delivering the goods and services being proposed. Vendor assumes all responsibility for the services/products and actions of any such Sub-Contractor.

E. SCOPE OF THIS PROPOSAL

1.20 Solutions Based Invitation:

1.20.1 All potential Proposers are assumed to be professionals in their respective fields. As professionals you are deemed to be intimately familiar with the spectrum of NJPA and NJPA Member's needs and requirements with respect to the scope of this RFP.

1.20.2 With this intimate knowledge of NJPA and NJPA Member's needs, Proposers are instructed to provide their proposal response in a format describing their solutions to those current and future needs and requirements. Proposers should take care to be economical in their response to this RFP.

1.20.3 Multiple solutions to the needs of NJPA and NJPA Member's are possible. **Examples could include:**

1.20.3.1 Fast, Faster, Fastest: Where appropriate and properly identified, Proposers are invited to offer the CHOICE of fast – faster – fastest multiple grade solutions to NJPA and NJPA Member's needs.

1.20.3.2 Good, Better, Best: Where appropriate and properly identified, Proposers are invited to offer the CHOICE of good – better – best multiple grade solutions to NJPA and NJPA Member's needs.

1.20.3.3 Proven – Accepted – Leading Edge Technology: Where appropriate and properly identified, Proposers are invited to provide the CHOICE of an appropriately identified spectrum of technology solutions to NJPA and NJPA Member's needs both now and into the future.

1.21 Geographic Area to be Proposal: This RFP invites proposals to provide **VEHICLE MAINTENANCE AND REPAIR WITH RELATED EQUIPMENT, SUPPLIES, AND SERVICES** to NJPA and NJPA Members throughout the entire United States and possibly internationally. Proposers will be expected to express willingness to explore service to NJPA Members located abroad; however the lack of ability to serve Members outside of the United States will not be cause for non-award. The ability to serve Canada, for instance, will be viewed as a value-added attribute.

1.22 Contract Term: A contract resulting from this RFP will become effective the date of execution by NJPA of the "Offering and Award" (Form D). NJPA is seeking a Contract base term of four years subject to annual renewals as allowed by Minnesota Contracting Law. Full term is expected, however will only occur through successful annual renewals. One additional one-year renewal-extension may be offered by NJPA to Vendor beyond the original four year term if NJPA deems such action to be in the best interests of NJPA and its Members.

1.23 Minimum Contract Value: NJPA anticipates considerable activity resulting from this RFP and subsequent award; however no commitment of any kind is made concerning actual quantities to be acquired. NJPA does not guarantee usage. Usage will depend on the actual needs of the NJPA Members and the value of the awarded contract.

1.24 Estimated Contract Volume: Estimated quantities and sales volume are based on potential usage by NJPA and NJPA Members.

1.25 Largest Possible Solution: If applicable, Contracts will be awarded to Proposer(s) able to deliver a proposal meeting the entire needs of NJPA and its Members within the scope of this RFP. NJPA prefers Proposers submit their complete product line of services and products described in the scope of this RFP. NJPA reserves the right to reject individual, or groupings of specific services/products proposals as a part of the award.

1.25 Contract Availability: This Contract must be available to all current and potential NJPA Members who choose to utilize this NJPA Contract to include all governmental agencies, public and private primary and secondary education agencies, and all non-profit organizations nationally.

1.26 Proposer's Commitment Period: In order to allow NJPA the opportunity to evaluate each proposal thoroughly, NJPA requires any response to this solicitation be valid and irrevocable for ninety (90) days after the date proposals were opened regarding this RFP.

F. EXPECTATIONS FOR SERVICES/PRODUCTS BEING PROPOSED

1.28 Industry Standards: Except as contained herein, the specifications or solutions for this RFP shall be those accepted guidelines set forth by the **VEHICLE MAINTENANCE AND REPAIR WITH RELATED EQUIPMENT, SUPPLIES, AND SERVICES** industry, as they are generally understood and accepted within that industry across the nation. Submitted services/products, related services, and their warranties and assurances are required to meet and/or exceed all current, traditional and anticipated needs and requirements of NJPA and NJPA Members.

1.28.1 Deviations from industry standards must be identified by the Proposer and explained how, in their opinion, the services/products they propose will render equivalent functionality, coverage, performance, and/or service. Failure to detail all such deviations may comprise sufficient grounds for rejection of the entire proposal.

1.29 Important note: NJPA does not typically offer specific product and service specifications; rather NJPA is requesting an industry standard or accepted specification for the requested services and products. Where specific line items are specified, those line items should be considered the minimum which can be expanded by the Proposer to deliver the Proposer's "Solution" to NJPA and NJPA Member's needs.

1.30 Commonly used Goods and Services: It is important that the services/products submitted are the services/products commonly used public sector entities.

1.32 Compliance with laws and standards: All items supplied on this Contract shall comply with any current applicable safety or regulatory standards or codes.

G. CERTIFICATION – FIRM OFFER TO CONTRACT

1.34 By execution and delivery of a proposal, Proposer certifies:

1. The submission of the offer did not involve collusion or any other anti-competitive practices;
2. The Proposer/Vendor shall not discriminate against any employee or applicant for employment in violation of Federal and State Laws (see Federal Executive Order 11246);
3. The Proposer has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor or service to a public servant in connection with the submitted offer (see Gratuities); and,
4. The Proposer agrees to promote and offer to Members only those services/products and/or services as previously stated, allowed, and deemed a resultant of the contract(s) as NJPA contract items or services. This clause shall include any future product or service additions as allowed through Contract additions.

1.35 A response to this RFP is a firm offer to Contract with the NJPA based upon the goals, intent, terms, and conditions and scope of services/products contained in and referenced to in this invitation.

1.36 All stated terms and conditions, expectations to include the goals, intent and scope of this RFP as described as a part of this RFP, are to be considered binding under the signatures of authorized parties and are part of the Contract.

2. DEFINITIONS

A. PROPOSER - VENDOR

2.1 Exclusive Vendor- A sole Vendor awarded in a product category. NJPA reserves the right to award to an Exclusive Vendor in the event that such an award is in the best interests of NJPA Members. Such a Proposer must exhibit the ability to offer an outstanding overall program and demonstrate the ability and willingness to serve NJPA Members in all 50 states, and comply with all other requirements of this RFP.

2.2 Potential Proposer- A person or entity requesting a copy of this RFP.

2.3 Proposer- A company, person or entity delivering a timely response to this RFP.

2.4 Vendor- One of a number of Proposers whose proposal has been awarded a contract pursuant to this RFP.

2.5 Request for Proposal- Herein referred to as RFP

B. CONTRACT

2.7 "Contract" as used herein shall mean cumulative documentation consisting of this RFP, an entire Proposer's response, and a fully executed "Acceptance and Award" made pursuant to this RFP.

C. TIME

2.8 Periods of time, stated as number of days, shall be in calendar days.

D. PROPOSERS RESPONSE

2.9 A Proposers Response is the entire collection of documents as they are received by NJPA from a Potential Proposer in response to this RFP.

E. CURRENCY

2.10 All transactions are payable in U.S. dollars on U.S. sales. All administrative fees are to be paid in U.S. dollars.

3. INSTRUCTIONS TO PREPARING YOUR PROPOSAL

A. PRE-PROPOSAL CONFERENCE

3.1 A non-mandatory pre-proposal conference will be held at the date and time specified in the time line on page one of this RFP. Conference call and web connection information will be sent to all Potential Proposers through the same means employed in their inquiry. The purpose of this conference call is to allow Potential Proposers to ask questions regarding this RFP. Only answers issued in writing by NJPA to questions asked before or during the Pre-proposal Conference shall be considered binding.

B. IDENTIFICATION OF KEY PERSONNEL

3.2 Vendor will designate one senior staff individual who will represent the awarded Vendor to NJPA. This contact person will correspond with members for technical assistance, questions or problems that may arise including instructions regarding different contacts for different geographical areas as needed.

3.3 Individuals should also be identified (if applicable) as the primary contacts for the contents of this proposal, marketing, sales, and any other area deemed essential by the Proposer.

C. PROPOSERS EXCEPTIONS TO TERMS AND CONDITIONS

3.4 Any exceptions, deviations, or contingencies a Proposer may have to the terms and conditions contained herein must be documented on Form C.

3.5 Exceptions, Deviations or contingencies stipulated in Proposer's response, while possibly necessary in the view of the Proposer, may result in disqualification of a proposal response.

D. FORMAL INSTRUCTIONS TO PROPOSERS

3.6 It is the responsibility of all Proposers to examine the entire RFP package, to seek clarification of any item or requirement that may not be clear and to check all responses for accuracy before submitting a proposal. Negligence in preparing a proposal confers no right of withdrawal after the deadline for submission of proposals.

3.7 All proposals must be sent to "The National Joint Powers Alliance®, 200 First Street NE Staples, MN

56479."

3.8 All proposals, IN THEIR ENTIRETY must be submitted in both hard copy and electronic formats (on a compact disc (CD)). Both hard copy and electronic proposals must be tabbed (in appropriately named files in the case of the CD) as identified herein. Electronic proposal submissions should be submitted in a nested file structure where the root file is entitled "Proposal Response". Files contained in the root file should be entitled "Tab 1, Tab 2,…" Documents within the nested files should be individual documents or folders appropriately titled as to their content.

3.9 Two complete copies of each proposal must be submitted in each response. All Proposal forms must be legible. All appropriate forms must be executed by an authorized signatory of the Proposer. Blue ink is preferred for signatures.

3.10 Electronic proposal submissions should be submitted using the electronic forms provided. If a Proposer chooses to use alternative documents for their response, the proposer will be responsible for ensuring the content is effectively equal to the NJPA form and the document is in a format readable by NJPA.

3.11 Service descriptions, fact sheets, and catalogs should be submitted in electronic format only in an effort to limit the use of paper resources in the hard copy response. Price lists in excess of 20 pages should be submitted in electronic format only.

3.12 It is the responsibility of the Proposer to be certain the proposal submittal is in the physical possession of NJPA on or prior to the deadline for submission of proposals. Proposals must be submitted in a sealed envelope or box properly addressed to NJPA and prominently identifying the proposal number, proposal category name, the message **"Hold for Proposal Opening",** and the deadline for proposal submission. NJPA cannot be responsible for late receipt of proposals. Proposals received by the correct deadline for proposal submission will be opened and the name of each Proposer and other appropriate information will be publicly read.

3.13 Corrections, erasures, and interlineations on a Proposer's response must be initialed by the authorized signer in original ink on all copies to be considered.

3.14 Addendums to the RFP: The Proposer is responsible for ensuring receipt of all addendums to RFP.

3.14.1 Proposer's are responsible for checking directly with NJPA, or checking the NJPA website for addendums to RFP.

3.14.2 Addendums to RFP can change terms and conditions of RFP including the deadline for submission of proposals.

E. CONTENTS AND TABBING OF PROPOSAL SUBMISSION

3.15 In order to insure every proposal receives a fair evaluation and comparison, it is required each Proposer tab and label their proposal as indicated on Form A "Vendor Questionnaire."

F. QUESTIONS AND ANSWERS ABOUT RFP

3.16 Upon examination of RFP document, Proposer shall promptly notify the Manager of Bids and Contracts of any ambiguity, inconsistency, or error they may discover. Interpretations, corrections and changes to RFP must be made by addendum. Interpretations, corrections, or changes made in any other manner will not be binding and Proposer shall not rely upon such.

3.17 Submit all questions about RFP, in writing, referencing **"**VEHICLE MAINTENANCE AND REPAIR WITH RELATED EQUIPMENT, SUPPLIES, AND SERVICES to Gregg Meierhofer, NJPA, 200 First Street NE, Staples, MN 56479 or RFP@njpacoop.org. Those not having access to the Internet may call Gregg Meierhofer at (218) 894-1930 to determine if addenda have been issued or to request

copies of the RFP. Requests for additional information or interpretation of instructions to Proposers or technical specifications shall also be addressed to Gregg Meierhofer. NJPA urges Potential Proposers to communicate all concerns well in advance of the deadline to avoid misunderstandings. Questions received less than seven (7) days ending at 4:00 p.m. Central Time of the seventh (7th) calendar day prior to proposal due-date cannot be answered.

3.18 If the answer to a question is deemed by NJPA to have a material impact on other Inquirers or the RFP itself, the answer to the question will become an addendum to RFP.

3.19 If the answer to a question is deemed by NJPA to be a clarification of existing terms and conditions and does not have a material impact on other potential proposers or the RFP itself, no further documentation of that question is required.

3.20 As used in this solicitation, clarification means communication with a Potential Proposer for the sole purpose of eliminating minor irregularities, informalities, or apparent clerical mistakes in the RFP.

3.21 Addenda are written instruments issued by NJPA that modify or interpret RFP. All addenda issued by NJPA shall become a part of the RFP. Addenda will be delivered to all Potential Proposers using the same method of delivery of the original RFP material. NJPA accepts no liability in connection with the delivery of said materials. Copies of addenda will also be made available on the NJPA website at www.njpacoop.org by clicking on "Current Proposals" and from the NJPA offices. No addenda will be issued later than five (5) days prior to the deadline for receipt of proposals, except an addendum withdrawing the request for proposals or one that includes postponement of the date of receipt of proposals. Each Potential Proposer shall ascertain prior to submitting a Proposal that it has received all addenda issued, and the Proposer shall acknowledge their receipt in its Proposal Response.

3.22 An amendment to a submitted proposal must be in writing and delivered to NJPA no later than the time specified for opening of all proposals.

G. MODIFICATION OR WITHDRAWAL OF A SUBMITTED PROPOSAL

3.23 A submitted proposal may not be modified, withdrawn from or cancelled by the Proposer for a period of ninety (90) days following the date proposals were opened regarding RFP. **Prior** to the deadline for submission of proposals, any proposal submitted may be modified or withdrawn by notice to the NJPA Manager of Bids and Contracts. Such notice shall be submitted in writing and include the signature of the Proposer and shall be delivered to NJPA prior to the deadline for submission of proposals and it shall be so worded as not to reveal the content of the original proposal. However, the original proposal shall not be physically returned to the Potential Proposer until after the official proposal opening. Withdrawn proposals may be resubmitted up to the time designated for the receipt of the proposals if they are then fully in conformance with the Instructions to Proposer.

H. VALUE ADDED ATTRIBUTES, SERVICES/PRODUCTS

3.24 Explanation of Value Added Attributes: Value-Added attributes, services/products are items offered in addition to the services/products being proposed which adds value to those items being proposed. For example, the availability of a contract for maintenance or service after the initial sale, installation, and set-up may be "Value Added Services" for services/products where a typical buyer may not have the ability to perform these functions.

3.25 Where to document Value Added Attributes: The opportunity to indicate value added dimensions and such advancements will be available in the Proposer's Questionnaire and Proposer's product and service submittal and must be tabbed under Tab 9.

3.26 Value added services/products and expanded services, as they relate to RFP, will be given positive consideration in the award selection. Consideration will be given to an expanded selection of **VEHICLE MAINTENANCE AND REPAIR WITH RELATED EQUIPMENT, SUPPLIES, AND SERVICES,**

and advances to provide services/products, supplies meeting and/or exceeding today's industry standards and expectations. A value add would include a program or service that further serves the members needs above and possibly beyond standard expectation and complements the services/products and training. Value add could include areas of product and service, sales, ordering, performance, maintenance, technology, and service that furthers the functionality and effectiveness of the procurement process while remaining within the scope of RFP.

3.27 Minority, Small Business, and Women Business Enterprise (WMBE) participation: It is the policy of some NJPA Members to involve Minority, Small Business, and WMBE contractors in the purchase of goods and services. Vendors should document WMBE status for their organization AND any such status of their affiliates (i.e. Supplier networks) involved in carrying out the activities invited. The ability of a Proposer to provide "Credits" to NJPA and NJPA Members in these subject areas, either individually or through related entities involved in the transaction, will be evaluated positively by NJPA. NJPA is committed to facilitating the realization of such "Credits" through certain structuring techniques for transactions resulting from RFP.

3.28 Environmentally Preferred Purchasing Opportunities: There is a growing trend among NJPA Members to consider the environmental impact of the services/products they purchase. Please identify any "Green" characteristics of the goods and services in your proposal and identify the sanctioning body determining that characteristic. Where appropriate, please indicate which services/products have been certified as "green" and by which certifying agency.

3.29 On-Line Requisitioning systems: When applicable, on-line requisitioning systems will be viewed as a value-added characteristic. Proposer shall include documentation about user interfaces that make online ordering easy for NJPA Members as well as the ability to punch-out from mainstream e-Procurement or Enterprise Resource Planning (ERP) systems that NJPA Members may currently utilize.

3.30 Financing: The ability of the Proposer to provide financing options for the services and products being proposed will be viewed as a Value Added Attribute.

I. CERTIFICATE OF INSURANCE

3.31 Proposer shall procure and maintain insurance which shall protect the Proposer and NJPA (as an additional insured) from any claims for bodily injury, property damage, or personal injury covered by the indemnification obligations set forth herein. The Proposer shall procure and maintain the insurance policies described below at the Proposer's own expense and shall furnish to NJPA an insurance certificate listing the NJPA as certificate holder **and as an additional insured**. The insurance certificate must document that the Commercial General Liability insurance coverage purchased by the Proposer includes contractual liability coverage applicable to this Contract. In addition, the insurance certificate must provide the following information: the name and address of the insured; name, address, telephone number and signature of the authorized agent; name of the insurance company (authorized to operate in all fifty United States); a description of coverage in detailed standard terminology (including policy period, policy number, limits of liability, exclusions and endorsements); and an acknowledgment of notice of cancellation to the NJPA.

3.32 Proposer is required to maintain the following insurance coverage's during the term of the NJPA Contract:
(1) Workers Compensation Insurance (Occurrence) with the following minimum coverage's: Bodily injury by accident--per employee $100,000; Bodily injury by disease--per employee $100,000; Policy limits $500,000. In addition, Proposer shall require all subcontractors occupying the premises or performing work under the contract to obtain an insurance certificate showing proof of Workers Compensation Coverage with the following minimum coverage's: Bodily injury by accident--per employee $100,000; Bodily injury by disease--per employee $100,000; Policy limits $500,000.
(2) Commercial General Liability Policy per occurrence $1,000,000.
(3) Business Auto Policy to include but not be limited to liability coverage on any owned, non-owned

and hired vehicle used by Proposer or Proposer's personnel in the performance of this Contract. The Business Automobile Policy shall have a per occurrence limit of $1,000,000.

3.33 The foregoing policies shall contain a provision that coverage afforded under the policies will not be canceled, or not renewed or allowed to lapse for any reason until at least thirty (30) days prior written notice has been given to NJPA. Certificates of Insurance showing such coverage to be in force shall be filed with NJPA prior to commencement of any work under the contract. The foregoing policies shall be obtained from insurance companies licensed to do business nationally and shall be with companies acceptable to NJPA, which must have a minimum AM Best rating of A-. All such coverage shall remain in full force and effect during the term and any renewal or extension thereof.

3.34 Within ten (10) days of contract award, the Proposer must provide NJPA with two (2) Certificates of Insurance. Certificates must reference NJPA RFP 010511 by number.

J. ORDER PROCESS AND/OR FUNDS FLOW

3.35 Please propose an order process and funds flow in Tab 9 for your proposal. Please choose from one of the following:

3.35.1 B-TO-G: The Business-to-Government order process and/or funds flow model involves NJPA Members issuing Purchase Orders directly to a Vendor and pursuant to a Contract resulting from this RFP.

3.35.2 Other: Please fully identify.

K. ADMINISTRATIVE FEES

3.37 Proposer agrees to authorize and/or allow for an administrative fee payable to NJPA by an Awarded Vendor in exchange for its facilitation and marketing of a Contract resulting from this RFP to current and potential NJPA Members. This Administration Fee shall be:

3.37.1 Calculated as a percentage of the dollar volume of all services/products provided to and purchased by NJPA Members or calculated as reasonable and acceptable method applicable to the contracted transaction, and
3.37.2 Included in, and not added to, the pricing included in Proposer's Response to this RFP, and
3.37.3 Set based on the anticipated costs of NJPA's involvement in facilitating the establishment, Vendor training, and the order/product/funds flow of the Contract resulting from this RFP.
3.37.3.1 Typical administrative fees for a B-TO-G order process and funds flow is 2.0%.

3.38 The opportunity to propose these factors and an appropriate administrative fee is available in the Proposer's Questionnaire, and submitted in Tab 9 of your response.

4. PRICING STRATEGIES

4.1 NJPA requests Potential Proposers respond to RFP only if they are able to offer a wide array of services/products and at prices lower and better value than what they would ordinarily offer to single government agency, larger school district or regional cooperative.

4.2 RFP is an "Indefinite Quantity Service/products Price Request" with potential national sales distribution and service. Proposers are agreeing to fulfill Contract obligations regarding each service/products to which you provide a description and a price. If your solution requires additional supporting documentation, describe where it can be found in your submission. If Proposer offers the solution in an alternative fashion, describe your solution to be easily understood. All pricing must be tabbed and organized under Tab 9, and copied on a CD along with other requested information as a part of a Proposer's Response.

4.3 Regardless of the payment method selected by NJPA or NJPA Member, a total cost associated with any purchase option of the services/products and being supplied must always be disclosed at the time of purchase.

4.4 Primary Pricing/Secondary Pricing Strategies- All proposers will be required to submit "Primary Pricing" in the form of either "Line-Item Pricing," "Percentage Discount from Catalog Pricing," or a combination of these two pricing strategies. Proposers are also encouraged to offer OPTIONAL pricing strategies including "Hot List, "Sourced Goods," and "Volume Discounts," as well as financing options such as leasing.

A. LINE-ITEM PRICING

4.5 Line-Item pricing- A pricing format where specific individual services/products are offered at specific individual Contract prices. Services/products are individually priced and described by (where applicable) characteristics such as manufacturer name, stock or part number, size, or functionality. This method of pricing offers the least amount of confusion as service/products prices are individually identified, however Proposers with a large number of services/products to propose may find this method cumbersome. In these situations, a percentage discount from catalog or category pricing model may make more sense.

4.6 Unit Pricing: Unit Pricing is a line-item technique of pricing for services/products including the related services/products on a unitized basis. The unitized basis may be per quantitative measure such as per service, per square foot, per lineal foot or per occurrence. As an example (not necessarily related to the scope of this RFP), sheetrock may be line item priced as a product only, delivered to the end users location, AND unit priced delivered and installed at that end users location. The sheetrock, hung and taped logical combination of product and service and could be priced per square foot. Whether pricing services or logical combinations of services/services and products, pricing per unit of product/product and service must be quoted (i.e. cost per square foot of sheetrock hung and taped).

4.8 Line-Item Pricing items or services are to be submitted in an Excel spreadsheet format and are to include all appropriate identification information necessary to discern the line item from other line items in each Proposer's proposal.

4.9 The purpose for the excel spreadsheet format for Line-Item Pricing is to be able to use the "Find" function to quickly find any particular item of interest. For that reason, Proposers are responsible for providing the appropriate product and service identification information along with the pricing information which is typically found on an invoice or price quote for such services/products.

4.10 All services/products typically appearing on an invoice or price quote must be individually priced and identified on the line-item price sheet, including any and all ancillary costs.

4.11 Proposers are asked to provide both a "List" price as well as a "Proposed Contract Price" in their pricing matrix. "List" price will be the standard "quantity of one" price currently available to government and educational customers excluding cooperative and volume discounts.

B. PERCENTAGE DISCOUNT FROM LIST

4.12 Percent Discount From Published List or Catalog or Category Pricing- A specific percentage discount from a "Base or List Price" defined as a published manufacturers list, or catalog price for the services/products being proposal. The "Base or List Price" is the price charged to an average government/education buyer absent reductions for cooperative or volume purchasing agreements.

4.13 A Percentage Discount from Catalog or Category Pricing identifies a percentage discount to be applied to a "Base Price" for services from one or more published catalogs. The "Base Price" will be the price generally applicable to government and education customers absent the discounts contemplated

herein. The catalog may be published by the Proposer or by the Proposer's supplier. "Published" means generally available to a dealer network distributing those services and products being proposed in either print or electronic formats where an "Auditor" may verify the "Base Price" of a service proposed during the term of a Contract.

4.14 When a Proposer elects to use "Percentage Discount from Catalog or Category," Proposer will be responsible for providing and maintaining current "Base or List Pricing" with NJPA both in their proposal and throughout the term of any Contract resulting from this RFP.

4.15 New "Base or List Price" Catalogs may be submitted for review throughout the term of the Contract. NJPA reserves the right to review subsequent catalogs submitted to determine if the represented services reflect the contracted services. Each new catalog received may have the effect of adding new product offerings and deleting products no longer carried by the Vendor. New catalogs shall apply to the Contract only upon approval of the NJPA. Non-approved use of catalogs will result in termination for convenience. New price lists or catalogs found to be offering non-contract items during the Contract would be grounds for terminating the Contract for convenience. New optional accessories for services may be added to the Contract at the time they become available.

C. HOT LIST PRICING

4.16 Where applicable, NJPA also invites the Vendor, at their option, to offer a specific selection of services/products, defined as a Hot List Pricing, at greater discounts than those listed in the standard Contract pricing. All service/products pricing, including the Hot List Pricing, must be submitted in hard copy as well as electronically provided in Excel format. Hot List pricing must be submitted in a Line-Item format. Providing a "Hot List" of services/products is optional. Services/products may be added or removed from the "Hot List" at any time provided that current "Hot List" prices are provided to NJPA at all times.

4.17 Hot List pricing when applicable may also be used to discount and liquidate close-out and discontinued services/products as long as those close-out and discontinued items are clearly labeled as such. Current ordering process and administrative fees apply. This option must be published and made available to all NJPA Members.

4.18 Hot List Pricing is allowed to change at the discretion of the Vendor within the definition of Hot List Pricing. The Vendor is responsible to maintain current Hot List service/products descriptions and Pricing with NJPA.

D. CEILING PRICE

4.19 Proposal pricing is to be established as a ceiling price. At no time may the proposed services/products be offered pursuant to this Contract at prices above this ceiling price without approval by NJPA. Prices may be reduced to allow for volume considerations and to meet the specific and unique needs of an NJPA Member.

4.20 Allowable specific needs may include certain purchase volume considerations or the creation of custom programs based on the individual needs of NJPA Member.

E. VOLUME PRICE DISCOUNTS

4.21 Proposer's are free to offer volume discounts from the quantity-of-one pricing documented in a Contract resulting from this RFP. Volume considerations shall be determined between the Vendor and individual NJPA Members on a case-by-case basis.

4.22 Nothing in this Contract establishes a favored member relationship between the NJPA or any NJPA

Member and the Vendor. The Vendor will, upon request by NJPA Member, extend this same reduced price offered or delivered to another NJPA Member provided the same or similar volume commitment, specific needs, terms and conditions, and similar time frame, seasonal considerations and provided the same manufacturer support is available to the Vendor.

F. SOURCED GOODS OR SERVICES

4.23 NJPA and NJPA Members may, from time to time, request goods and/or services/products within the scope of RFP which are not included in an awarded Vendor's line-item product /service listing or "list or catalog" known as Sourced Goods and services.

4.24 An awarded Vendor resulting from RFP may "Source" these service/productss for NJPA or NJPA Member to the extent they:

4.24.1 Provide as many quotes for the Member's "Total Cost of Acquisition" for the goods and services to be sourced as may reasonably be required by NJPA or NJPA Member.

4.24.2 Provide "Sourced Goods" only to the extent that they are incidental to the total transaction being contemplated.

G. TOTAL COST OF ACQUISITION

4.25 The Total Cost of Acquisition for the services/products being proposed, including those payable by NJPA Members to either the Proposer or a third party, shall be disclosed in the Proposer's response including but not limited to:

- The capitalized cost of the listed services/products being proposed,
- The cost of accessories, alterations, and customizations typically incurred in the acquisition of the services/products being proposed.
- The cost of delivery, setup and installation (where applicable) of the services/products and any accessories being proposed.
- Other costs, where applicable, typically associated with the purchase, delivery, set-up, and installation of the services/products being proposed and making it operational at the purchaser's site.

H. REQUESTING SERVICE ADDITIONS/DELETIONS

4.26 Requests for service/products, and price additions, deletions or changes must be made in written form and shall be subject to approval by NJPA.

4.27 New services/products may be added to a Contract resulting from RFP at any time during that Contract to the extent those services/products are within the scope of RFP. Those requests are subject to review and approval of NJPA. Allowable new services/products generally include new updated models of services/products and or enhanced services previously offered which could reflect new technology and improved functionality.

4.28 NJPA's due diligence in analyzing any request for change is to determine if approval of the request is 1) within the scope of the original RFP, and 2) in the "Best Interests of NJPA and NJPA Members." We are looking for consistent pricing and delivery mechanisms and an understanding of what value the proposal brings to NJPA and NJPA Members.

4.29 Documenting the "Best Interests of NJPA and NJPA Members" when out-dated goods and services are being deleted is fairly straight forward since the product is no longer available and not relevant to the procurement Contract.

4.30 Requests must be in the form of (1) a cover letter to NJPA a) asking to add the service, b) making a

general statement identifying how the services/products to be added are within the scope of the original RFP, and c) making a general statement identifying that, if appropriate, the pricing is consistent with the existing Contract pricing and (2) the detail as to what is being added at what price will then be an attachment to that cover letter.

4.31 NJPA's intent here is to encourage Proposers, to provide and document NJPA's due diligence in a clear and concise one page format on which we can stamp and sign our acknowledgment and acceptance. This information must ultimately come from Proposers, and NJPA are requiring it in this format.

I. REQUESTING PRICING CHANGES

4.32 Price Decreases: Requests for standard Contract price decrease adjustments (percentage discount increases) are encouraged and will be allowed at any time based on market place efficiencies, market place competitiveness, improved technologies and/or improved methods of delivery or if Vendor engages in innovative procurement practices such as strategic sourcing, aggregate and volume purchasing. NJPA expects Vendors to propose their very best prices and anticipates price reductions due to the advancement of technologies and market place efficiencies. Documenting the "Best Interests of NJPA and NJPA Members" is pretty easy when we are documenting price reductions.

4.33 Price increases: Requests for standard contract price increases (or the inclusion of new generation services/products/services at higher prices) can be made at any time. These requests will again be evaluated by NJPA based on the best interests of NJPA and NJPA Members. As an example, typically acceptable requests for price increases for existing services/products may cite increases to the Vendor of input costs such as petroleum or other applicable commodities. Typically acceptable requests for price increases for new services/products enhance or improve on the current solutions currently offered as well as cite increases in utility of the new compared to the old. Vendors are requested to reasonably document the claims cited in their requests. Your written request for a price increase, therefore, is an exercise in describing what you need, and a justification for why you need it in sufficient detail for NJPA to deem such change to be in the best interests of our self and our Members.

4.34 Price Change Request Format: An awarded Proposer will use the format of a cover letter requesting price increases in general terms (a 5% increase in product line X) and stating their justification for that price increase (due to the recent increase in petroleum costs) by service category. Specific details for the requested price change must be attached to the request letter identifying service/productss where appropriate, both current and proposed pricing. Attachments such as letters from suppliers announcing price increases are appropriate for documenting your requests here.

J. PRICE AND SERVICE CHANGES FORMAT

4.35 NJPA's due diligence regarding service and price change requests is to consider the reasonableness of the request and document consideration on behalf of our members. We would appreciate it if you would send the following documentation to request a pricing change:

4.35.1 A cover letter:

a. Please address the following subjects in your cover letter:

i. What service/products prices are changing?

ii. How much are the prices changing?

iii. Why are the prices changing?

iv. Any additions or deletions from the previous service list and the reason for the changes.

b. The specifics of the service/productss and price changes will be listed in the excel spreadsheets indentified below. Please take a more general "Disclosure" approach to identifying changes in the cover letter.

i. If appropriate, **for example**, state, "All paper services/products increased 5 %

in price due to transportation costs."

ii. If appropriate, for instance, state, "The 6400 series floor polisher added to the product list is the new model replacing the 5400 series. The 6400's 3% price increase reflects the rate of inflation over the past year. The 5400 series is now included in the "Hot List" at a 20% discount from previous pricing until remaining inventory is liquidated."

4.35.2 An excel spreadsheet identifying all services/products being offered and their pricing. Each subsequent pricing update will be saved using the naming convention of "[Vendor Name] pricing effective XX/XX/XXXX."

a. Include all services/products regardless of whether their prices have changed. By observing this convention we will:

i. Reduce confusion by providing a single, easy to find, current pricing sheet for each Vendor.

ii. Create a historical record of pricing.

K. SINGLE STATEMENT OF PRICING/HISTORICAL RECORD OF PRICING

4.36 Initially; and with each request for product addition, deletion, and pricing change; all services/services and products available, and the prices for those services/services and products will be stated in an Excel workbook. The request for price changes described above will serve as the documentation for those requested changes. Each complete pricing list will be identified by its "Effective Date." Each successive price listing identified by its "Effective Date" will create a "Product and Price History" for the Contract.

4.37 Proposer's may use the multiple tabs available in an Excel workbook to separately list logical product groupings or to separately list product and service pricing as they see fit.

4.38 All services/products together with their pricing, whether changed within the request or remaining unchanged, will be stated on each "Pricing" sheet created as a result of each request for product, service, or pricing change.

4.39 Each subsequent "Single Statement of Product and Pricing" will be archived by its effective date therefore creating a product and price history for any Contract resulting from RFP.

L. PAYMENT TERMS

4.40 Payment terms will be defined by the Proposer in the Proposer's Response. Proposers are encouraged to offer payment terms through P Card services.

4.41 Leasing- If available, identify any leasing programs available to NJPA and NJPA Members as part of your proposed. Proposers must submit an example of the lease agreement to be used. Proposers must identify:

- General leasing terms such as:
  - The percentage adjustment over/under an index rate used in calculating the internal rate of return for the lease; and
  - The index rate being adjusted; and
  - The "Purchase Option" at lease maturity ($1, or fair market value); and
  - The available term in months of lease(s) available.
- Leasing company information such as:
  - The name and address of the leasing company; and
  - Any ownership, common ownership, or control between the Proposer and the Leasing Company.

M. SALES TAX

4.41 Sales and other taxes, where applicable, shall not be included in the prices quoted. Vendor will charge state and local sales and other taxes on items for which a valid tax exemption certification has not been provided. Each NJPA Member is responsible for providing verification of tax exempt status to Vendor. When ordering, if applicable, NJPA Members must indicate that they are tax exempt entities. Except as set forth herein, no party shall be responsible for taxes imposed on another party as a result of or arising from the transactions contemplated by a Contract resulting from RFP.

N. NORMAL WORKING HOURS

4.52 Prices quoted are for services/products delivered during normal business hours. Normal Business hours will be as specifically defined herein, defined through industry standards OR defined through statement contained in the purchase/work order issued pursuant to a Contract resulting from RFP.

5. MARKETING PLAN

5.1 Internal Marketing Plan: An award of Contract resulting from RFP is an opportunity for the awarded contractor to pursue commerce with, and deliver value to NJPA and NJPA Members nationwide. An award of Contract is not an opportunity to see how much business NJPA can drive to an awarded Vendor's door. Your internal marketing plan should serve to:

5.1.1 Identify the appropriate levels of sales management whom will need to understand the value of, and the internal procedures necessary to deliver this Contract opportunity to NJPA and NJPA Members through your sales force.

5.1.2 Identify, in general, your national foot print and dedicated feet-on-the-street sales force who will be carrying this Contract message and opportunity in the field to NJPA Members. Outline the sale force in terms of numbers and geographic distribution.

5.1.2.1 Identify whether your sales force are employees or independent contractors.

5.1.3 Identify your plan for delivering training to these individuals.

5.1.3.1 Will you have your sales force gathered at national or regional events in the near future? Does you sales force have the ability to participate in webinar or webcast events?

5.1.3.2 NJPA is prepared to provide our personnel in your location for sales training and/or on a webinar or webcast where sufficient efficiencies can be shown in reaching the appropriate groups within your employee base, and sufficient numbers of personnel trained.

5.1.4 Identify your personnel involved in training.

5.1.4.1 NJPA can provide personnel to deliver training regarding the Contract itself, the authority of NJPA to offer the Contract vehicle to its Members, the value the Contract vehicle delivers to NJPA and NJPA Members, the scope of NJPA Membership, and the authority of NJPA Members to utilize our procurement contracts.

5.1.4.2 Your personnel will be needed to provide training regarding employee compensation and internal procedures when delivering the Contract opportunity, and how this Contract purchasing opportunity relates with other such opportunities available.

5.2 Success in marketing is dependent upon 1) the delivery of value as defined herein, 2) the delivery of knowledge of the program and its proper use and utility, and 3) the delivery of opportunity and reward which creates a personal commitment to the program. NJPA desires a marketing plan that:

5.2.1 Identifies the value delivered in a competitively proposed national cooperative procurement contract by relieving both the NJPA Member and the Vendor/Vendor's sales staff of the responsibility for bringing and answering many similar and individual RFP's; and

5.2.2 Identifies the appropriate Vendor personnel from both management and sales staff's who will be trained on the use and utility of such a contract and a general schedule of when and how those individuals will be trained; and

5.2.3 Identifies in general how the reward system for the marketing, delivery, and service chain of the Vendor will be affected by the implementation of the proposed Contract and how that will be proposed to those individuals in terms of the value created for them and their departments in 5.1.1 above.

5.3 External Marketing Plan: NJPA is seeking the ability to serve all our current and potential members nationwide. The Proposer must demonstrate the ability to both market and service their services/products nationwide. Please demonstrate your sales and service force contains sufficient people in sufficient proximities, to receive the knowledge, opportunity, and reward in order to make a personal commitment to serving NJPA and NJPA Members nationwide.

5.4 The Proposer must exhibit the willingness and ability to develop marketing materials and participate in marketing venues such as:

5.4.1 Printed Marketing Materials. Proposer will initially produce and thereafter maintain full color print advertisements in camera ready electronic format including company logos, identifying the Vendor, the Vendor's general utility for NJPA and NJPA Members, and contact information to be used by NJPA and NJPA Members in a full page, half page, and quarter page formats. These advertisements will be used in the NJPA Catalog and publications.

5.4.2 Press releases and advertisements. Proposer will identify a marketing plan identifying their anticipated press releases, contract announcements, advertisements in industry periodicals, or other direct or indirect marketing activities.

5.4.3 Proposer's Website. Proposer will identify how an Awarded Contract will be displayed on the Proposer's website. An on-line shopping experience for NJPA and NJPA Members is desired when applicable and will be viewed as a value-added attribute to a Proposer's response.

5.4.4 Trade Shows. Proposer will outline their proposed involvement in the promotion of a Contract resulting from RFP through trade shows. Vendors are encouraged to identify trade-show, and other appropriate venues, for the promotion of any such Contract. Vendors are strongly encouraged to participate in cooperation with NJPA at the following NJPA embraced trade shows:

NAEP	National Association of Education Procurement
I-ASBO	International Association of School Business Officials
NIGP	National Institute of Government Purchasing

5.5 Proposer must also work in cooperation with NJPA to develop a marketing strategy and provide avenues to equally market and drive sales through the Contract and program to all NJPA Members nationally. Awarded Vendor agrees to actively market in cooperation with NJPA all available services/products to current and potential NJPA Members. NJPA reserves the right to deem a proposer non-responsive or to waive an award based on an unacceptable marketing plan.

5.6 As a part of this response, submit a complete Marketing Plan on how you would help NJPA rollout

this program to current and potential NJPA Members. NJPA requires the Vendor actively promote the Contract in cooperation with the NJPA. Vendors are advised to consider marketing efforts in the areas of 1) Website Link from Vendors website to NJPA's website, 2) Attendance and participation with a display booth at national trade shows as agreed upon/required by NJPA, and 3) Sales team and sales training programs involving both Vendor sales management and NJPA staff. NJPA requires awarded Vendors to offer the NJPA Contract opportunity to all current and qualified NJPA Members.

5.7 Facilitating NJPA Membership: Proposer should express their commitment to determine the membership status of their customers whom are eligible for NJPA Membership, AND their commitment to establishing that membership.

5.7.1 Membership information: Proposer should further express their commitment to capturing sufficient member information as is deemed necessary by NJPA to appropriately facilitate membership and certain marketing activities as agreed to by NJPA and an Awarded contractor.

6. PROPOSAL OPENING PROCEDURE

6.1 Sealed and properly identified Proposer's Responses for RFP entitled **"**VEHICLE MAINTENANCE AND REPAIR WITH RELATED EQUIPMENT, SUPPLIES, AND SERVICES**"** will be received by Gregg Meierhofer, Manager of Proposals and Contracts, at NJPA Offices, 200 First Street NE, Staples, MN 56479 until the deadline for receipt of, and opening of proposals at **4:30 p.m. on January 5, 2011.** The NJPA Manager of Bids and Contracts, or Representative from the NJPA Proposal Review Committee, will then read the Proposer's names aloud. A summary of the responses to RFP will be made available for public inspection in the NJPA office in Staples, MN. **Specifications are available for pick up or mail delivery beginning November 26, 2010 and continuing until 4:30 p.m. on December 17, 2010.** A letter or e-mail request is required to receive a complete RFP package. Send or communicate all requests to the attention of Gregg Meierhofer 200 First Street NE Staples, MN 56479 or RFP@njpacoop.org to receive a complete copy of RFP. Method of delivery needs to be indicated in the request; an email address is required for electronic transmission. Oral, facsimile, telephone or telegraphic Proposal Submissions or requests for RFP are invalid and will not receive consideration. All Proposal Responses must be submitted in a sealed package. The outside of the package shall plainly specify **"**VEHICLE MAINTENANCE AND REPAIR WITH RELATED EQUIPMENT, SUPPLIES, AND SERVICES**"** To avoid premature opening, it is the responsibility of the Proposer to label the Proposal Response properly.

7. EVALUATION OF PROPOSALS

A. THE PROPOSAL EVALUATION PROCESS

7.1 NJPA will use a 1000-Point Evaluation System to help determine the best overall Proposer(s) selection. Bonus points may be available for specific proposal characteristics identified such as "Green Product Certifications."

7.2 NJPA reserves the right to use a "Cost Scoring Evaluation" through a product comparison process of like services/products. This process will establish points for submitted price levels. See Cost Scoring Evaluation.

7.3 NJPA shall use a final overall scoring system to include consideration for best price and cost evaluation. The total possible score is 1000 points. NJPA reserves the right to assign any number of point awards or penalties it considers warranted if a Proposer stipulates exceptions, exclusions, or limitations of liabilities.

7.4 To qualify for the final evaluation, a Proposer must have been deemed responsive as a result of the criteria set forth under "Proposer Responsiveness."

7.5 Responses will be evaluated first for responsiveness and thereafter for content. The NJPA Board of Directors will make awards to the selected Proposer(s) based on the recommendations of the Proposal Review Committee.

7.6 The procurement activities of the NJPA Proposal Review Committee are limited to document preparation, answering Proposer questions, advertising the solicitation, distribution of RFP upon request, conducting an evaluation and making recommendation for possible approval to NJPA Board of Directors.

B. PROPOSER RESPONSIVENESS

7.7 Proposer's Responses received after the deadline for submission will be invalid and returned to the Potential Proposer unopened.

7.8 An essential part of the proposal evaluation process is an evaluation to qualify the Proposer being considered. All proposals must contain answers or responses to the information requested in the proposal forms. Any Proposer failing to provide the required documentation may be considered non-responsive.

7.9 Deviations or exceptions stipulated in Proposer's response may result in the proposal being classified as non responsive.

7.10 To qualify for evaluation, a proposal must have been submitted on time and materially satisfy all mandatory requirements identified in this document. A proposal must reasonably and substantially conform to all the terms and conditions in the solicitation to be considered responsive.

7.11 The Proposal Review Committee shall utilize the following criteria to evaluate all proposals received. Items 1-4 constitute the test for "Level One Responsiveness" and are determined on the proposal opening date. "Level 2" responsiveness is determined through the evaluation of the remaining items listed below. These items are not arranged in order of importance and each item may encompass multiple areas of information requested.

1. The proposal response is received prior to the deadline for submission.
2. The proposal package was properly addressed and identified.
3. The proposal response contains the required proposed security.
4. The proposal response contains original signatures on all documents requiring such.
5. Certificate of Insurance as required herein.
6. Response's conformance to terms and conditions as described in the solicitation, including documentation.
7. Possesses qualifications as a responding Proposer that meets or exceeds those set within the solicitation.
8. Information from references and past performance information including past member approval.
9. Demonstrates that they offer the most current industry standard services/products.
10. Demonstrates financial stability and a favorable banking line of credit.
11. Demonstrates their services/products proposed meet and/or exceed industry standards accepted by educational or governmental institutions.
12. Has demonstrated market place success and their past performance exhibit an acceptable reputation.
13. Demonstrates the company possesses the background, knowledge, capacity, and ability to sell, deliver, and support services/products offered to Members.
14. Has provided documentation defining, outlining, and describing their concept of a national marketing program they will be implementing to facilitate and coordinate the cooperative activities required by an awarded Contract.
15. Has provided all required and applicable documentation required i.e. proposed security, insurance certificates, licenses, and/or registration certificates required to do business nationally.

16. Line-Item Pricing, in approved excel format, listing of all of the proposed products/service and warranty provisions with their associated units of costs.
17. Core List selection of services/products in Line-Item Pricing format
18. Hot List Pricing services/products in a Line-Item Pricing format (where applicable).
19. Contract Pricing submitted as requested to include core list or services/products, Line-Item

C. PROPOSAL EVALUATION CRITERIA

7.12 If a supplier chooses not to produce or supply goods and services to meet the scope of this RFP, such action will be considered sufficient cause to reduce evaluation points.

7.13 Consideration will be given in the award based on the completion and degree of information provided regarding available services, and accessories, as well as, applicable parts of the Proposer Information and Questionnaire.

7.14 The fact a manufacturer or supplier chooses not to produce or provide services to meet the intent and scope of this RFP will not be considered sufficient cause to adjudge this
RFP as restrictive.

7.15 The Proposer is required to have extensive knowledge and at least three (3) years experience with the related activities surrounding the selling of the service or related products offered.

7.16 NJPA reserves the right to accept or reject newly formed companies solely based on information provided in the proposal and/or its own investigation of the company.

7.17 Consideration will be given in the proposal evaluation based upon the selection, variety, technological advances, and demonstrated quality of services/products submitted, technological advances, and pricing. The ability of the Proposer to communicate the value of these factors and to demonstrate how the depth and breadth of their product and service offerings provide NJPA and NJPA Members with a sole source of responsibility within the scope of this RFP will be positively reviewed.

7.18 Consideration will also be given to proposals demonstrating technological advances, provide increased efficiencies, expanded service and other related improvements beyond today's NJPA member's needs and applicable standards.

7.19 Strong consideration will be given to a Proposer's past performance, distribution model, and the demonstration their ability to effectively market and service NJPA Membership nationally.

7.20 Strong consideration will be given to the best price as it relates to the quality of the product and service. However, price is ultimately one of the factors taken into consideration in evaluation and award.

7.21 Evaluation of a Proposer's Responses will take into consideration as a minimum response but not necessarily limited to the following:

1. Adherence to all requirements of this RFP as defined by industry standards.
2. Prior knowledge of and experience with a Proposer in terms of past performance and market place success.
3. Capability of meeting or exceeding current and future needs or requirements of NJPA and NJPA Members.
4. Evaluation of Proposer's ability to market to and provide service to all NJPA Members nationally.
5. Financial condition of the Proposer.
6. Nature and extent of company data furnished in Proposer's Response.
7. Quality of services offered including value added related services.
8. History of member service to NJPA type customers.
9. Overall ability to perform sales, solutions and contract support as submitted.

10. Ability to meet service and warranty needs.
11. Technology advancements and related provisions.
12. Ability to market and promote the Contract within current business practices.
13. Willingness to develop and enter into NJPA Contract and business relations. Past market place successes and brand recognition.
14. Favorable bond rating and applicable industry standard licensing ability.
15. Past market place successes and brand recognition.
16. Demonstrated warranty and service/products responsibility.

7.20 The Proposers' ability to follow the proposal preparation instructions set forth in this solicitation will also be considered to be an indicator of the Proposers' ability to follow other future instructions should they receive an award as a result of this solicitation. Any Contract between NJPA and a Proposer requires the delivery of information and data. The quality of organization and writing reflected in the proposal will be considered an indication of the quality of organization and writing which would be prevalent if a Contract was awarded. As a result, the proposal will be evaluated as a sample of data submission.

7.21 A proposal must have been submitted on time and materially satisfy all mandatory requirements identified in this document.

7.22 NJPA reserves the right to reject the Proposer's Response of the apparent successful Proposer where the available evidence or information does not exhibit the ability or intent to satisfy NJPA the potential Vendor is able to properly carry out the terms of RFP and potential Contract.

7.23 NJPA shall reserve the right to reject any or all proposals. NJPA also reserves the right to reject a proposal lacking data required by RFP, or if a Proposer's response is incomplete or irregular. NJPA shall reject all proposals where there has been collusion among the Proposers.

7.24 Overall Evaluation (FORM G) - The NJPA Proposal Review Committee will evaluate proposals received based on a 1000 point evaluation system. The Committee will establish both the evaluation criteria and designate the relative importance of that criteria by assigning possible scores for each category.

7.25 Bonus Evaluation Points- Bonus evaluation points may be awarded by the NJPA Proposal Review Committee based on criteria identified as being both "optional" and "having additional value."

D. COST SCORING EVALUATION

7.26 After reviewing bid responses received, NJPA reserves the right to require additional information from the Bidders in an effort to establish a reasonable process for evaluating similar and dissimilar pricing and pricing formats in bid responses received. in the event the evaluation committee feels it is necessary to make a final determination.

7.27 This process may be based on a point system with points being awarded for being low to high Proposer for each cost evaluation item selected. Among other options, a "Market Basket" of identical (or substantially similar) services/products may be selected by the NJPA proposal review committee and the unit cost can be used as a basis for determining the point value. The "Market Basket" mayl be selected by NJPA from all product categories as determined appropriate by NJPA. The low priced Proposer will receive the full point value and all other Proposers will receive points as follows: Lowest price Proposal=5 (where there are five proposers), and inferior proposals = 4, 3, 2, 1 points each. The Total Score for each proposer will be the sum of all points earned. The result of this process shall not be the sole determination for award.

E. PRODUCT TESTING

7.28 NJPA reserves the right to request and test services/products from the apparent successful Proposer.

Prior to the award of the Contract, the apparent successful Proposer, if requested by NJPA, shall furnish current information and data regarding the Proposer's resources, personnel, and organization within three (3) days.

F. PAST PERFORMANCE INFORMATION

7.29 Past performance information (PPI) is relevant information regarding a Proposer's actions under previously awarded contracts to schools, local, state, and governmental agencies and non-profit agencies. It includes the Proposer's record of conforming to specifications and standards of good workmanship. The Proposer's history for reasonable and cooperative behavior and commitment to member satisfaction shall be under evaluation. Ultimately, PPI can be defined as the Proposer's businesslike concern for the interests of the NJPA Member.

G. WAIVER OF PROPOSAL FORMALITIES

7.30 NJPA reserves the right to waive any minor formalities or irregularities in any proposal and to accept proposals, which, in its discretion and according to the law, may be in the best interest of its members.

8. POST AWARD OPERATING ISSUES

A SUBSEQUENT AGREEMENTS

8.1 Purchase Order- Purchase Orders for goods and services may be executed between NJPA or NJPA Members (Purchaser) and awarded Vendor(s) or Vendor's sub-contractors pursuant to this invitation and any resulting Contract. NJPA Members are instructed to identify on the face of such Purchase orders that "This purchase order is issued pursuant to NJPA procurement contract #XXXXXX." A Purchase Order is an offer to purchase goods and services at specified prices by NJPA or NJPA Members pursuant to an Contract resulting from this IFB. Purchase Order flow and procedure will be developed jointly between NJPA and an Awarded Vendor after an award is made.

8.2 Governing Law- Purchase Orders, as identified above, shall be construed in accordance with, and governed by, the laws of a competent jurisdiction with respect to the purchaser. Each and every provision of law and clause required by law to be included in the Purchase Order shall be read and enforced as though it were included. If through mistake or otherwise any such provision is not included, or is not currently included, then upon application of either part the Contract shall be physically amended to make such inclusion or correction. The venue for any litigation arising out of disputes related to Purchase Order(s) shall be a court of competent jurisdiction to the Purchaser.

8.3 Additional Terms and Conditions- Additional terms and conditions to a Purchase Order may be proposed by NJPA, NJPA Members, or Vendors. Acceptance of these additional terms and conditions is OPTIONAL to all parties to the Purchase Order. The purpose of these additional terms and conditions is to, among other things; formerly introduce job or industry specific requirements of law such as prevailing wage legislation. Additional terms and conditions can include specific local policy requirements and standard business practices of the issuing Member. Said additional terms and conditions shall not interfere with the general purpose and intent of this RFP.

8.4 Asset Management Contracts: Asset Management type contracts can be initiated pursuant to a Contract resulting from this RFP at any time during the term of said Contract. The establishment of such Asset Management Contracts cannot exceed the authorized term of a Contract resulting from this RFP; however the Asset Management Contract term may extend beyond the maturity date of a Contract resulting from this RFP.

8.5 Specialized Service Requirements- In the event service requirements or specialized performance requirements such as e-commerce specifications, specialized delivery requirements, or other specifications and requirements not addressed in the Contract resulting from this RFP, NJPA Member and

Vendor may enter into a separate, stand alone agreement, apart from a Contract resulting from this RFP. Any proposed service requirements or specialized performance requirements require pre-approval by Vendor. Any separate agreement developed to address these specialized service or performance requirements is exclusively between the NJPA Member and Vendor. NJPA, its agents, Members and employees shall not be made party to any claim for breach of such agreement. Product sourcing is not considered a service. NJPA Members will need to conduct procurements for any specialized services not identified in this Contract.

8.6 Performance Bond- At the request of the member, a Vendor will provide all performance bonds typically and customarily required in their industry. These bonds will be issued pursuant to the requirements of Purchase Orders for goods and services. If a purchase order is cancelled for lack of a required performance bond, it shall be the recommendation of NJPA that pending Purchase Orders with all NJPA Members be considered for cancellation. Each member has the final decision on Purchase Order continuation. ANY PERFORMANCE BONDING REQUIRED BY THE MEMBER OR CUSTOMER STATE LAWS OR LOCAL POLICY IS TO BE MUTUALLY AGREED UPON AND SECURED BETWEEN THE VENDOR AND THE CUSTOMER/MEMBER.

C. NJPA MEMBER SIGN-UP PROCEDURE

8.7 Awarded Vendors shall become familiar with the various forms of Membership documentation and shall encourage and facilitate Potential Members in establishing their Membership status.

D. REPORTING OF SALE ACTIVITY

8.8 A report of the total gross dollar volume of all services/products purchased by NJPA Members as it applies to RFP and Contract will be provided quarterly to NJPA. The form and content of this reporting will be developed by NJPA in cooperation with the Vendor to include, but not limited to, name and address of purchasing agency, amount of purchase, and a description of the items purchased.

E. AUDITS

8.9 During the Term, Vendor will, upon not less than fourteen (14) business days' prior written request, make available to NJPA no more than once per calendar year, at Vendor's corporate offices, during normal business hours, the invoice reports and/or invoice documents from Vendor pertaining to all invoices sent by Vendor and payments made by NJPA members for all services/products purchased under this Contract. NJPA may employ an independent auditor or NJPA may choose to conduct such audit on its own behalf. Vendor shall have the right to approve the independent auditor, which approval shall not be unreasonably withheld. Upon approval and after the auditor has executed an appropriate confidentiality agreement, Vendor will permit the auditor to review the relevant Vendor documents. NJPA shall be responsible for paying the auditor's fees. The parties will make every reasonable effort to fairly and equitably resolve discrepancies to the satisfaction of both parties. Vendor agrees that the NJPA may audit their records with a reasonable notice to establish total compliance and to verify prices charged hereunder of the Contract are being met. Vendor agrees to provide verifiable documentation and tracking in a timely manner.

F. HUB PARTNER

8.10 Hub Partner: When Applicable, NJPA Members may, from time to time, request a Vendor resulting from RFP to serve them through a "Hub Vendor" for the purposes of complying with a Law, Regulation, or Rule to which the individual NJPA Member deems to be applicable in their jurisdiction. An Awarded Vendor resulting from RFP may reject such a request provided they provide written notice of that rejection.

8.11 Hub Partner Fees: Fees, costs, or expenses levied upon the NJPA Member OR the Vendor for the services provided by the Hub Partner in the transaction provide that:

8.11.1 The NJPA Member be notified by the Vendor that additional charges may apply; and

8.11.2 The Vendor document the transaction to be "Executed for the Benefit of [NJPA Member Name]" on the face of all transactional and warranty documentation.

G. TERMINATION OF CONTRACT RESULTING FROM RFP

8.12 NJPA reserves the right to cancel the whole or any part of a resulting Contract due to failure by the Vendor to carry out any obligation, term or condition as described in the below procedure. Prior to any termination for cause, the NJPA will provide written notice to the Vendor, opportunity to respond and opportunity to cure according to the steps in the procedure in this Cancellation Section. Some examples of material breach are the following:

- The Vendor provides material/services that does not meet reasonable quality standards and is not remedied under the warranty;
- The Vendor fails to provide the services within a reasonable amount of time;
- NJPA has reason to believe the Vendor will not or cannot perform to the requirements of the Contract and issues a request for assurance as described herein and Vendor fails to respond;
- The Vendor fails to observe any of the material terms and conditions of the Contract; and/or,
- The Vendor fails to follow the established procedure for Enrollment/election forms, invoices and/or receipt of funds as established by the NJPA and the Vendor in the Contract.
- The Vendor fails to report quarterly sales volume;
- The Vendor fails to actively market this Contract within the guidelines provided in RFP and th expectations of NJPA.

8.13 Each party shall follow the below procedure if the Contract is to be terminated for violations or non-performance issues:

Step 1: Issue a warning letter outlining the violations and/or non-performance and state the length of time (10 days) to provide a response and correct the problem(s) if reasonably possible in such time frame.
Step 2: Issue a letter of intent to cancel Contract, if the problem(s) is not resolved within fifty (50) days.
Step 3: Issue letter to cancel Contract for cause.

8.14 Upon receipt of the written notice of concern, the Vendor shall have ten (10) business days to provide a satisfactory response to the NJPA. Failure on the part of the Vendor to reasonably address all issues of concern may result in Contract cancellation pursuant to this Section.

8.15 Any termination shall have no effect on purchases that are in progress at the time the cancellation is received by the NJPA. The NJPA reserves the right to cancel the Contract immediately for convenience, without penalty or recourse, in the event the Vendor is not responsive concerning the remedy, the performance, or the violation issue within the time frame, completely or in part.

8.16 The NJPA reserves the right to cancel or suspend the use of any Contract resulting from RFP if the Vendor files for bankruptcy protection or is acquired by an independent third party. Prior to commencing services under this Contract, the Proposer/Vendor must furnish NJPA certification from insurer(s) proving level of coverage usual and customary to the specific industry. The coverage is to be maintained in full effect during the Contract period. Vendor must be willing to provide, upon request, certification of insurance to any NJPA member or member using this Contract.

8.17 Either party may execute Contract termination without cause with a required 60-day written notice of termination. Termination of Contract shall not relieve either party of financial, product or service obligations incurred or accrued prior to termination.

8.18 NJPA may cancel any Contract resulting from this solicitation without any further obligation if any NJPA employee significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the NJPA is found to be in collusion with any Proposer to RFP for their personal gain. Such cancellation shall be effective upon written notice from the NJPA or a later date if so designated in the notice given. A terminated Contract shall not relieve either party of financial, product or service obligations due to participating member or NJPA.

8.19 Events of Automatic termination to include:

- Vendor's or NJPA's voluntary or involuntary bankruptcy or insolvency;
- Vendor's failure to remedy a material breach of a Contract resulting from RFP within sixty (60) days of receipt of notice from NJPA specifying in reasonable detail the nature of such breach; and/or,
- Receipt of written information from any authorized agency finding activities of Vendors engaged in pursuant to a Contract resulting from RFP to be in violation of the law.

9. GENERAL TERMS AND CONDITIONS

A. ADVERTISEMENT OF RFP

9.1 As a policy, NJPA shall advertise this solicitation 1) for two consecutive weeks in both the print and on-line editions of the MINNEAPOLIS STAR TRIBUNE, 2) it shall be placed on a national wire service by the MINNEAPOLIS STAR TRIBUNE, 3) it shall be posted on NJPA's website, 4) it shall be posted to the NJPA website and "Noticetobidders.com," and 5) it shall be posted to other third-party websites deemed appropriate by NJPA. Other third party advertisers may include Onvia and Bidsync.

B. ADVERTISING OF A CONTRACT RESULTING FROM RFP

9.2 Proposer/Vendor shall not advertise or publish information concerning this Contract prior to the award being announced by the NJPA. Once the award is made, a Vendor is expected to advertise the awarded Contract to both current and potential NJPA Members.

C. APPLICABLE LAW

9.3 NJPA Compliance with Minnesota Procurement Law: Contracts awarded through NJPA are intended to be in compliance with procurement laws applicable to NJPA and the Minnesota Department of Commerce. It is the responsibility of each participating NJPA member to insure to their satisfaction that these laws are satisfied. An individual NJPA Member using these contracts is deemed by their own accord to be in compliance with proposal regulations. NJPA encourages the awarded Vendor to assist NJPA and the NJPA member in this research to the benefit of all involved.

9.4 Governing Law: All applicable portions of the Minnesota Uniform Commercial Code and all other applicable Minnesota laws shall govern contracts with the National Joint Powers Alliance®. Any claims pertaining to RFP and any resulting Contract that develop between NJPA and any other party must be brought forth only in courts in Todd County in the State of Minnesota.

9.5 Vendor Compliance with applicable law: Vendor(s) shall comply with all federal, state, or local laws applicable to or pertaining to the sale of the services/products resulting from RFP. All such laws, whether or not herein contained, shall be included by this reference. It shall be Proposer's/Vendor's responsibility to determine the applicability and requirements of any such laws and to abide by them.

9.6 Indemnity: Each party agrees it will be responsible for its own acts and the result thereof to the extent authorized by law and shall not be responsible for the acts of the other party and the results thereof. NJPA's liability shall be governed by the provisions of the Minnesota Tort Claims Act, Minnesota Statutes, Section §3.736, and other applicable law.

9.7 Prevailing Wage: It shall be the responsibility of the Vendor to comply, when applicable, with prevailing wage legislation in effect in the jurisdiction of the purchaser (NJPA or NJPA Member). It shall be the responsibility of the Vendor to monitor the prevailing wage rates as established by the appropriate department of labor for any increase in rates during the term of this Contract and adjust wage rates accordingly.

9.8 Patent and Copyright infringement: If an article sold and delivered to NJPA or NJPA Members hereunder shall be protected by any applicable patent or copyright, the Vendor agrees to indemnify and save harmless NJPA and NJPA Members against any and all suits, claims, judgments, and costs instituted or recovered against it by any person whosoever on account of the use or sale of such articles by NJPA or NJPA Members in violation or right under such patent or copyright.

D. ASSIGNMENT OF CONTRACT

9.9 No right or interest in this Contract shall be assigned or transferred by the Proposer/Vendor without prior written permission by the NJPA. No delegation of any duty of the Proposer/Vendor shall be made without prior written permission of the NJPA. The NJPA shall notify the members within fifteen (15) days of receipt of written notice by the Vender. After issuance the awarded Contract may be reassigned to a comparable Vendor at the discretion of NJPA.

9.10 If the original Vendor sells or transfers all assets or the entire portion of the assets used to perform this Contract, a successor in interest must guarantee to perform all obligations under this Contract. NJPA reserves the right to reject the acquiring person or entity as a Vendor. A simple change of name agreement will not change the contractual obligations of the Vendor.

E. PROPOSERS LIST

9.11 NJPA will not maintain or communicate to a proposers list. All interested proposers must respond to the solicitation as a result of one of the methods of proposal advertisements listed above. Because of the scope of the potential Members and national Vendors, NJPA has determined this to be the best method of fairly soliciting proposals.

F. CAPTIONS, HEADINGS, AND ILLUSTRATIONS

9.12 The captions, illustrations, headings, and subheadings in this solicitation are for convenience and ease of understanding and in no way define or limit the scope or intent of this request.

G. CONFIDENTIAL INFORMATION

9.13 If a Proposer wishes to withhold any part of its proposal from public inspection, then a statement advising the NJPA of this fact shall accompany the submission. The NJPA shall review the statement to determine whether the information shall be withheld. If the NJPA determines to disclose the information, the Executive Director of the NJPA shall inform the Proposer, in writing, of such determination prior to award of Contract to Proposer.

H. DATA PRIVACY

9.14 Proposer agrees to propose by all applicable STATE and FEDERAL laws and regulations including HIPPA concerning the handling and disclosure of private and confidential information regarding individuals. Proposer agrees to hold the NJPA harmless from its unlawful disclosure and/or use of private/confidential information.

I. ENTIRE AGREEMENT

9.15 The Contract, as defined herein, shall constitute the entire understanding between the parties to that Contract.

9.16 A Contract resulting from RFP is formed when the NJPA Board of Directors approves and signs the applicable Acceptance and Award Form document (see Form D).

J. FORCE MAJEURE

9.17 Except for payments of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented due to force majeure. The term "force majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence including, but not limited to, the following: acts of God, acts of the public enemy, war, riots, strikes, mobilization, labor disputes, civil disorders, fire, flood, snow, earthquakes, tornadoes or violent wind, tsunamis, wind shears, squalls, Chinooks, blizzards, hail storms, volcanic eruptions, meteor strikes, famine, sink holes, avalanches, lockouts, injunctions-intervention-acts, terrorist events or failures or refusals to act by government authority and/or other similar occurrences where such party is unable to prevent by exercising reasonable diligence. The force majeure shall be deemed to commence when the party declaring force majeure notifies the other party of the existence of the force majeure and shall be deemed to continue as long as the results or effects of the force majeure prevent the party from resuming performance in accordance with a Contract resulting from RFP. Force majeure shall not include late deliveries of services/products caused by congestion at a manufacturer's plant or elsewhere, an oversold condition of the market, inefficiencies, or other similar occurrences. If either party is delayed at any time by force majeure, then the delayed party shall notify the other party of such delay within forty-eight (48) hours.

K. GRATUITIES

9.18 NJPA may cancel this Contract by written notice if it is found gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the Proposer/Vendor or any agent or representative of the Proposer/Vendor, to any employee of NJPA are deemed to be excessive with a view toward securing a contract or with respect to the performance of this Contract.

L. HAZARDOUS SUBSTANCES

9.19 Proper Material Safety Data Sheets (MSDS), in compliance with OSHA's Hazard Communication Standard, must be provided by the Vendor to NJPA or NJPA Member at the time of purchase.

M. LEGAL REMEDIES

9.20 All claims and controversies between NJPA and Vendor shall be subject to the laws of the State of Minnesota and are to be resolved in Todd County, Minnesota, the county in which NJPA is domiciled.

N. LICENSES

9.21 Proposer/Vendor shall maintain a current status on all required federal, state and local licenses, bonds and permits required for the operation of the business conducted by the Proposer/Vendor.

9.22 All responding Proposers must be licensed (where required) and have the authority to sell and distribute offered services/products to NJPA and NJPA Members in all states. Documentation of said licenses and authorities is requested.

O. SOURCING SUPPLIERS AND SUB-CONTRACTORS

9.23 The apparent successful Vendor shall be required to supply the names and addresses of sourcing suppliers and sub-contractors when requested.

9.24 Awarded Vendors under RFP will be the sole source of responsibility for transactions originating that award. The Awarded Vendor is solely responsible for services/services and products provided by third party sourcing or service providers.

P. NON-WAIVER OF RIGHTS

9.25 No failure of either party to exercise any power given to it hereunder, nor to insistence upon strict compliance by the other party with its obligations hereunder, and no custom or practice of the parties at variance with the terms hereof, nor any payment under a Contract resulting from RFP shall constitute a waiver of either party's right to demand exact compliance with the terms hereof. Failure by NJPA to take action or assert any right hereunder shall not be deemed as waiver of such right.

Q. PROTESTS OF AWARDS MADE

9.26 Protests shall be filed with NJPA's Executive Director and shall be resolved in accordance with appropriate state statutes of Minnesota. A protest must be in writing and filed with NJPA. A protest of an award or proposed award must be filed within ten (10) days after the public notice or announcement of the award. No protest shall lie for a claim that the selected Proposer is not a responsible Proposer. A protest must include:

1. The name, address and telephone number of the protester;
2. The original signature of the protester or its representative;
3. Identification of the solicitation by RFP number;
4. A detailed statement of the legal and factual grounds of protest including copies of any relevant documents; and, the proposal form of relief sought.

R. PROVISIONS REQUIRED BY LAW

9.27 Proposer/Vendor agrees in the performance of a Contract resulting from RFP, it has complied with or will comply with all applicable statutes, laws, regulations, and orders of the United States and any State thereof.

S. PUBLIC RECORD

9.28 All proposals submitted to this invitation shall become the property of the NJPA and will become a matter of public record and available for review subsequent to the award notification. Proposals may be viewed by appointment at the NJPA offices Monday through Friday from 8:30 a.m. to 3:30 p.m.

T. RIGHT TO ASSURANCE

9.29 Whenever one party to this Contract has reason to question the other party's intent to perform, he/she may demand a written assurance of this intent. In the event a demand is made and no written assurance is given, the demanding party may treat this failure as an anticipatory repudiation of the Contract provided, however, in order to be effective, any such demand shall be addressed to the authorized signer for the party from whom the assurance is being sought, and sent via U.S. Postal Service, certified mail, return receipt requested or national overnight delivery service with proof of delivery.

U. SUSPENSION OR DISBARMENT STATUS

9.30 If within the past five (5) years, any firm, business, person or Proposer submitting a proposal has been lawfully precluded from participating in any public procurement activity with a federal, state or local government, the Proposer must include a letter with its response setting forth the name and address of the public procurement unit, the effective date of the suspension or debarment, the duration of the suspension

or debarment and the relevant circumstances relating to the suspension or debarment. Any failure to supply such a letter or to disclose pertinent information may result in the cancellation of any Contract. By signing the proposal affidavit, the Proposer certifies that no current suspension or debarment exists.

V. HUMAN RIGHTS CERTIFICATE

9.31 If Proposer is not domiciled in Minnesota and has NOT on any single working day in the past year, employed more than 40 employees in the State of Minnesota, Proposer must provide a statement to that effect.

9.32 If Proposer is not domiciled in Minnesota and has on any single working day in the past year, employed more than 40 employees in the State of Minnesota, Proposer must document their application for a Human Rights Certificate issued by the Minnesota Commissioner of Human Rights. Proposer must also document receipt by the Minnesota Commissioner of Human Rights of that application and the Proposer's affirmative action plan for the employment of minority persons, women, and qualified disabled individuals.

9.33 If Proposer is domiciled in Minnesota and has on any single working day in the past year, employed more than 40 employees in the State of Minnesota, Proposer must provide a copy of their "Certificate of Compliance" from the Commissioner of the Minnesota Department of Human Rights.

W. SEVERABILITY

9.34 In the event that any of the terms of a Contract resulting from RFP are in conflict with any rule, law, statutory provision or are otherwise unenforceable under the laws or regulations of any government or subdivision thereof, such terms shall be deemed stricken from a Contract resulting from RFP, but such invalidity or unenforceability shall not invalidate any of the other terms of a Contract resulting from RFP.

X. RELATIONSHIP OF PARTIES

9.35 No Contract resulting from RFP shall be considered a contract of employment. The relationship between NJPA and an Awarded Contractor is one of independent contractors each free to exercise judgment and discretion with regard to the conduct of their respective businesses. The parties do not intend the proposed Contract to create, or is to be construed as creating a partnership, joint venture, master-servant, principal–agent, or any other relationship. Except as provided elsewhere in RFP, neither party may be held liable for acts of omission or commission of the other party, and neither party is authorized or has the power to obligate the other party by contract, agreement, warranty, representation or otherwise in any manner whatsoever except as may be expressly provided herein.

PROPOSER QUESTIONNAIRE

Form A

Proposer Name: _____

Questionnaire completed by: _____

Please provide an answer to all questions below and address all requests made in this RFP. Please use the Microsoft Word document version of this questionnaire to respond to the questions contained herein. Please provide your answer to each question indented below the question. Please supply any applicable supporting information and documentation you feel appropriate in addition to answers entered to the Word document. Please place your proposal response in a three-ringed binder tabbed as indicated below. Two complete copies are required. All information must be typed, organized, and easily understood by evaluators. Please limit your answer and documentation as they directly relate to this RFP.

INSIDE FRONT COVER (pocket or 3-ringed binder sleeve)

- **Original executed forms D, E, H & I.**
- **Electronic submission of proposal (CD).**
- **Certificate of Insurance**

Please insert a table of contents

Tab 1: Company Information

1) Provide the full legal name, address, tax identifications number, and telephone number for your business.
2) Provide contact information for the primary contact person from your business relating to this RFP. (Form B)
3) Provide a brief history of your company that includes its goals and philosophy.
4) Provide profiles and an organizational chart for key sales and marketing executives of your company that will oversee the implementation and operation of a Contract resulting from this RFP.
5) How long has your company has been in the **VEHICLE MAINTENANCE AND REPAIR WITH RELATED EQUIPMENT, SUPPLIES, AND SERVICES** industry?
6) For public companies, provide your most recent annual report to shareholders.
7) For private companies, provide your most recent year-end financial statements, your bond rating, and/or a credit reference from your bank.

TAB 2 Industry-Marketplace Successes

8) List and document recent industry awards and recognition.
9) Supply three references/testimonials from customers similar to NJPA Members. Please include the customer's name, contact, and phone number.
10) Provide names and addresses of the top five (5) governmental or education customers and dollar volumes from the past year.
11) Provide documentation indicating the total dollar volume for each of your sales to government, education, and non-profit agencies for the last three (3) fiscal years.

Tab 3 Proposer's ability to sell and service nationwide.

12) Please describe current "Go TO Market" process and strategy as it relates to government, education and non-profits.
13) Please describe your **sales force** in terms of numbers, geographic dispersion, and the proportion of their attention focused on the sale of the services/products contemplated in RFP? a) Are these individuals your employees, or are they employees of a third party?
14) Please describe your **service force** in terms of numbers, geographic dispersion, and the proportion of their attention focused on the sale of the services/products contemplated in RFP? a) Are these individuals your employees, or are they employees of a third party?
15) Describe in detail your customer service program regarding process and procedure. Please include, where appropriate, response time commitments.

16) Identify any geographic areas or NJPA market segments of the United States you will **NOT** be serving through the proposed contract.
17) Identify any of NJPA Member segments you will NOT be serving? (Government, Education, Non-profit)

Tab 4 Marketing Plan

18) Describe your training program for both greet-the-public and sales management levels relating to a NJPA award.
19) Describe your general marketing program strategy to promote the proposed Contract nationally**.**
20) Describe your marketing material, and overall marketing ability, relating to promoting this type of partnership and contract opportunity. As much as possible, please send marketing materials in electronic format only to save paper.
21) Describe your use of technology and the internet to provide marketing and product awareness.
22) Describe **y**our perception of NJPA's role in marketing the partnership and your services/products.
23) Describe the unique quality of the services/products in your proposal in relationship to others available in the market.

Tab 5 Value Added Attributes

24) Describe any training programs available as options for members.
25) Please describe any performance guaranty's relating to any or all services offered including all limits and exclusions.
26) Describe technological advances your proposal services/products offer.
27) Describe your "Green" program as it relates to your company, your services/products, and your recycling program.
28) Describe any Women or Minority Business Entity (WMBE) or Small Business Entity (SBE) accreditations of your organization directly involved in a Contract resulting from this RFP.
29) Identify any other unique or custom value added attributes.
30) Identify your ability and willingness to service Canada specifically and internationally in general.
31) Describe any unique distribution method employed in your proposal.

Tab 6 Payment Terms and Financing Options

32) Identify your payment terms. (net 30, etc.)
33) Please describe the limitations of coverage provided for commercial general, professional, and automobile insurance coverage's provided with your proposal.

Tab 7 Other cooperative procurement contracts held

34) Identify all cooperative governmental procurement contracts which are marketed in more than one state held or utilized by the Proposer.
35) Identify all government procurement contracts held or utilized by the Proposer with any State of the United States.
36) Identify any GSA Contracts held or utilized by the Proposer.
37) If you are awarded the NJPA contract, are there any market segments (e.g. higher education, county governments, etc.) or geographical markets where the NJPA contract will not be your primary contract purchasing vehicle? If so, please identify those markets and which cooperative purchasing agreement will be your primary vehicle.

Tab 8: Services/products and Pricing

38) Provide a general narrative description of the services/products you are offering in your proposal.
39) Provide a general narrative description of your pricing model identifying how the model works (line item and/or percentage discount).
40) Propose a strategy, process and specific method of facilitating "Sourced Goods" solution as defined herein.
41) Provide a "CORE LIST" of services/products (as anticipated and defined by Proposer to meet or exceed the NJPA members needs) as a separate and named spreadsheet. Include special pricing, if any, on these terms.
42) Provide, if any, your volume rebate programs.
43) Identify any Total Cost of Acquisition cost(s) which is NOT included in the "Pricing" submitted with your proposal response. Identify to who these items are payable and their relationship to Proposer.
44) As an important part of the evaluation of your offer, you must indicate the level of pricing you are offering.
    Prices offered in this proposal are:

_____ a. The same as we offer on individual municipality or school district proposals.
_____ b. The same as we offer to government procurement organizations and state purchasing departments.
_____ c. Better than we offer to purchasing government procurement organizations or state purchasing departments.

(Your proposal will be considered "Non-Responsive" if this question is not answered.)

45) Do you offer quantity or volume discounts? _____ YES _____ NO Outline guidelines and program.

46) Identify the Proposer's proposal for an administrative fee payable to NJPA for facilitation and promotion of the Contract opportunity invited here. This fee should be calculated as a percentage of Contract sales.

_____

Authorized Signature (Same signature as on Proposal Affidavit Signature and Acceptance Form)

Form B

PROPOSER INFORMATION

Company Name: _____
Address: _____
City/State/Zip: _____

Phone: _____ Fax: _____

Toll Free Number: _____ E-mail: _____

Web site: _____

Voids sometimes exist between management (those who respond to RFPs) and sales staff (those who contact NJPA Members) that result in communication problems. Due to this fact, provide the names of your key sales people, phone numbers, and geographic territories for which they are responsible

COMPANY PERSONNEL CONTACTS

Contract Manager:
_____

Email: _____ Phone: _____

Name: _____Title:_____
Email: _____ Phone: _____

Name: _____Title:_____
Email: _____ Phone: _____

Name: _____Title:_____
Email: _____ Phone: _____

Name: _____Title:_____
Email: _____ Phone: _____

Name: _____Title:_____
Email: _____ Phone: _____

Name: _____Title:_____
Email: _____ Phone: _____

EXCEPTIONS TO PROPOSAL, TERMS, CONDITIONS AND SPECIFICATIONS REQUEST

Form C

Company Name: _____

Responding Name: _____ Phone: _____

Note: This is a sample form. Actual data may be provided on disk and printed. **Original must be signed** and inserted in the proposal after it is printed. Any exceptions to the Terms, Conditions, Specifications, or Proposal Forms contained herein shall be noted in writing and included with the proposal submittal.

RFP Page Number	Section	Term, Condition, or Specification	Exception

Proposal Offering
And Acceptance and Award
RFP #010511

FORM D

VEHICLE MAINTENANCE AND REPAIR WITH RELATED EQUIPMENT, SUPPLIES, AND SERVICES

Proposal Offering (To be Completed Only by Proposer)

In compliance with the Request for proposal (RFP) for VEHICLE MAINTENANCE AND REPAIR WITH RELATED EQUIPMENT, SUPPLIES, AND SERVICES, the undersigned warrants that I/we have examined the RFP and, being familiar with all the instructions, terms and conditions, general specifications, expectations, technical specifications, service expectations and any special terms, do hereby offer and agree to furnish the defined services/products in compliance with all terms, conditions of the RFP, any applicable amendments of RFP, and all Proposer's response documentation. Proposer further understands they are the sole offeror herein and that the performance of any sub-contractors employed by the Proposer in fulfillment of this offer is the sole responsibility of the Proposer.

Company Name: _____ Date: _____

Company Address: _____

City:_____ State: _____ Zip: _____

Contact Person: _____ Title: _____

Authorized Signature (ink only): _____

(Name printed or typed)

Contract Acceptance and Award (To be completed only by NJPA)

Your proposal offering is hereby accepted and awarded. As the awarded Proposer, you are now bound to provide the defined goods and services contained in your proposal offering according to all terms, conditions, and pricing set forth in the RFP, any amendments to the RFP, and the Proposer's Response. The effective date of this Contract shall be _____, _____ and continue for four years AND which is subject to annual renewal at the option of both parties.

National Joint Powers Alliance® (NJPA)

NJPA Authorized signature: _____ _____

(Name printed or typed)

Title: _____ _____

Awarded this _____ day of _____ **Contract Number # 010511**

NJPA Authorized signature: _____ _____

(Name printed or typed)

Title: _____

Executed this _____ day of _____ **Contract Number # 010511**

Form E

Proposal Affidavit Signature Page

PROPOSER'S AFFIDAVIT

The undersigned, representing the persons, firms and corporations joining in the submission of the foregoing proposal (such persons, firms and corporations hereinafter being referred to as the "Proposer"), being duly sworn on his/her oath, states to the best of his/her belief and knowledge:

1. The undersigned certifies the Proposer is submitting their proposal under their true and correct name, the Proposer has been properly originated and legally exists in good standing in its state of residence, that the Proposer possesses, or will posses prior to the delivery of any goods and services, all applicable licenses necessary for such delivery, and that they are authorized to act on behalf of, and encumber the "Proposer" in this Contract, and

2. To the best of my knowledge, no Proposer or Potential Proposer, nor any person duly representing the same, has directly or indirectly entered into any agreement or arrangement with any other Proposers, Potential Proposers, any official or employee of the NJPA, or any person, firm or corporation under contract with the NJPA in an effort to influence either the offering or non-offering of certain prices, terms, and conditions relating to RFP which tends to, or does, lessen or destroy free competition in the letting of the Contract sought for by RFP, and

3. The Proposer or any person on his/her behalf, has not agreed, connived or colluded to produce a deceptive show of competition in the manner of the proposal or award of the referenced contract, and

4. Neither I, the Proposer, nor, any officer, director, partner, member or associate of the Proposer, nor any of its employees directly involved in obtaining contracts with the NJPA or any subdivision of the NJPA, has been convicted of false pretenses, attempted false pretenses or conspiracy to commit false pretenses, bribery, attempted bribery or conspiracy to bribe under the laws of any state or federal government for acts or omissions after January 1, 1985, and

5. The Proposer has examined and understands the terms, conditions, scope, contract opportunity, specifications request and other documents of this solicitation and that any and all exceptions have been noted in writing and have been included with the proposal submittal, and

6. If awarded a contract, the Proposer will provide the services/products to qualifying members of the NJPA in accordance with the terms, conditions, scope of RFP, Proposer offered specifications and other documents of this solicitation, and

7. The undersigned, being familiar with expectations and specifications request outlined in this RFP under consideration, hereby proposes to deliver through valid service request, Enrollment/election forms or forms for NJPA Members per RFP, only new, unused and first quality services/services and products to designated NJPA Members, and

8. The Proposer has carefully checked the accuracy of all items and listed total price per item in this proposal. In addition, the Proposer accepts all general terms and conditions of RFP, including all responsibilities of commitment and delivery of services as outlined, and

9. In submitting this proposal, it is understood that the right is reserved by the NJPA to reject any or all proposals and it is agreed by all parties that this proposal may not be withdrawn during a period of 90 days from the date proposals were opened regarding RFP, and

10. The Proposer certifies that in performing this Contract they will comply with all applicable provisions of the federal, state, and local laws, regulations, rules, and orders, and

11. If Proposer has more than 40 employees in the state in which their principal place of business is located, Proposer hereby certifies their compliance with federal affirmative action requirements.

12. Proposer certifies they have disclosed all rebates, re-imbursements, cost reductions and any other sources of revenue to the Proposer, or organization known to Proposer, relating to the goods and services contemplated for procurement by NJPA and NJPA Members associated with NJPA RFP 010511.

13. Proposer certifies they will continue to disclose new sources of rebates, re-imbursements, marketing fees, cost reductions, and any other source of revenue to the Proposer, or organization known to Proposer, relating to goods and services contemplated for procurement by NJPA and NJPA Members associated with NJPA RFP 010511 during the term of any contract awarded pursuant to this RFP.

Company Name: _____

Contact Person for Questions: _____ Phone:_____
(Must be individual who is responsible for filling out this Proposer's Response form)

Address: _____

City/State/Zip: _____

Telephone Number: _____ Fax Number: _____

E-mail Address:_____

Authorized Signature: _____

Authorized Name (typed): _____

Title: _____

Date: _____

Notarized

Subscribed and sworn to before me this _____ the day of _____ , 20_____

Notary Public in and for the County of _____ State of _____

My commission expires: _____

Signature: _____

Form G. OVERALL EVALUATION AND CRITERIA

In accordance with accepted standards of competitive sealed proposal awards as set forth in the Minnesota Procurement Code, competitive sealed proposals/awards will be made to responsible Proposer s whose proposals are determined in writing to be responsive and also be the most advantageous to NJPA and its NJPA Members. To qualify for the final evaluation, a Proposer must have been deemed responsive as a result of the criteria set for "Proposer Responsiveness." A proposal must have been submitted on time and materially satisfy all mandatory requirements identified in this document.

Evaluation for:_____

For the Proposal Subject **VEHICLE MAINTENANCE AND REPAIR WITH RELATED EQUIPMENT, SUPPLIES, AND SERVICES**

The evaluation criteria for this solicitation, **not** arranged in order of importance:

	Available Points	Points Awarded
Conformance to terms and conditions to include documentation	65	
Pricing	250	
Industry and Marketplace Success	50	
Proposer's Ability to Sell and Service Contract Nationally	100	
Proposers Marketing Plan	25	
Value Added Attributes	125	
Liability Insurance Limits.	125	
Other Cooperative Procurement Contracts Held.	10	
Selection and Variety of Products and Services Offered	250	
Total Points	1000	0
Bonus Points awarded for:		
Bidders "Green" characteristics	50	
Bidders WBME or SBE characteristics	50	
Overall Evaluation Points	1100	0

Reviewed by: _____ Its_____

_____ Its_____

FORM H **State Of Minnesota – Affirmative Action Certification**

If your response to this solicitation is or could be in excess of $100,000, complete the information requested below to determine whether you are subject to the Minnesota Human Rights Act (Minnesota Statutes 363A.36) certification requirement, and to provide documentation of compliance if necessary. **It is your sole responsibility to provide this information and—if required—to apply for Human Rights certification prior to the due date and time of the proposal or proposal and to obtain Human Rights certification prior to the execution of the contract. The State of Minnesota is under no obligation to delay proceeding with a contract until a company receives Human Rights certification BOX A –** For companies which have employed more than 40 full-time employees within Minnesota on any single working day during the previous 12 months. All other companies proceed to **BOX B.**

Your response will be rejected unless your business:

has a current Certificate of Compliance issued by the Minnesota Department of Human Rights (MDHR)

–or–

has submitted an affirmative action plan to the MDHR, which the Department received prior to the date and time the responses are due.

Check one of the following statements if you have employed more than 40 full-time employees in Minnesota on any single working day during the previous 12 months:

- ❑ We have a current Certificate of Compliance issued by the MDHR. **Proceed to** BOX C. **Include a copy of your certificate with your response.**
- ❑ We do not have a current Certificate of Compliance. However, we submitted an Affirmative Action Plan to the MDHR for approval, which the Department received on _____ (date). [If the date is the same as the response due date, indicate the time your plan was received: _____ (time). **Proceed to** BOX C.
- ❑ We do not have a Certificate of Compliance, nor has the MDHR received an Affirmative Action Plan from our company. **We acknowledge that our response will be rejected. Proceed to** BOX C. **Contact the Minnesota Department of Human Rights for assistance.** (See below for contact information.)

Please note: Certificates of Compliance must be issued by the Minnesota Department of Human Rights. Affirmative Action Plans approved by the Federal government, a county, or a municipality must still be received, reviewed, and approved by the Minnesota Department of Human Rights before a certificate can be issued.

BOX B – **For those companies not described in** BOX A

Check below.

- ❑ We have not employed more than 40 full-time employees on any single working day in Minnesota within the previous 12 months. **Proceed to** BOX C.

BOX C – **For all companies**

By signing this statement, you certify that the information provided is accurate and that you are authorized to sign on behalf of the responder. You also certify that you are in compliance with federal affirmative action requirements that may apply to your company. (These requirements are generally triggered only by participating as a prime or subcontractor on federal projects or contracts. Contractors are alerted to these requirements by the federal government.)

Name of Company: ___ Date _____

Authorized Signature: _ Telephone number: _____

Printed Name: _____ Title: _____

For assistance with this form, contact:

Minnesota Department of Human Rights, Compliance Services Section

Mail:	190 East 5th St., Suite 700 St. Paul, MN 55101	TC Metro:	(651) 296-5663	Toll Free:	800-657-3704
Web:	www.humanrights.state.mn.us	Fax:	(651) 296-9042	TTY:	(651) 296-1283

Form I

State of Minnesota — Immigration Status Certification

By order of the Governor's Executive Order 08-01, vendors and subcontractors MUST certify compliance with the Immigration Reform and Control Act of 1986 (8 U.S.C. 1101 et seq.) and certify use of the *E-Verify* system established by the Department of Homeland Security.

E-Verify program information can be found at http://www.dhs.gov/ximgtn/programs.

If any response to a solicitation is or could be in excess of $50,000, vendors and subcontractors must certify compliance with items 1 and 2 below. In addition, prior to the delivery of the product or initiation of services, vendors MUST obtain this certification from all subcontractors who will participate in the performance of the contract. All subcontractor certifications must be kept on file with the contract vendor and made available to the state upon request.

1. The company shown below is in compliance with the Immigration Reform and Control Act of 1986 in relation to all employees performing work in the United States and does not knowingly employ persons in violation of the United States immigration laws. The company shown below will obtain this certification from all subcontractors who will participate in the performance of this contract and maintain subcontractor certifications for inspection by the state if such inspection is requested; and

2. By the date of the delivery of the product and/or performance of services, the company shown below will have implemented or will be in the process of implementing the *E-Verify* program for all newly hired employees in the United States who will perform work on behalf of the State of Minnesota.

I certify that the company shown below is in compliance with items 1 and 2 above and that I am authorized to sign on its behalf.

Name of Company: _____ Date: _____

Authorized Signature: _____ Telephone Number: _____

Printed Name: _____ Title: _____

If the contract vendor and/or the subcontractors are not in compliance with the Immigration Reform and Control Act, or knowingly employ persons in violation of the United States immigration laws, or have not begun or implemented the *E-Verify* program for all newly hired employees in support of the contract, the state reserves the right to determine what action it may take. This action could include, but would not be limited to cancellation of the contract, and/or suspending or debarring the contract vendor from state purchasing.

For assistance with the *E-Verify* Program
Contact the National Customer Service Center (NCSC) at **1-800-375-5283** (TTY 1-800-767-1833).

For assistance with this form, contact:
Mail: 112 Administration Bldg, 50 Sherburne Ave. St. Paul, MN 55155
E-mail: MMDHelp.Line@state.mn.us
Telephone: 651.296.2600
Persons with a hearing or speech disability may contact us by dialing 711 or 1.800.627.3529

Addendum 121310

To that certain
RFP#010511
Issued by

The National Joint Powers Alliance®
For the procurement of:

VEHICLE MAINTENANCE AND REPAIR WITH RELATED EQUIPMENT, SUPPLIES, AND SERVICES

Please read this solicitation to include the following questions and answers:

1. Please give me the exact legal name as you would like it to appear on the contract. We will also need this information for our credit approval process.

   The National Joint Powers Alliance® (NJPA)

2. The RFP states that you expect for the winner to be "sole source" of responsibility---liable for the performance of all services within the 50 states as well as assuming the liability of performance of the provider of such services, is this negotiable? In our industry, the Fleet Management Company is indemnified and the National Account vendor (Vendor #1, Vendor #2, etc) or independent repair shop that performs the maintenance assumes responsibility for their work. We act on your behalf to help resolve any performance issues.

   No, this contract is not "Negotiable" it is competitively bid.

   Yes, you can propose exceptions to any of the terms and conditions you feel are necessary on Form C.

   NJPA is looking for the best available contract "agent" in delivering value to NJPA and NJPA Members within the stated scope of this solicitation.

   If the value you plan to bring to this contract is a statement that Vendor #1 and Vendor #2 exist for NJPA and NJPA Members to engage at their own risk and peril, then we would likely struggle to see sufficient value exchange for the issuance of a contract. You are making only an obvious statement of fact.

   If the value you plan to bring to this contract is a statement that you have certain indemnification clauses in your contract with Vendor #1 and Vendor #2 and that you commit to extend the benefit of those clauses to NJPA and NJPA Members in their engagements with those companies, you are beginning to deliver value. If, however, your list of exceptions to the "Total Cost of Acquisition" question in Form A includes the price of any particular product or service, then we could again struggle to see sufficient value exchange for the issuance of a contract.

NJPA is looking for the best available contract "agent" in delivering value to NJPA and NJPA Members within the stated scope of this solicitation. Please be explicit in what value you plan to bring to the table and the price for that value.

NJPA offers you the opportunity to respond to one bid solicitation to potentially make thousands of transactions. What do you think needs to be in the contract that would allow NJPA to drive that particular value through you?

3. While your standard terms and conditions deal with broad based matters, do we have the opportunity to propose our standard fleet terms? There may be items critical to our partnership and common to our industry that have not been addressed.

All proposed changes and additions to the delivered terms and conditions shall be documented in Form C. Please also review Section 8 A. entitled "Subsequent Agreements" in relation to this subject.

4. While we hope to do business with as many NJPA members as possible, will we have right of first refusal for items such as credit ratings that do not meet our criteria, etc? Should we expect to sign separate agreements with each NJPA member for legal and billing purposes? (keeping NJPA pricing intact in each agreement)

Please identify and define any parameter you feel is necessary to define your relation with NJPA or any NJPA Member in relationship with the contract contemplated here.

Please review Section 3 J. Order Process and Funds Flow. NJPA most desires to establish a B to G (Business to Government) transaction flow where the "Subsequent Agreement" (purchase order, blanket purchase order, participating addendum) is executed directly between the NJPA Membership unit and the Awarded Vendor and identifies on its face that it is issued pursuant to NJPA contract #XXXXXX. If, however, a Proposer desires transactions to process individually through NJPA, then consideration must be given to the "Administrative Fee" to cover the costs to NJPA of physically and financially executing those transactions.

Gregg Meierhofer 12-14-10

Addendum 12220

To that certain
RFP#010511
Issued by

The National Joint Powers Alliance®
For the procurement of:

VEHICLE MAINTENANCE AND REPAIR WITH RELATED EQUIPMENT, SUPPLIES, AND SERVICES

Please read this solicitation to include the following:

The due and opening date for bid submissions for this solicitation shall be changed **FROM**:

Bids are due January 4, 2011 at 4:30PM Central with Bids being opened January 5, 2011 at 8:00AM Central.

The due and opening date for bid submissions for this solicitation shall be changed **TO:**

Bids are due January 13, 2011 at 4:30PM Central with Bids being opened January 14, 2011 at 8:00AM Central.

GPC

Response

To

RFP

#010511

Tab 1: Company Information

1) Provide the full legal name, address, tax identifications number, and telephone number for your business.
   a) Genuine Parts Company
      2999 Circle 75 Parkway
      Atlanta, GA 30339
   b) GPC: 58-02544510
      NAPA: 36-2406483
   c) 770-661-8664
2) Provide contact information for the primary contact person from your business relating to this RFP. (Form B)
   a) Jim Weaver
      Major Account Fleet Sales Manager
      2999 Circle 75 Parkway
      Atlanta, GA 30339
      Office: 770-661-8664
      Cell: 770-869-7456
      e-mail: jim_weaver@genpt.com
3) Provide a brief history of your company that includes its goals and philosophy.
   a) GENUINE PARTS COMPANY, founded in 1928, is a service organization engaged in the distribution of automotive replacement parts, industrial replacement parts, office products and electrical/electronic materials. The Company serves numerous customers from nearly 2,000 operations and has approximately 29,000 employees.
4) Provide profiles and an organizational chart for key sales and marketing executives of your company that will oversee the implementation and operation of a Contract resulting from this RFP.
   a) See Attached
      i) Profiles for key sales and marketing executives
      ii) Organizational Chart for key sales and marketing executives
5) How long has your company has been in the **VEHICLE MAINTENANCE AND REPAIR WITH RELATED EQUIPMENT, SUPPLIES, AND SERVICES** industry?
   a) Since 1928 with parts distribution
   b) Since 1992 with Integrated Business Supply Solutions in which we are submitting on this RFP
6) For public companies, provide your most recent annual report to shareholders.
   a) See GPC 2009 Annual Report
7) For private companies, provide your most recent year-end financial statements, your bond rating, and/or a credit reference from your bank.
   a) See attached document "Quaker City Motor Parts Credit References.

TAB 2 Industry-Marketplace Successes

1) List and document recent industry awards and recognition.
   a) Not Applicable
2) Supply three references/testimonials from customers similar to NJPA Members. Please include the customer's name, contact, and phone number.
   a) City of Chicago, Eileen Joyce, 312-744-0961
   b) City of Louisville, Matt Maskey, 502-571-3180
   c) City of Houston, Desiree Heath, 832-393-8742
3) Provide names and addresses of the top five (5) governmental or education customers and dollar volumes from the past year.
   a) City of Chicago, 1685 N. Throop Street, Chicago, IL 60622 $23,000,000
   b) City of Houston, 901 Bagby St., Room B207, Houston, TX 77251, $16,000,000
   c) City of Louisville, 935 Logan St. , Louisville, KY 40204, $4,800,000
   d) City of Detroit, Two Woodward Ave, Detroit, MI 48226, $2,800,000
   e) County of Salt Lake, 7125 S. 600 West, Salt Lake, UT, 84047, $2,200,000

4) Provide documentation indicating the total dollar volume for each of your sales to government, education, and non-profit agencies for the last three (3) fiscal years.
   a) Below are the dollar volume for our IBS services as a whole
      i) 2008 - $208.8M
      ii) 2009 - $175.5M
      iii) 2010 - $178.4M

Tab 3 Proposer's ability to sell and service nationwide.

1) Please describe current "Go TO Market" process and strategy as it relates to government, education and non-profits.
OUR OBJECTIVE: Present a real-world cost savings solution through the Integrated Business Solutions Program that is being used in many city and county fleets all over the US. We plan to bring a presentation filled with real case studies in city and county fleets that have employed the program to manage their parts facilities: Examples form Florida government fleets including Hillsborough County, FL and City of Coral Gables will be a part of our presentation.

What does IBS do for city and county fleet shops
1. MANAGEMENT ALL OF THE PART NEEDS & INVENTORY
2. REDUCE CITY/COUNTY FLEET OVERALL TRANSACTION COSTS
3. IMPROVES SHOP PRODUCTIVITY

Here's the basics of what we will present on the IBS solution

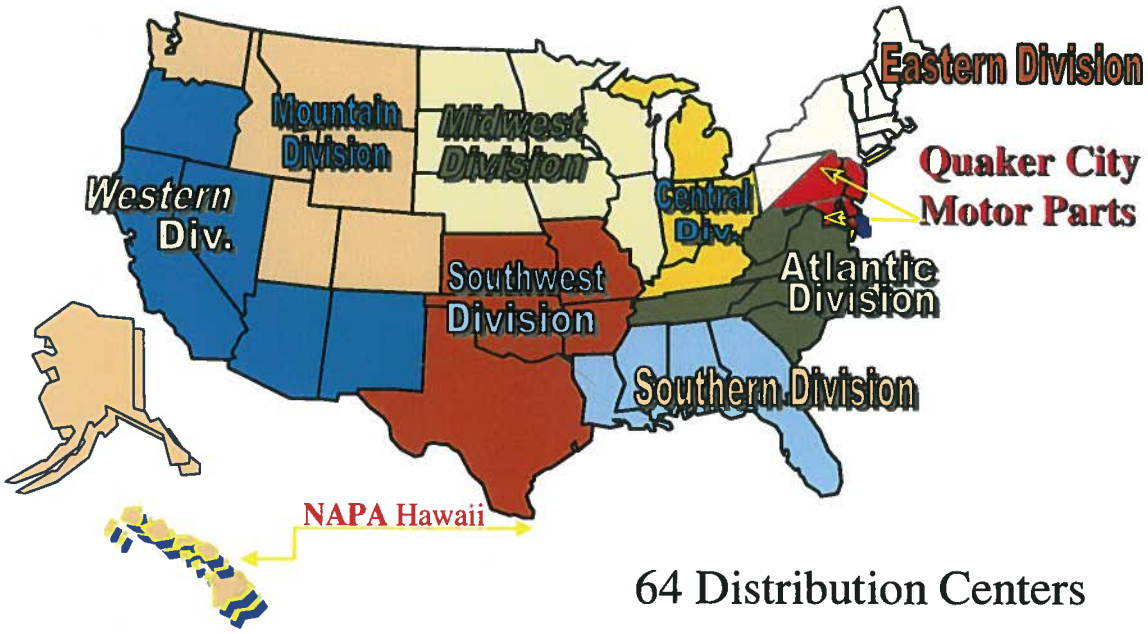
- **We set up and operate a parts store in City/County fleet facility** that is CUSTOM tailored to the vehicles that City/County fleet service. City/County fleet shops are the ONLY customer of this store.
- **We own the parts.** City/County fleet purchase takes place only when the fleet staff needs the part. No more dollars tied up in inventory. This can save thousands per year in obsolescence, duplication, warranty, and shrinkage.
- **Total Turn-Key Operation** can be provided. We can hire the people, bring in City/County fleet people, use City/County fleet equipment or our own or any combination agreed upon.
- **We provide services** such as custom paint mixing on-site, custom hydraulic hoses made on-site, recycling of batteries, lubricants, anti-freeze, and tires.
- **We can subcontract** City/County fleet commercial work out for City/County fleet (labor, parts) including scheduling and expediting to reduce City/County fleet workload and streamline fleet operations. **The GOAL: IMPROVE City/County fleet shop's productivity**
- We will provide complete **computerized inventory control** as well as a detailed monthly billing of services for invoicing purposes.
- We offer a large number of **professionally taught training** classes for City/County fleet mechanics and supervisors. These classes can be given at City/County fleet facility to meet fleet scheduling requirements.

The BENEFITS to City/County fleet are immediate:

- **We reduce fleet inventory investment to ZERO.**
- **The employees are ours. We cover vacations, holidays, and emergency staffing as well.**

- **We increase shop productivity by substantially increasing the On-Demand rate. This means no more mechanics waiting for parts to come in and REDUCED VEHICLE DOWNTIME.**
- **We stop the possibility of parts leaving the backroom without being invoiced.**
- **Defect credits are issued immediately to City/County fleet.**
- **Core Credits are issued immediately to City/County fleet.**
- **City/County fleet issues ONE check a month to us. We handle the rest.**

2) Please describe your **sales force** in terms of numbers, geographic dispersion, and the proportion of their attention focused on the sale of the services/products contemplated in RFP? a) Are these individuals your employees, or are they employees of a third party?
   a) Our sales force is comprised of 14 dedicated (meaning exclusively dedicated to the IBS sales and service aspect) IBS sales professionals. 100% of their attention is focused on the sale of new IBS programs and the servicing of existing IBS programs. See illustration below:



64 Distribution Centers

Atlantic Division – 2 IBS Specialists
Central Division – 2 IBS Specialists
Eastern Division – 1 IBS Specialists
Midwest Division – 2 IBS Specialists
Mountain Division – 1 IBS Specialists
Southern Division – 3 IBS Specialists
Southwest Division – 2 IBS Specialists
Western Division – 1 IBS Specialists

   b) All employees that coordinate the IBS sales process are employees of GPC.

3) Please describe your **service force** in terms of numbers, geographic dispersion, and the proportion of their attention focused on the sale of the services/products contemplated in RFP? a) Are these individuals your employees, or are they employees of a third party?

a) See number 13 above

4) Describe in detail your customer service program regarding process and procedure. Please include, where appropriate, response time commitments.

NAPA Auto Parts proposes to provide a complete In-House parts operation within the confines of the CUSTOMER Maintenance Facilities as noted in RFP. This operation will include NAPA-owned inventory based primarily on the history file of the existing stock and vehicles in fleet; however, it will be modified where more coverage and less depth can be maintained. NAPA will provide the personnel and management to operate the location. The number of people and/or scheduling will be mutually agreed upon between the parties.

The parts operation would be able to provide the following services:

- A balanced inventory tailored to the CUSTOMER's maintenance needs and serviceable fleet.
- Access to the area's largest inventory of automotive and heavy-duty replacement parts, paint, supplies and equipment. This access would be provided through daily stock orders to the CUSTOMER locations from our Distribution Center to replenish the inventory on a regular basis.
- Delivery truck to procure non-stocked parts from the area NAPA stores and/or any other suppliers on a timely basis.
- Provide Tires and bulk lubricants
- All limited warranties available from the manufacturer.
- The necessary equipment for the following:
- Lube equipment for dispensing oils and greases.
- Hydraulic hose making equipment (Gates or Weatherhead).
- Paint mixing equipment to custom mix any color (optional if needed).
- Training (both classroom and hands-on) through our manufacturers' representatives and factory training instructors. Plus, over 95 DVD training programs, 80 manufacturer clinics, and 46 toll-free tech service numbers. The availability of trained national, regional, and local factory representatives who can offer personal service and assistance as needed.
- A TAMS (Total Automotive Management System) computer with the following capabilities:
  - Invoicing, Cataloging, Master Interchange, Inventory Control, Custom pricing, Inventory stocking information, Inventory on order information, Inventory on backorder information, Lost sales reports and analysis, Automatic inventory min/max review, Inventory costing
- Ability to check inventory levels and order from any of NAPA' Distribution Centers in the US.
- All daily and monthly reports generated by our TAMS computer upon request by authorized CUSTOMER Management.
- Properly invoice all parts at the time of sale.
- A detailed statement at the end of the month showing all invoice numbers and amounts purchased.
- Enter any information into the CUSTOMER owned computer at the time of sale as required by CUSTOMER Management including complete repair order information.
- The personnel, including management are trained, knowledgeable, and service oriented.

The CUSTOMER current inventory, cost, inventory turns and min/max will be an initial guide for the base inventory level. A basic starter inventory of the fastest O.M. parts—

brake and ignition parts, cooling system parts, air conditioning parts, etc. NAPA' factory representatives will survey the vehicle list and submit a suggested order by line and part number. NAPA will compare this order to the previous vendor's usage list for quantity and depth. The objective will be to have all inventory, personnel, computer system(s), and catalogs in place by the conversion date.

Initial inventories will be derived from several sources:

- Current inventory levels
- Survey of fleet
- MIC – Market Inventory Classification (a NAPA Exclusive)
- Service history of fleet
- By part number sales report – NAPA & sole source inventory, provided by sole source vendors

I. Start-up Phase

I. Evaluation of Buying History

During the initial phase NAPA will undertake a study of buying history, and the current procurement process of CUSTOMER. This study and analysis will provide NAPA and CUSTOMER with a plan for setup of initial inventory and stocking levels. It is also anticipated that this study will outline a procurement process by which CUSTOMER and Contractor will utilize for successful implementation of the procurement process. The study may include but is not limited to: analyzing buying history, Current inventory in terms of cost and usage rates, interview of CUSTOMER stakeholders, and identification of key stocking items for criticality for the operation.

II. Evaluation of the Inventory

During the start-up phase, a physical inventory shall be taken of all the merchandise
currently in stock at the CUSTOMER location(s). The inventory team will use a system, which must be agreed upon by both parties, to allow for the description, location, quantity and cost of each item in the location to be recorded. Each party will receive a copy of this inventory record that will be signed and dated by both parties. The inventory shall be conducted as close as possible to the contract implementation date. No merchandise will be received in or taken from the inventory after this walkthrough period.

III. Evaluation of Non-NAPA Vendors

With the current number of government customers utilizing the IBS program from NAPA, we have the ability to stock and/or procure any product required by the CUSTOMER, to include automotive, heavy duty, Ag product, safety products…

Suppliers of IBS inventory are continually measured using the following criteria.

- Shipping Performance – Can the vendor meet schedules?
  - Turnaround time – 24 hours
  - Order fill – 90%

- Product Quality – understand the unique aspects of IBS as it relates to specifications and quality control
- Sales Support – adaptable to changes or special requirements
- Pricing Support – Pricing competitive with industry standard
- General Services
- Clinics or Technical Information
- Effective Cataloging
- Communications/Responsiveness

NAPA agrees to custom stock, both in part number spread, as well as depth, an inventory to fit requirements of CUSTOMER Fleet Division (NAPA & non-NAPA inventory). For parts stocked in the stockrooms, response time would only be a matter of minutes. NAPA will provide on-demand rate of 85% after the first 60 days of operation. On demand is defined as merchandise issued to the CUSTOMER by NAPA upon receipt of the request for merchandise from the CUSTOMER. Merchandise is defined as parts or goods. NAPA brand is defined as any parts, goods, tools, etc. that is carried and cataloged for sales by NAPA.

Upon termination, expiration, or non-renewal of the contract, NAPA shall have the option to require CUSTOMER to purchase all non-NAPA branded Inventory, and CUSTOMER shall have the option to purchase all NAPA branded Inventory, owned by NAPA and located in the On Site Store(s) at NAPA's current acquisition cost.

5) Identify any geographic areas or NJPA market segments of the United States you will **NOT** be serving through the proposed contract.
   a) N/A, we will cover all parts of the country where it makes financial sense for both the customer and NAPA to participate in an IBS solution.
6) Identify any of NJPA Member segments you will NOT be serving? (Government, Education, Non-profit)
   a) NAPA will cover all segments. NOTE: There is minimum amount of overall purchases that we use a benchmark to determine if NAPA IBS service model will be worthwhile for the NJPA member, and provide an adequate return on investment for NAPA. Although there are multiple variables, the benchmark of purchases NAPA uses is $50,000.00 per month. That is to say that a NJPA member must have $50,000.00 per month of overall purchases (NAPA plus other vendors) to be considered to be a candidate for an IBS location.

Tab 4 Marketing Plan

1) Describe your training program for both greet-the-public and sales management levels relating to a NJPA award.
   a) NAPA provides training on many levels. Training for the NJPA members is done through NAPA's proprietary training programs. See www.NAPAtraining.com for a complete list of our training initiatives and partners. Benefits of the training offered are:
      i) Over 100 e-learning courses on the latest subjects
      ii) Prepare for ASE exams like a pro using our ASE on-line test preparation courses (A1-A8 NEW B2-B6 C1, L1, P2, T1-T8, X1). All available in English and Spanish except the B and the T series are in English
      iii) Order ASE test preparations manuals
      iv) The availability of trained national, regional, and local factory representatives who can offer personal service and assistance as needed
      v) Classroom, hands-on, and self study through our manufacturers' representatives and factory training instructors
   b) NAPA will also provide training for NAPA IBS staff and NJPA member employees by initializing a training day at another NAPA IBS as needed if proximity presents such a visit.
2) Describe your general marketing program strategy to promote the proposed Contract nationally.
   a) NAPA will utilize the dedicated IBS sales force described above to offer the NJPA IBS solution to all NJPA Members and non NJPA members as opportunities present themselves, and the fit of an NJPA solution is optimum for the NJPA member and non member at hand.
3) Describe your marketing material, and overall marketing ability, relating to promoting this type of partnership and contract opportunity. As much as possible, please send marketing materials in electronic format only to save paper.
   a) NAPA and specifically NAPA's IBS division are regular promoters and advertise in many of the National Fleet Magazines such as Automotive Fleet and Government Fleet. In addition to advertising, there are multiple trade shows and affiliations that NAPA will promote the affiliation of NJPA in like GFX and NAFA.
   b) See attached advertising as an example that we would co-brand with NJPA.
4) Describe your use of technology and the internet to provide marketing and product awareness.
   a) See number 20
   b) We will promote NJPA on the IBS website
      i) www.napa-ibs.com
   c) Standard NJPA program through Capitol Supply will also be promoted through NAPA Online (www.napaoline.com)

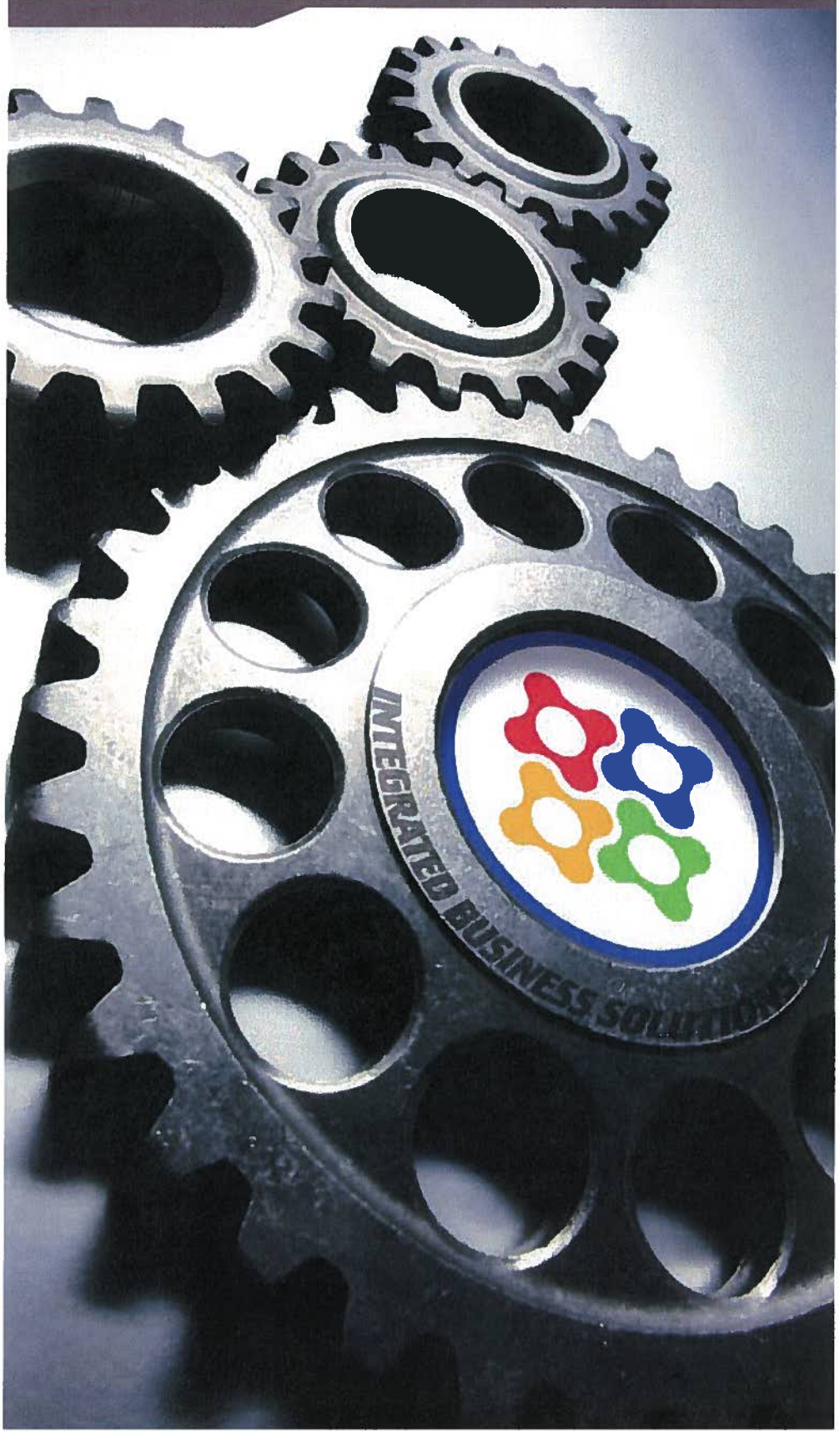
5) Describe your perception of NJPA's role in marketing the partnership and your services/products.
   a) NAPA's perception of NJPA's role in marketing the partnership with the NAPA – IBS solution is that NJPA will promote NAPA IBS in the NJPA Catalog, on-line at www.njpacoop.org, trade magazines where NJPA markets itself, as well at tradeshows, conferences, etc.
6) Describe the unique quality of the services/products in your proposal in relationship to others available in the market.

a) NAPA Auto Parts Integrated Business Solutions (IBS) program brings the substantial combined corporate assets of Genuine Parts Company's family of Supply and Distribution enterprises and the Auto Parts Group's extensive experience into play in our 19 years of running successful IBS operations.

b) NAPA Auto Parts, utilizing their own resources and strategic partnerships with numerous additional Local and National resources currently provides parts, service and expertise necessary to provide a reliable and complete "on-site" source of repair parts and services to the Customer to:
   i) Achieve a significant reduction in administrative procedures and cost
   ii) Achieve an increase in parts availability
   iii) Achieve an increase in employee performance
   iv) Achieve a reduction in vehicle downtime
   v) Achieve a reduction of obsolete parts and shrinkage costs through efficient parts room management
   vi) Provide services that will enable the customer to operate the repair facility more efficiently, resulting in savings of funds through cost avoidance

c) Qualifications/Experience of personnel
   i) NAPA's staff is experienced and knowledgeable in automobile, light and medium trucks as well as heavy machinery and equipment.
   ii) All members of our project Team are experienced in implementing and managing Integrated Supply operations at various levels. T
   iii) The members possess years of experience with NAPA Auto Parts and dealing with customers from the senior management level to automotive technicians.

What If You Could Invent a Machine That Reduced Costs and Increased Productivity?



It Already

NAPA Integrated Business Solutions

Services

- Flexibility to service multiple locations with varying degrees of size and volume
- The parts you need — managed and supplied by NAPA, and stocked in your maintenance facility for easy access
- Exceptionally high on-demand rates
- Computerized inventory control and ordering
- ASE tech training
- EDI and centralized payment convenience

Cost Advantages

- Reduces inventory investment
- Eliminates inventory shrinkage
- Lowers transaction costs
- Improves overall shop productivity because the parts you need are in stock when you need them
- Reduces personnel issues
- Reduced environmental issues
- Reduces number of accounts payable
- Provides improved training for customers

Exists.

Already a proven performer nationwide, the NAPA Integrated Business Solutions (IBS) inventory management system provides unique services and cost advantages.

Additional Benefits

- Computer system management:
  - Invoicing
  - Cataloging
  - Master interchanges
  - Inventory control by part numer
  - Consistent pricing
  - Control of parts in stock and on order
  - Automatic min-max on each number
  - Ability to check stock at other distribution centers in your area
- Personnel provided during emergencies
- Speedy pickup and delivery of nonstocked inventory
- Machine shop services available
- Daily inventory restocking
- Training tapes, manufacturer clinics and toll-free tech service

NAPA IBS Delivers Procurement Solutions — and Savings — for All Kinds of Operations

Public Sector

- Airports
- Cities and municipalities
- Fire departments
- Military bases
- Municipal garages
- Police departments
- Public transportation
- School districts
- Taxi fleets
- And more

Private Sector

- Body shops*
- Concrete companies
- Construction companies
- Ground support equipment
- Mechanical shops*
- Manufacturing plants
- Mining operations
- Service-oriented companies with large automotive fleets
- Used car reconditioning centers
- Utility companies
- Vehicle-rental companies
- And more

* Operations with high volume

Immediate Benefits to You

- **Your inventory investment is reduced.**
- **Your transaction costs will be reduced,** because you'll be able to cut down on the number of suppliers, invoices, purchase orders, accounts payable and returns you need to deal with.
- **The on-site store employees are ours. No more H.R. issues.**
- **Productivity is increased — and vehicle downtime is reduced** — because you mechanics will be working instead of waiting for parts.
- **We ensure parts don't leave your backroom without being accounted for.**
- **We work with you to eliminate obsolete inventory.**
- **Defect credits and core credits are issued to you immediately.**
- **You issue one check a month to us.** We handle the rest.
- **You and your staff can focus on your operation's key mission —** not on procuring parts and other products.

Let us prepare a Cost-Savings Analysis based on your specific operation.

You'll be impressed by the bottom line!

What NAPA IBS Customers Are Saying

"This endeavor has exceeded expectations. The parts fill rate is above 80 percent. Mechanic productivity has increased 11 percent and, accordingly, vehicle downtime has dropped considerably.

"Last year we reported to the Board of County Commissioners that the NAPA IBS operation saved the county $432,000 ..."
— County Fleet Management Operation

"From the beginning, NAPA IBS save us time and money with favorable pricing, cost savings directly related to not owning inventories and reduced employee costs. Without hesitation, I recommend your services to other agencies or municipalties ... "
— Fleet/Facilities Director

"Our Mechanics know they can count on having what they need when they need it. They know longer waste time waiting for back orders. Additionally, we have enjoyed a significant savings in the raw cost of parts, not to mention the benefit of freed up capital we used to invest in an inventory full of spare parts we were not really using."
— Construction Company Logistics Manager

"IBS has reduced our annual purchase orders from 107 to 1 each year, therefore saving the City over $40,000 each year.

"Since the adoption of the NAPA IBS solution the City has eliminated the cost of inventory, increased productivity, reduced cost and has increased availability of our fleet."
— Fleet Services Superintendent

"The IBS concept has been a winning proposition for us. As we embraced the IBS parts solution, we realized approximately a 20% reduction in overall costs related to our parts function. We eliminated our 'owned' inventory of parts, thus allowing the money tied-up in inventory to be used for more productive purposes.
— Director of Fleet Services

For more information, visit
www.napa-ibs.com

Integrated Business Solutions

Business Card Die-Cut

IBS-008

Tab 5 Value Added Attributes

1) Describe any training programs available as options for members.
   a) See response under question 18 and 18b

2) Please describe any performance guaranty's relating to any or all services offered including all limits and exclusions.
   a) NAPA does not provide a performance guarantee, but we do pricing options that would enable NJPA members to either price the IBS services based on an operational model or an overall production model. See question 39 for more details.
3) Describe technological advances your proposal services/products offer.
   a) We have integrated our POS system with several fleet management systems to include FASTER Fleet Management System, Maximus M4 & M5, Dataco Media, and Fleet Anywhere.
   b) Our current integration supports the following:
      i) Electronic Catalog Lookup
         (1) Keyword Search
         (2) Category/Subcategory Search
         (3) Part Number
         (4) Manufacturer Number Search
      ii) Part Number Availability and Price Search
      iii) Electronic Ordering from NAPA
      iv) Automatic update of the Faster Work Order
         (1) Electronic part requests only.
   c) These orders and queries are represented in XML and transferred via http. However, these orders and queries are not submitted directly to the TAMS POS system. Transactions are routed thru the internet to GPC's B2Bbridge. The B2Bbridge receives the request and then sends the request to the TAMS system and returns the response back to the system for processing.
   d) Upon award of contracts, NAPA proposes the following process to determine the best path for a potential integration of systems:
      i) Dedicated Project Manager
         (1) Key contact for all IT issues
         (2) Coordinate activities with fleet system software provider
         (3) Work closely with NAPA' Director of Integration
      ii) Development/Transition Phase
            (a) Business Process Validation
      iii) Local IBS Staff
         (1) Location Team
         (2) Project Manager
         (3) IT Department
      iv) NAPA Director of Integration
4) Describe your "Green" program as it relates to your company, your services/products, and your recycling program.
   a) NAPA Auto Parts has implemented a Green Awareness Program, which includes posters and newsletters for all NAPA locations. NAPA is encouraging all locations to implement a recycling program, where possible and to encourage employees to be more environmentally friendly at home. NAPA is in the process of a lighting retrofit project, by installing new energy-efficient T-8 lighting and electronic ballasts, and compact fluorescent light bulbs. NAPA is also installing occupancy sensors in the restrooms, conference rooms, and storage/file rooms. These sensors will turn the new efficient

lighting on when someone enters and off when no movement is detected after a set period of time.

5) Describe any Women or Minority Business Entity (WMBE) or Small Business Entity (SBE) accreditations of your organization directly involved in a Contract resulting from this RFP
   a) This RFP has not resulted accreditations, but NAPA does honor and promote EBO (Equal Business Opportunities). It is described in the narrative below

INTRODUCTION

The subcontracting Plan described below is for the utilization of small, small disadvantaged and women-owned EBO concerns is in accordance with the provisions of EBO. The information included below is intended to address a potential NJPA Member's intent to comply with potential requirements of EBO. This proposal is to illustrate NAPA's willingness to work an EBO plan. All plans would be created in detail agreed upon, and implemented upon award of contract with an NJPA member.

GOALS

Goals identified will be percentage goals for EBO concerns for the base years and all option years. NAPA's goals, expressed as a percentage of total potential subcontracting dollars, for EBO concerns based on current EBO certified participates will be a percentage of subcontracting dollars. These goals will be realistic estimates based on NAPA's estimate for the contract to be awarded under this RFP and resulting contract or contracts with a NJPA member. These subcontracts include all contracts that contribute to the contract performance and products and services. Upon award of a contract, NAPA will make good faith efforts to identify potential EBO participates for subcontracting dollars.

METHOD USED TO DEVELOP SUBCONTRACTING GOALS

The principal method used to develop subcontracting goals will be the historical data gathered over the initial term of contract working with suppliers for the present On-Site activity. Based on the stated requirements and past experience Contractor' on-site management team will attempt to developed a network of small, small disadvantaged, and small women-owned business concerns engaged in furnishing the types of supplies and services required on this contract.

Goals and percentages will be determined based on the availability of EBO concerns within those trades. Contractor will contact the local SBA coordinator, the Women Business Owners Corporation, and the Office of Small and Disadvantaged Business Utilization to act as resources.

METHODS USED TO IDENTIFY POTENTIAL SOURCES FOR SOLICITATION PURPOSES

Contractor is committed to the EBO requirements set forth by the Customer. In compliance, Contractor gives EBO participates every consideration and opportunity to provide services and materials. Subcontracting will involve sourcing from vendors that specialize in providing replacement parts for the vehicles and equipment.

- Is the subcontractor responsive?
- Can the subcontractor meet schedules?
- Does the subcontractor understand the unique aspects of government works as it relates to payrolls, specifications, quality control, etc.?
- Are the subcontractor's prices competitive with industry standards?
- Is the subcontractor adaptable enough to absorb changes or special requirements as they occur?
- Does the subcontractor qualify as an EBO participate?

Periodic reviews of the subcontractors' qualifications will be performed to assure that no significant changes in resources of financial condition have occurred. In addition to verifying information provided by the subcontractor. NAPA considers information obtained independently through the Better Business Bureau, Dun and Bradstreet, and recommendations from the Government and private sources.

6) Identify any other unique or custom value added attributes

a) Integration with TAMS
NAPA will provide, as a portion of the monthly expense, a TAMS (Total Automotive Management System) computer. This computer will remain the property of NAPA in the event of termination of this contract. This computer will perform complete inventory control and invoicing functions as described below, as well as cataloging and part number interchange capabilities. Each system would have a printer and CRT's as needed.

- Invoicing and Cataloging
- Master Interchange
- Inventory Control
- Custom Pricing
- Parts in Stock and On Order
- Parts on Backorder Information
- Lost Sales Report & Analysis

- Automatic Stock Levels By Part
- Parts Cost

NAPA will use its own proprietary computer system to manage the NAPA parts room. The Total Automotive Management System (TAMS) is in use in over 5,800 NAPA Auto Parts stores and IBS operations. The TAMS system is designed and developed by Genuine Parts Company exclusively for the NAPA Auto Parts Store.

The TAMS system operates on a PC hardware platform provided by Dell. The system will use the industry standard Solaris Operating System developed by Sun Microsystems. The system will consist of at least 1 Solaris Server, 1 PC workstation and a minimum of 1 laser or dot matrix printer.

Since the TAMS hardware platform is PC based and subject to change, the exact hardware platform will be determined upon the opening of the IBS Operation.

The TAMS system provides a complete POS, NAPA Parts Catalog, Inventory Control & Replenishment and Reporting software solution to the NAPA employee. In addition, the TAMS system will be attached to the NAPA Wide-Area-Network providing the NAPA employee to access to the inventory in every GPC Owned NAPA Distribution Center as well as filtered internet connectivity to outside parts vendors.

b) Mitchell on Demand

Mitchell-On Demand

"Mitchell ON-DEMAND" is a premier electronic repair information source in the automotive aftermarket. With NAPA's relationship with Mitchell the Customer can have full access to Mitchell On-Demand through NAPA for:

- Car and Light Truck
- Medium Duty Trucks basically up to Class 7.
- Heavy Duty Trucks, trailers etc…Class 8.

c) Market Inventory Classification System

MIC – Market Inventory Classification System – Exclusive to NAPA

Tool we use in our NAPA IBS stores to list most vehicles in a fleet and find/stock all applicable replacement parts. This is a fantastic inventory tool to dial-in the right automotive inventory for the Customer.

d) Pro-Link Connectivity

ProLink Connectivity – Exclusive to NAPA

NAPA will provide any PC located in the Customer facilities access to NAPA ProLink – an internet-based tool to check inventory levels, costs, etc. on parts stocked in the on-site parts facility. Demo can be viewed at www.napaprolink.com.

e) FleetCross – Medium/Heavy Duty OE/Aftermarket E-Catalogs

For an additional fee NAPA can provide the Customer operation with access to FleetCross on the web. (www.fleetcross.com). NAPA is under contract currently with FleetCross to provide our IBS stores customized parts and service referencing systems

for many OE vehicles, equipment, and parts. FleetCross Holdings, Inc. can provide data cleansing services including VMRS coding of parts and labor data. A range of ready-to-use software and data modules is available under the FleetCross® product label. FleetCross Holdings, Inc. also owns and maintains the largest "all-makes" VMRS coded parts database and cross-reference in the vehicle industry and sells licenses to their utilization in the FleetCross modules. Free demonstrations are available upon request. "Fees may apply"
NAPA would have our current access to FleetCross information available for the personnel in our parts room for the City.

- Information from the www.fleetcross.com website.

7) Identify your ability and willingness to service Canada specifically and internationally in general.

Genuine Parts Company operates in both the US and Canada as NAPA. NAPA Canada is a division of the Automotive Parts Group, and is named United Auto Parts (UAP). UAP runs Integrated Business Solution locations just as we do in the States with four full time IBS Specialists. Canadian IBS locations work on the same operational principles as outlined in this response. As here in the States and opportunity will be reviewed and acted upon with any NJPA Members needs and operational parameters.

NAPA does not provide an IBS solution other than in the US and Canada.

8) Describe any unique distribution method employed in your proposal.

Genuine Parts Company, founded in 1928, is a service organization engaged in the distribution of automotive replacement parts, industrial replacement parts, office products and electrical/electronic materials. As a Company, Genuine Parts Company serves numerous customers from more than 2,000 operations and has approximately 29,000 employees and is a member of the National Automotive Parts Association ("NAPA").
The Automotive Parts Group, the largest division of GPC, distributes automotive replacement parts, accessory items and service items throughout North America. Parts are sold primarily under the NAPA brand name, widely recognized for quality parts, quality service and knowledgeable people.

THIS GROUP OPERATES:
In the U.S.:

- 58 NAPA Distribution Centers
- 4 Balkamp Distribution Centers
- 16 Traction Heavy Duty Parts stores
- 3 Rayloc Facilities
- 2 Altrom Import Parts Distribution Centers
- 1 TW Heavy Vehicle Parts Distribution Center
- 1,000 Company Owned NAPA AUTO and TRUCK PARTS Stores
- 5,000 Independently Owned NAPA AUTO and TRUCK PARTS Stores

No one brings a more comprehensive distribution model to NJPA members.

Tab 6 Payment Terms and Financing Options

1) Identify your payment terms. (net 30, etc.)
   a) Net 25th of the following month.

2) Please describe the limitations of coverage provided for commercial general, professional, and automobile insurance coverage's provided with your proposal.

The NJPA Member shall provide at its sole expense "all risks" fire and property insurance on all buildings and/or improvements in which the On Site Store(s) are located throughout the term of the Agreement. Further, the NJPA Member shall, throughout the term of this Agreement, at the NJPA Member's expense, obtain and maintain in force a policy of commercial general liability insurance in the name of the NJPA Member as insured but with NAPA named as an additional insured, such insurance to be written on an "occurrence" basis with combined single limits for any one injury, including death, and for property of not less than $1,000,000.00 per occurrence. Said policy shall be issued by a reputable insurance company authorized to transact business in all states where On Site Store(s) are located. the NJPA Member shall further maintain during the term of this Agreement worker's compensation insurance coverage in amounts required by law. the NJPA Member shall provide to NAPA, upon execution of this Agreement, a copy of all Certificates of Insurance evidencing the insurance coverages above.

NAPA shall maintain during the term of this Agreement worker's compensation insurance coverage for its employees located at the On Site Store(s) in amounts required by law. In addition, NAPA shall maintain personal property insurance during the term of this Agreement in an amount sufficient to cover any loss or damage to the Inventory and any other personal property owned by NAPA that is located at the On Site Store(s).

The insurance policies in this section required to be held by each party shall contain a waiver of subrogation against the other party.

Tab 7 Other cooperative procurement contracts held

1) Identify all cooperative governmental procurement contracts which are marketed in more than one state held or utilized by the Proposer.
   a) NAPA supplies parts for NJPA's "Auto Parts" 050208 – CSI through Capitol Supply
   b) Western States Contracting Alliance "Auto Parts" w28-2008
2) Identify all government procurement contracts held or utilized by the Proposer with any State of the United States.
   a) State of GA is associated with the Capitol Supply contract 050208 noted above
   b) State of California was the lead state for the WSCA contract noted above **(this DOES NOT contain an IBS provision)**
   c) State of PA
   d) State of CT
   e) State of KY
   f) State of KS
   g) State of WA
   h) State of UT
   i) State of MN

3) Identify any GSA Contracts held or utilized by the Proposer.
   a) NAPA has no GSA contracts

4) If you are awarded the NJPA contract, are there any market segments (e.g. higher education, county governments, etc.) or geographical markets where the NJPA contract will not be your primary contract purchasing vehicle? If so, please identify those markets and which cooperative purchasing agreement will be your primary vehicle.
   a) If awarded the NJPA contract, this contract would be NAPA's primary contract vehicle for all IBS opportunities.

Tab 8: Services/products and Pricing

1) Provide a general narrative description of the services/products you are offering in your proposal.
NAPA Auto Parts proposes to provide a complete In-House parts operation within the confines of the CUSTOMER Maintenance Facilities as noted in RFP. This operation will include NAPA-owned inventory based primarily on the history file of the existing stock and vehicles in fleet; however, it will be modified where more coverage and less depth can be maintained. NAPA will provide the personnel and management to operate the location. The number of people and/or scheduling will be mutually agreed upon between the parties.

The parts operation would be able to provide the following services:

a) A balanced inventory tailored to the CUSTOMER's maintenance needs and serviceable fleet.
b) Access to the area's largest inventory of automotive and heavy-duty replacement parts, paint, supplies and equipment. This access would be provided through daily stock orders to the CUSTOMER locations from our Distribution Center to replenish the inventory on a regular basis.
c) Delivery truck to procure non-stocked parts from the area NAPA stores and/or any other suppliers on a timely basis.
d) Provide Tires and bulk lubricants
e) All limited warranties available from the manufacturer.
f) The necessary equipment for the following:
g) Lube equipment for dispensing oils and greases.
h) Hydraulic hose making equipment (Gates or Weatherhead).
i) Paint mixing equipment to custom mix any color (optional if needed).
j) Training (both classroom and hands-on) through our manufacturers' representatives and factory training instructors. Plus, over 95 DVD training programs, 80 manufacturer clinics, and 46 toll-free tech service numbers. The availability of trained national, regional, and local factory representatives who can offer personal service and assistance as needed.
k) A TAMS (Total Automotive Management System) computer with the following capabilities:
l) Invoicing, Cataloging, Master Interchange, Inventory Control, Custom pricing, Inventory stocking information, Inventory on order information, Inventory on backorder information, Lost sales reports and analysis, Automatic inventory min/max review, Inventory costing
m) Ability to check inventory levels and order from any of NAPA' Distribution Centers in the US.
n) All daily and monthly reports generated by our TAMS computer upon request by authorized CUSTOMER Management.
o) Properly invoice all parts at the time of sale.
p) A detailed statement at the end of the month showing all invoice numbers and amounts purchased.
q) Enter any information into the CUSTOMER owned computer at the time of sale as required by CUSTOMER Management including complete repair order information.
r) The personnel, including management are trained, knowledgeable, and service oriented.

2) Provide a general narrative description of your pricing model identifying how the model works (line item and/or percentage discount).
NAPA will provide two alternatives for pricing

Alternative A

PAYMENT TERMS/PRICING. NAPA shall invoice the NJPA Member for all Inventory purchased pursuant to the agreement coming from this proposal on a monthly basis according to the pricing plan below. The NJPA Member would pay the entire amount of all statements received from NAPA by the 25th day of the month following receipt of any such statement. In the event any statement has not been paid as of such date, NAPA shall impose a finance charge of 1.5% per month, or such lower amount as may be permitted by law. The NJPA member shall reimburse NAPA for all costs incurred by NAPA in collecting any past due amounts owed to NAPA pursuant to the agreement coming from this proposal, including any attorney's fees.

The overall goal of NJPA Member's pricing plan is to achieve a ten percent (10%) net profit for NAPA (the "Net Profit Target") by adjusting the pricing of two elements:

(a) ***Product Costs.*** The pricing of the Inventory to be supplied to the NJPA Member by NAPA pursuant to the agreement coming from this proposal. Product Costs shall be further divided into "***NAPA Branded Product Costs***," which is the pricing of NAPA supplier manufactured products, and "***Non-NAPA Product Costs***," which is the pricing of products which have not been manufactured by NAPA suppliers but which have been acquired for the NJPA Member by NAPA pursuant to the agreement coming from this proposal.

(b) ***Operational Costs.*** Any and all costs and expenses associated with the operation of the On Site Store(s) or the vehicles used by NAPA in the operation of the On Site Store(s), including, but not limited to, salary and benefits payable to NAPA employees at the On Site Store(s), worker's compensation benefits and insurance, unemployment insurance, personal property insurance for the On Site Store(s) and Inventory, any deductible for losses covered under the personal property, automobile liability or general liability insurance policies of NAPA and all equipment supplied by NAPA.

PRICING PLAN SUMMARY

NAPA Product Costs	Billed to CUSTOMER at a 10% gross profit rate
Non-NAPA Product Costs	Billed to CUSTOMER at a 10% gross profit rate
Operational Costs	Billed to CUSTOMER at cost
Net Profit Target	10% net profit for NAPA

Both NAPA Product Costs and Non-NAPA Product Costs shall be set by NAPA to yield a gross profit of ten percent (10%). Operational costs will be charged to the NJPA Member at cost, with all such charges for Operational Costs to be included in the NJPA Member's monthly billing statement. The NJPA Member will be billed at the end of each month for operational costs on an "in arrears" basis.

In addition, NAPA may use any sub-contractor for the procurement of "outside" purchases or services (i.e., those parts or services not traditionally stocked or performed by NAPA), and the NJPA Member will be billed an additional charge for any such purchases so as to yield

NAPA a ten percent (10%) gross profit on such purchases.

Alternative B

PAYMENT TERMS/PRICING. NAPA shall invoice the NJPA Member for all Inventory purchased pursuant to this Agreement on a monthly basis according to the pricing plan below. The NJPA Member agrees to pay the entire amount of all statements received from NAPA by the 25th day of the month following receipt of any such statement. In the event any statement has not been paid as of such date, NAPA shall impose a finance charge of 1.5% per month, or such lower amount as may be permitted by law. The NJPA Member shall reimburse NAPA for all costs incurred by NAPA in collecting any past due amounts owed to NAPA pursuant to this Agreement, including any attorney's fees.

The overall goal of the NJPA Member's pricing plan is to achieve a ten percent (10%) net profit for NAPA (the "Net Profit Target") by adjusting the pricing of two elements:

(a) ***Product Costs.*** The pricing of the Inventory to be supplied to the NJPA Member by NAPA pursuant to the agreement coming from this proposal. Product Costs shall be further divided into "***NAPA Product Costs***," which is the pricing of NAPA supplier manufactured products, and "***Non-NAPA Product Costs***," which is the pricing of products which have not been manufactured by NAPA suppliers but which have been acquired for the NJPA Member by NAPA pursuant to the agreement coming from this proposal.

(b) ***Operational Costs.*** Any and all costs and expenses associated with the operation of the On Site Store(s) or the vehicles used by NAPA in the operation of the On Site Store(s), including, but not limited to, salary and benefits payable to NAPA employees at the On Site Store(s), worker's compensation benefits and insurance, unemployment insurance, personal property insurance for the On Site Store(s) and Inventory, any deductible for losses covered under the personal property, automobile liability or general liability insurance policies of NAPA and all equipment supplied by NAPA.

PRICING PLAN SUMMARY

NAPA Product Costs Non-NAPA Product Costs	Billed to the NJPA Member on a "NJPA Pricing Profile" Billed to the NJPA Member at a 25% gross profit rate
Operational Costs	Paid entirely by NAPA
Net Profit Target	Amounts will be refunded or charged based on failure to achieve an overall 10% net profit for the previous month.

NAPA Product Costs shall be billed to the NJPA Member based on a "NJPA Pricing Profile" which has been provided to the NJPA Member in connection with the agreement coming from this proposal. Non-NAPA Product Costs shall be billed by NAPA to yield a gross profit of twenty-five percent (25%). All Operational Costs shall be borne by NAPA.

Sales at each On Site Store location will be reviewed after the first ninety (90) days of operation and on a month by month basis thereafter to ensure a ten percent (10%) profit for NAPA. If monthly sales at each On Site Store, independently as opposed to in the aggregate, are producing more than a ten percent (10%) net profit for NAPA, NAPA will pay to the NJPA Member, via a refund check, the overage. Conversely, if NAPA's net profit for the preceding month is less than ten percent (10%), NAPA will bill the NJPA Member for the deficiency.

In addition, NAPA may use any sub-contractor for the procurement of "outside" purchases or services (i.e., those parts or services not traditionally stocked or performed by NAPA), and the NJPA Member will be billed an additional charge for any such purchases so as to yield NAPA a twenty-five percent (25%) gross profit on such purchases.

3) Propose a strategy, process and specific method of facilitating "Sourced Goods" solution as defined herein.
   a) In a NAPA IBS, Sourced Goods will be acquired on a as needed ONLY basis by the NAPA IBS team. The NAPA IBS process is one that fills the need of the NJPA Member with what is needed to complete the repair, inside the NJPA Member's own shop. Thus "Sourced Goods" will be obtained as part of the normal day to day communication and transaction process that occurs between the NJPA Member and the NAPA employee across the technician parts counter. We will obtain, inventory and sell Sourced Goods per the above pricing philosophy.

4) Provide a "CORE LIST" of services/products (as anticipated and defined by Proposer to meet or exceed the NJPA members needs) as a separate and named spreadsheet. Include special pricing, if any, on these terms.
   a) See file NJPA.xls that is currently in use with NJPA contract 050208 – CSI
   b) See Service Fees.xls
   c) See Sample NAPA P &L's. xls
   d) See Sample NAPA contracts IBS Agreement Cost plus.doc and IBS Agreement NJPA Price profile.doc

5) Provide, if any, your volume rebate programs.
   a) There are no additional volume rebate programs.

43) Identify any Total Cost of Acquisition cost(s) which is NOT included in the "Pricing" submitted with your proposal response. Identify to who these items are payable and their relationship to Proposer.
   a) Please refer to the two attached sample P and L's for all potential cost categories.

44) As an important part of the evaluation of your offer, you must indicate the level of pricing you are offering.

Prices offered in this proposal are: Sorry guys, is it A, or A and B, or C??

___X_____ a. The same as we offer on individual municipality or school district proposals.

a) ***NAPA has several IBS contracts that follow a price profile or a cost plus model similar to our proposal today.***

____X_____ b. The same as we offer to government procurement organizations and state purchasing departments.

b) ***Our 9071 profile is consistent with the current NJPA contract 050208-CSI***

_____X_____ c. Better than we offer to purchasing government procurement organizations or state purchasing departments.

c) ***Being that we have also included a cost +10% model, our pricing technically could be better on a part than NJPA or State of CA. This is a different buying arrangement because expenses to run our IBS are included in the proposal. If we are awarded this contract, an agency may be buying better or worse today through an existing NAPA store on a regular buying basis. This model is intended to give a consistent pricing model to what we offer at other IBS sites. The measurement we propose and how the NJPA member will benefit is whether the parts price plus expenses can help the NJPA Member save on overall operation.***

(Your proposal will be considered "Non-Responsive" if this question is not answered.)

45) Do you offer quantity or volume discounts? _____ YES __ X____ NO Outline guidelines and program.

46) Identify the Proposer's proposal for an administrative fee payable to NJPA for facilitation and promotion of the Contract opportunity invited here. This fee should be calculated as a percentage of Contract sales.

a) NAPA proposes to pay NJPA the admin fee as a percent of sales that NAPA receives a rebate from our manufacturer - vendors. This term will be identified as "qualified sales". NAPA will pay **1%** of qualified sales to NJPA as the administrative fee that will be paid to NJPA.

SAMPLE CONTRACT ONLY

Formatted: Font: 28 pt

Formatted: Centered

INTEGRATED SUPPLY AGREEMENT

BY AND BETWEEN

GENUINE PARTS COMPANY

AND

8/12/09 (COST PLUS)

SAMPLE CONTRACT ONLY

Formatted: Font: 28 pt

Formatted: Centered

INTEGRATED SUPPLY AGREEMENT
BY AND BETWEEN
GENUINE PARTS COMPANY
AND
_____

THIS INTERGRATED SUPPLY AGREEMENT (this "Agreement") is made by and between **GENUINE PARTS COMPANY**, a Georgia corporation (d/b/a NAPA Auto Parts) ("NAPA"), and _____, a _____ [corporation/ limited partnership/ limited liability company/ sole proprietorship *(circle one)*] ("CUSTOMER"), to be effective as of the _____ day of _____, 20_____ (the "Effective Date").

W I T N E S S E T H

WHEREAS, NAPA desires to establish inventories in CUSTOMER's locations to service the fleet parts needs of CUSTOMER and to serve as the primary supplier of automotive replacement parts and other supplies and/or equipment to serve the needs of CUSTOMER (the "Inventory"); and

WHEREAS, CUSTOMER desires to provide space for the Inventory on the premises of CUSTOMER for use by NAPA ("On Site Store") and agrees that NAPA will be its primary supplier of the Inventory pursuant to the terms herein.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties hereto agree as follows:

AGREEMENT

1. DEFINITIONS. For purposes of this Agreement, the following terms shall have the meanings set forth below:

(a) ***Primary Supplier*** shall mean the parts supplier that provides a minimum of ninety percent (90%) of the Inventory needs of CUSTOMER.

(b) ***NAPA Owned Store*** shall mean an auto parts store lawfully using the tradename or trademark "NAPA" which is wholly owned by NAPA.

(c) ***NAPA Jobber*** shall mean an auto parts store lawfully using the tradename or trademark "NAPA" with respect to which NAPA maintains no ownership interest.

SAMPLE CONTRACT ONLY

2. **CUSTOMER'S CURRENT LOCATIONS.** NAPA will establish On Site Store(s) at the CUSTOMER'S following location(s):

_____
_____
_____
Manager: _____

Additional locations of the CUSTOMER may be added to this Agreement but only by a written amendment executed and agreed to by both the CUSTOMER and NAPA. Notwithstanding the foregoing language, CUSTOMER agrees to, and hereby grants, NAPA the right of first refusal on any and all new or additional locations of CUSTOMER that are to be serviced by an On Site Store or similar supply entity.

3. **TERM.** The initial term of this Agreement shall be for a _____ (_____) year period beginning on the Effective Date. Upon expiration of the initial term, this Agreement shall automatically be renewed for successive _____ (_____) year terms, unless either party notifies the other party in writing of its intent not to renew the Agreement at least sixty (60) days prior to the expiration of the initial term or any renewal term hereunder. Notwithstanding the foregoing, either party may terminate this Agreement at any time for its convenience by giving the other party sixty (60) days prior written notice of such termination.

4. **DUTIES AND RESPONSIBILITIES OF NAPA.** NAPA shall have the following duties and responsibilities during the term of this Agreement:

(a) NAPA will operate the On Site Store(s) and provide the Inventory to CUSTOMER's now existing locations. NAPA will use commercially reasonable efforts to manage such Inventory efficiently and effectively. NAPA shall provide all personnel required to operate the On Site Store(s).

Formatted: Indent: Left: 0", First line: 0.5", Numbered + Level: 1 + Numbering Style: a, b, c, … + Start at: 1 + Alignment: Left + Aligned at: 0" + Tab after: 0.25" + Indent at: 0.25", Tab stops: Not at 0.25"

(b) In those circumstances when delivery is required by CUSTOMER, NAPA will provide parts to CUSTOMER's locations on a daily route basis. In addition, NAPA will accelerate delivery on those items CUSTOMER requires to be delivered on an expedited basis. NAPA will make all reasonable efforts to ensure prompt delivery to the CUSTOMER's location(s) requesting part(s).

Formatted: Indent: Left: 0", First line: 0.5", Numbered + Level: 1 + Numbering Style: a, b, c, … + Start at: 1 + Alignment: Left + Aligned at: 0" + Tab after: 0.25" + Indent at: 0.25", Tab stops: Not at 0.25"

(c) NAPA shall provide all computers and reports necessary to monitor monthly expenses as they pertain to the daily operation of the On Site Store(s). NAPA shall provide computer ordering and cataloging to each On Site Store.

Formatted: Indent: Left: 0", First line: 0.5", Numbered + Level: 1 + Numbering Style: a, b, c, … + Start at: 1 + Alignment: Left + Aligned at: 0" + Tab after: 0.25" + Indent at: 0.25", Tab stops: Not at 0.25"

(d) NAPA shall provide a profit and loss statement of the parts operations to the CUSTOMER on approximately the _____ of each month for each On Site Store.

Formatted: Indent: Left: 0", First line: 0.5", Numbered + Level: 1 + Numbering Style: a, b, c, … + Start at: 1 + Alignment: Left + Aligned at: 0" + Tab after: 0.25" + Indent at: 0.25", Tab stops: Not at 0.25"

SAMPLE CONTRACT ONLY

(e) NAPA shall provide back-up emergency service during non-working hour contingencies. The overtime expense (calculated at time and one half) will be charged on a cost basis to CUSTOMER. NAPA will provide a list of personnel, including telephone numbers, who will respond to emergency service requests.

Formatted: Indent: Left: 0", First line: 0.5", Numbered + Level: 1 + Numbering Style: a, b, c, … + Start at: 1 + Alignment: Left + Aligned at: 0" + Tab after: 0.25" + Indent at: 0.25", Tab stops: Not at 0.25"

5. DUTIES AND RESPONSIBILITIES OF CUSTOMER. CUSTOMER shall have the following duties and responsibilities during the term of this Agreement:

(a) CUSTOMER shall provide, at its sole expense, usable space for NAPA's On Site Store(s) and the Inventory. CUSTOMER shall provide access to restroom facilities for NAPA employees. Further, CUSTOMER shall furnish, at its sole expense, all utilities for the On Site Store(s) including: water, sanitation, sewer, light, telephone, heat, gas, electricity, power, fuel, janitorial and all other utilities and services rendered or delivered to the On Site Store(s) whatsoever.

Formatted: Indent: Left: 0", First line: 0.5", Numbered + Level: 1 + Numbering Style: a, b, c, … + Start at: 1 + Alignment: Left + Aligned at: 0.44" + Tab after: 0.69" + Indent at: 0.69", Tab stops: Not at 0.69"

(b) CUSTOMER shall use NAPA as its Primary Supplier of the Inventory under this Agreement. CUSTOMER reserves the right to purchase any item outside this Agreement where it is determined to be more economical or timely so long as the purchase of aforesaid part or parts does not result in NAPA no longer being CUSTOMER's Primary Supplier.

Formatted: Indent: Left: 0", First line: 0.5", Numbered + Level: 1 + Numbering Style: a, b, c, … + Start at: 1 + Alignment: Left + Aligned at: 0.44" + Tab after: 0.69" + Indent at: 0.69", Tab stops: Not at 0.69"

(c) Each On Site Store location shall be appropriately secured or otherwise maintained separate and apart from the business of CUSTOMER. There shall be no intermingling of CUSTOMER's parts or other inventory with NAPA's parts or inventory. Access to the secured On Site Store(s) shall be restricted to NAPA employees and authorized NAPA representatives only. CUSTOMER'S employees, contractors or agents shall not be permitted to enter the secured On-Site Store area unless accompanied by a NAPA employee or other authorized NAPA representative.

Formatted: Indent: Left: 0", First line: 0.5", Numbered + Level: 1 + Numbering Style: a, b, c, … + Start at: 1 + Alignment: Left + Aligned at: 0.44" + Tab after: 0.69" + Indent at: 0.69", Tab stops: Not at 0.69"

(d) CUSTOMER shall, at all times during the term of this Agreement, at CUSTOMER'S sole expense, maintain in good condition and repair (so as to prevent any damage or injury to NAPA's employees, the Inventory or other personal property located in the On Site Store(s)) the roof, exterior walls, foundation, and structural portions of the On Site Store(s) and all portions of the electrical and plumbing systems lying outside of the On Site Store(s) but serving the On Site Store(s).

(e) CUSTOMER shall provide information regarding fleet changes to NAPA as soon as possible. Fleet changes include but are not limited to the removal of types of vehicles from the fleet and the addition of new vehicles to the fleet.

6. ALTERNATIVE SUPPLIERS. Each On Site Store may be serviced by a NAPA Owned Store or a NAPA Jobber. CUSTOMER acknowledges that whether it will be serviced by a NAPA Owned Store or a NAPA Jobber will be determined by NAPA, in its sole discretion, and that if CUSTOMER is to be serviced by a NAPA Jobber, then such NAPA Jobber must evidence its desire to abide by the terms of this Agreement by entering into an Assignment in the form of Exhibit A hereto.

SAMPLE CONTRACT ONLY

7. **PAYMENT TERMS/PRICING.** NAPA shall invoice the CUSTOMER for all Inventory purchased pursuant to this Agreement on a monthly basis according to the pricing plan below. CUSTOMER agrees to pay the entire amount of all statements received from NAPA by the 25th day of the month following receipt of any such statement. In the event any statement has not been paid as of such date, NAPA shall impose a finance charge of 1.5% per month, or such lower amount as may be permitted by law. CUSTOMER shall reimburse NAPA for all costs incurred by NAPA in collecting any past due amounts owed to NAPA pursuant to this Agreement, including any attorney's fees.

The overall goal of CUSTOMER's pricing plan is to achieve a ten percent (10%) net profit for NAPA (the "Net Profit Target") by adjusting the pricing of two elements:

(a) ***Product Costs.*** The pricing of the Inventory to be supplied to CUSTOMER by NAPA pursuant to this Agreement. Product Costs shall be further divided into "***NAPA Product Costs***," which is the pricing of NAPA supplier manufactured products, and "***Non-NAPA Product Costs***," which is the pricing of products which have not been manufactured by NAPA suppliers but which have been acquired for CUSTOMER by NAPA pursuant to this Agreement.

(b) ***Operational Costs.*** Any and all costs and expenses associated with the operation of the On Site Store(s) or the vehicles used by NAPA in the operation of the On Site Store(s), including, but not limited to, salary and benefits payable to NAPA employees at the On Site Store(s), worker's compensation benefits and insurance, unemployment insurance, personal property insurance for the On Site Store(s) and Inventory, any deductible for losses covered under the personal property, automobile liability or general liability insurance policies of NAPA and all equipment supplied by NAPA. An example of a profit and loss statement reflecting such costs and expenses is attached hereto as Exhibit B.

PRICING PLAN SUMMARY

NAPA Product Costs	Billed to CUSTOMER at a 10% gross profit rate
Non-NAPA Product Costs	Billed to CUSTOMER at a 10% gross profit rate
Operational Costs	Billed to CUSTOMER at cost
Net Profit Target	10% net profit for NAPA

Both NAPA Product Costs and Non-NAPA Product Costs shall be set by NAPA to yield a gross profit of ten percent (10%). Operational costs will be charged to CUSTOMER at cost, with all such charges for Operational Costs to be included in CUSTOMER's monthly billing statement. CUSTOMER will be billed at the end of each month for operational costs on an "in arrears" basis.

In addition, NAPA may use any sub-contractor for the procurement of "outside" purchases or services (i.e., those parts or services not traditionally stocked or performed by NAPA), and CUSTOMER will be billed an additional charge for any such purchases so as to yield NAPA a ten percent (10%) gross profit on such purchases.

8. INSURANCE.

(a) CUSTOMER shall provide at its sole expense "all risks" fire and property insurance on all buildings and/or improvements in which the On Site Store(s) are located throughout the term of the Agreement. Further, CUSTOMER shall, throughout the term of this Agreement, at CUSTOMER'S expense, obtain and maintain in force a policy of commercial general liability insurance in the name of CUSTOMER as insured but with NAPA named as an additional insured, such insurance to be written on an "occurrence" basis with combined single limits for any one injury, including death, and for property of not less than $1,000,000.00 per occurrence. Said policy shall be issued by a reputable insurance company authorized to transact business in all states where On Site Store(s) are located. CUSTOMER shall further maintain during the term of this Agreement worker's compensation insurance coverage in amounts required by law. CUSTOMER shall provide to NAPA, upon execution of this Agreement, a copy of all Certificates of Insurance evidencing the insurance coverages above.

(b) NAPA shall maintain during the term of this Agreement worker's compensation insurance coverage for its employees located at the On Site Store(s) in amounts required by law. In addition, NAPA shall maintain personal property insurance during the term of this Agreement in an amount sufficient to cover any loss or damage to the Inventory and any other personal property owned by NAPA that is located at the On Site Store(s).

(c) The insurance policies in this section required to be held by each party shall contain a waiver of subrogation against the other party.

9. NO LIENS.

(a) CUSTOMER warrants that it shall take no action, including but not limited to the granting of a security interest, or fail to take any action, which would operate or does operate in any way to encumber the Inventory of NAPA located in the On Site Store(s). CUSTOMER shall, at its own cost and expense, defend and hold harmless NAPA and its officers, directors, employees, subsidiaries and affiliates from any and all liability, costs and expenses (including attorney's fees) against any claim or encumbrance on the Inventory of NAPA located in the On Site Store(s).

SAMPLE CONTRACT ONLY

(b) CUSTOMER grants NAPA a power of attorney to execute such documents as are necessary to protect NAPA's interest in the Inventory on consignment on CUSTOMER's premises, including any UCC-1 statements.

10. PERSONNEL. NAPA and CUSTOMER shall attempt in good faith to mutually agree upon the identity of the persons that will be selected to staff the On Site Store(s). In the event that CUSTOMER for any reason wishes to remove or replace any of the NAPA personnel in the On Site Store(s), the parties will attempt to resolve CUSTOMER's request by mutual agreement. If NAPA and the CUSTOMER fail to mutually resolve a personnel issue as set forth in this Section 10, NAPA will decide the issue in its sole discretion.

11. WARRANTY DISCLAIMER. All automotive parts supplied pursuant to this Agreement are subject to the terms of written warranties provided by the manufacturer of each part, and NAPA shall use reasonable commercial efforts to assist the CUSTOMER in processing all warranty claims that the CUSTOMER may have against a manufacturer. The manufacturer's warranty will be the sole and exclusive remedy of the CUSTOMER in connection with any claims concerning the parts supplied to CUSTOMER pursuant to this Agreement. ALL OTHER WARRANTIES, BOTH EXPRESS AND IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTIBILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY EXCLUDED. Copies of the manufacturers' warranties are available to CUSTOMER upon request.

12. TERMINATION FOR CAUSE. This Agreement may be terminated immediately, unless otherwise stated in this Section 12, by either party for cause:

(a) In the event that the other party fails or refuses to pay any amounts due under this Agreement and such failure continues for ten (10) days;

(b) In the event that the other party fails or refuses to perform any other obligation required under this Agreement, and such failure or refusal continues for thirty (30) days after written notice thereof; or

(c) In the event that the other party files any bankruptcy petition, has any bankruptcy petition filed against it, makes any assignment of its assets for the benefit of creditors, or admits in writing its inability to pay its debts as they become due.

13. EFFECT OF TERMINATION. Immediately upon termination of this Agreement by either party for any reason:

(a) All duties, responsibilities and other obligations of each party hereunder shall terminate, except for the payment of any amounts due and owing to NAPA at the time of termination.

Formatted: Indent: Left: 0", First line: 0.5", Numbered + Level: 1 + Numbering Style: a, b, c, … + Start at: 1 + Alignment: Left + Aligned at: 0.44" + Tab after: 0.69" + Indent at: 0.69", Tab stops: Not at 0.69"

Formatted: Indent: Left: 0", First line: 0.5", Numbered + Level: 1 + Numbering Style: a, b, c, … + Start at: 1 + Alignment: Left + Aligned at: 0.44" + Tab after: 0.69" + Indent at: 0.69"

Formatted: Indent: Left: 0", First line: 0.5", Numbered + Level: 1 + Numbering Style: a, b, c, … + Start at: 1 + Alignment: Left + Aligned at: 0.44" + Tab after: 0.69" + Indent at: 0.69", Tab stops: Not at 0.69"

(b) Each party shall immediately return to the other party all equipment, software, books, records, tools and any other personal property owned by the other party that are in such party's possession. CUSTOMER shall allow NAPA full and unrestricted access to enter into the On Site Store(s) and immediately remove all equipment and other items of personal property owned by NAPA without being deemed guilty of trespass or any other violation of the law. All inventory records, sales history, sales analysis and all other information generated by NAPA under this Agreement will be returned to CUSTOMER.

Nothing contained in this Section shall be deemed a waiver of, or in any other manner impair or prejudice, any other legal rights that either party may have against the other party for any breach of this Agreement. The provisions and obligations of Sections 9, 11, 15, 18, and 20 shall survive the termination of this Agreement for any reason.

14. BUY BACK OF INVENTORY. Upon termination, expiration, or non-renewal of the contract, NAPA shall have the option to require CUSTOMER to purchase all non-NAPA branded Inventory, and CUSTOMER shall have the option to purchase all NAPA branded Inventory, owned by NAPA and located in the On Site Store(s) at NAPA's current acquisition cost.

Formatted: Numbered + Level: 1 + Numbering Style: 1, 2, 3, … + Start at: 14 + Alignment: Left + Aligned at: 0.5" + Tab after: 1" + Indent at: 1"

15. CONFIDENTIALITY. CUSTOMER and NAPA may, from time to time, acquire or otherwise receive confidential or proprietary information concerning the other party's products, pricing, business affairs and practices. In consideration of the confidential and proprietary nature of this information, each party agrees as follows:

(a) All confidential or proprietary knowledge and information received from the other party shall for all time and purposes be regarded by the receiving party, its employees and agents as strictly confidential and will not be disclosed to any third parties or to any of the other affiliates of the receiving party.

Formatted: Indent: Left: 0", First line: 0.5", Numbered + Level: 1 + Numbering Style: a, b, c, … + Start at: 1 + Alignment: Left + Aligned at: 0.5" + Tab after: 1" + Indent at: 1", Tab stops: Not at 1"

(b) Each party agrees to utilize any information provided by the other party only for the purposes of carrying out this Agreement and further acknowledges that it will not utilize any information provided by the other party for any other purpose including but not limited to directly or indirectly competing with the other party or otherwise assisting another person or entity in doing the same.

Formatted: Indent: Left: 0", First line: 0.5", Numbered + Level: 1 + Numbering Style: a, b, c, … + Start at: 1 + Alignment: Left + Aligned at: 0.5" + Tab after: 1" + Indent at: 1", Tab stops: Not at 1"

(c) Within three (3) business days of the termination of this Agreement all confidential or proprietary information relating to the other party's products, pricing, business affairs or practices shall be returned to such other party.

Formatted: Indent: Left: 0", First line: 0.5", Numbered + Level: 1 + Numbering Style: a, b, c, … + Start at: 1 + Alignment: Left + Aligned at: 0.5" + Tab after: 1" + Indent at: 1", Tab stops: Not at 1"

(d) All confidentiality obligations hereunder shall continue in full force and effect during the term of this Agreement, and after termination: (a) in the case of confidential information that constitutes a trade secret under applicable law, for as long as such confidential information remains a trade secret; or (b) in the case of any other confidential information, for a term of ten (10) years.

Formatted: Indent: Left: 0", First line: 0.5", Numbered + Level: 1 + Numbering Style: a, b, c, … + Start at: 1 + Alignment: Left + Aligned at: 0.5" + Tab after: 1" + Indent at: 1", Tab stops: Not at 1"

SAMPLE CONTRACT ONLY

(e) Each party further understands that money damages will not be a sufficient remedy for a breach of this Section 14 and that, in addition to all other remedies available at law or in equity, each party shall be entitled to equitable relief, including injunction or specific performance, without proof of actual damages.

Formatted: Indent: Left: 0", First line: 0.5", Numbered + Level: 1 + Numbering Style: a, b, c, … + Start at: 1 + Alignment: Left + Aligned at: 0.5" + Tab after: 1" + Indent at: 1", Tab stops: Not at 1"

16. CHANGE OF CONTROL. NAPA may unilaterally terminate this Agreement by giving five (5) days written notice to CUSTOMER upon the occurrence of any one or more of the following events:

(a) A change in the management or ownership of CUSTOMER;

Formatted: Indent: Left: 0", First line: 0.5", Numbered + Level: 1 + Numbering Style: a, b, c, … + Start at: 1 + Alignment: Left + Aligned at: 0.44" + Tab after: 0.69" + Indent at: 0.69", Tab stops: Not at 0.69"

(b) A sale, lease, assignment or other transfer of CUSTOMER'S business or assets, whether through a stock purchase, merger, asset purchase, or other similar transaction, of at least a ten percent (10%) interest therein.

Formatted: Indent: Left: 0", First line: 0.5", Numbered + Level: 1 + Numbering Style: a, b, c, … + Start at: 1 + Alignment: Left + Aligned at: 0.44" + Tab after: 0.69" + Indent at: 0.69", Tab stops: Not at 0.69"

17. LANDLORD CONSENT AND WAIVER. If CUSTOMER does not own, in unencumbered fee simple title, all property upon which the On Site Store(s) is/are located, CUSTOMER agrees to acquire from each Landlord or Mortgagee a fully executed Landlord Consent and Waiver which is attached here to as Exhibit C. The Landlord Consent and Waiver(s) shall be returned to NAPA prior to the commencement of operations on such On Site Store(s).

18. MUTUAL INDEMNIFICATION. CUSTOMER shall be responsible for and shall indemnify and hold NAPA harmless from and against all damages, claims or demands that may, during the term of this Agreement, arise or be occasioned by the negligent or intentional acts of CUSTOMER or CUSTOMER's employees. NAPA shall likewise be responsible for and shall indemnify and hold CUSTOMER harmless from and against all damages, claims or demands that may, during the term of this Agreement, arise or be occasioned by the negligent or intentional acts of NAPA or NAPA's employees.

19. QUIET ENJOYMENT. CUSTOMER represents and warrants to NAPA that so long as NAPA performs all the obligations of NAPA under this Agreement, NAPA shall have quiet and peaceful possession of the On Site Store(s) during the entire term of this Agreement and CUSTOMER shall defend NAPA's right to possession against the claims of all parties.

20. NOTICES. Whenever any notice, demand or request is required or permitted hereunder, such notice, demand or request shall be hand-delivered in person or sent via facsimile, by overnight mail through a reputable service, or by certified mail, return receipt requested, to the addresses set forth below:

As to NAPA: _____
_____

_____
Attn: _____
Telephone: (_____) _____
Facsimile: (_____) _____

As to CUSTOMER: _____
_____
_____
Attn: _____
Telephone: (_____)_____
Facsimile: (_____)_____

Each such notice shall be deemed delivered (i) on the date of receipt if delivered by hand, overnight courier service or if sent by facsimile, or (ii) on the date three (3) business days after depositing with the United States Postal Service if mailed by registered or certified mail. Either party may change its address specified for this notice by giving the other party at least ten (10) days written notice in accordance with this Section 19.

21. FORCE MAJEURE / DAMAGE OF PREMISES.

(a) Whenever performance by either party of any of their respective obligations (other than the obligation to make payment of money due hereunder) is substantially prevented by reason of any act of God, other industrial or transportation disturbance, fire, floods, riots, acts of enemies, national emergencies or by any other cause not within the reasonable control of such party and not occasioned by its negligence, then such performance shall be excused and the performance of such obligations under this Agreement shall be suspended for the duration of such prevention and for a reasonable time thereafter.

(b) NAPA may terminate this Agreement immediately in the event that the CUSTOMER's premises are damaged by any casualty, or such portion of the premises is condemned by any legally constituted authority, such as will make the CUSTOMER's premises unusable for the On Site Store(s) in the reasonable judgment of NAPA.

22. SUCCESSORS AND ASSIGNS. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective officers, directors, employees, successors and assigns. Notwithstanding the foregoing, the rights and obligations of either party to this Agreement may not be assigned without the prior written consent of the other party hereto, which consent shall not be unreasonably withheld.

23. AMENDMENTS. No amendment to this Agreement shall be binding on either party hereto unless such amendment is in writing and executed by both parties with the same formality as this Agreement is executed.

SAMPLE CONTRACT ONLY

24. NO WAIVER OF RIGHTS. No failure of either party hereto to exercise any power given such party hereunder or to insist upon strict compliance by the other party to its obligations hereunder, and no custom or practice of the parties in variance with the terms hereof, shall constitute a waiver of either party's right to demand exact compliance with the terms hereof.

25. LIMITATIONS ON RIGHTS OF THIRD PARTIES. All obligations of a party under this Agreement are imposed solely and exclusively for the benefit of the parties, and no other person shall, under any circumstances, be deemed to be a beneficiary of such obligations.

26. INDEPENDENT CONTRACTOR. The parties hereto are independent contractors. Nothing in this Agreement shall create or shall be deemed to create any fiduciary relationship or the relationship of principal and agent, partnership, joint venturers or any other similar or representative relationship between the parties hereto.

27. CHOICE OF LAW. This Agreement shall be construed and interpreted under the laws of the State of Georgia.

28. COUNTERPARTS. This Agreement may be executed in one or more counterparts and each counterpart shall, for all purposes, be deemed an original, but all such counterparts shall together constitute but one and the same instrument.

29. SECTION HEADINGS. Section titles or captions contained herein are inserted only as a matter of convenience for reference and in no way define, limit, extend, or describe the scope hereof or the intent of any provision hereof.

30. SEVERABILITY. In the event any part of this Agreement shall be finally determined by a court of law to be illegal or unenforceable for any reason, then that illegal or enforceable part shall be severed from the Agreement, and the remaining terms shall continue in full force and effect.

31. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement of the parties hereto and no prior representation, inducement, promise or agreement, oral or written, between the parties not embodied herein shall be of any force and effect.

[Signatures Appear on Next Page]

SAMPLE CONTRACT ONLY

Formatted: Font: 28 pt

Formatted: Centered

IN WITNESS WHEREOF, the parties hereto cause their hands and seals to be affixed by their duly-authorized representatives effective as of the date and year first above written.

GENUINE PARTS COMPANY

By: _____
Name: _____
Title:_____

_____*[Name of Company]*

By: _____
Name: _____
Title:_____

SAMPLE CONTRACT ONLY

Formatted: Font: 28 pt

Formatted: Centered

EXHIBIT A

ASSIGNMENT

See attached.

SAMPLE CONTRACT ONLY

ASSIGNMENT

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, GENUINE PARTS COMPANY, a Georgia corporation (hereinafter "Assignor"), hereby assigns, transfers, sets over and delivers to [JOBBER/POP], a _____ (hereinafter "Assignee"), all of Assignor's rights, obligations and interest, including any options to renew or extend the contract term, in those certain location(s) as set forth below, as governed by the Integrated Supply Agreement dated _____ by and between Genuine Parts Company and _____ [CUSTOMER] the "Integrated Supply Agreement").

Location(s): _____

Assignee hereby accepts the assignment of the Integrated Supply Agreement, agrees to provide the services and perform all other obligations required to be performed by "NAPA" in said Integrated Supply Agreement at the times and in the manner set forth in said Integrated Supply Agreement, and shall be bound by all other terms, covenants and conditions of said Integrated Supply Agreement with regard to the location(s) set forth above, all with the same force and effect as if Assignee were originally named as "NAPA" therein.

[CUSTOMER] hereby consents to the above assignment of the Integrated Supply Agreement on the terms set forth herein.

The parties hereto agree that the assignment as set forth herein shall be effective as of midnight on _____.

IN WITNESS WHEREOF, the undersigned have set their hands this _____ day of _____, 20 .

ASSIGNOR:	ASSIGNEE:
GENUINE PARTS COMPANY	_____ [JOBBER/POP]
By: _____	By: _____
Name: _____	Name: _____
Its: _____	Its: _____

Agreed and acknowledged:

_____ [CUSTOMER]

By: _____
Name: _____
Its: _____

8/12/09 (COST PLUS)

SAMPLE CONTRACT ONLY

Formatted: Font: 28 pt

Formatted: Centered

EXHIBIT B

SAMPLE PROFIT AND LOSS STATEMENT

See attached.

IBS Sample P&L — Copst plus 10% Example — **Estimated Operating Expenses**

Projection	Monthly Performa	% to SALES	Annual Performa	% to SALES	
SALES	**50,000**		**600,000**		**Parts Bill For Customer**
Less Cost of Sales	45,000	90.00%	540,000	90.00%	
Sales Less Cost	5,000	10.00%	60,000	10.00%	
Less Handling Chrg	0	0.00%	0	0.00%	
GROSS PROFIT	**5,000**	**10.00%**	**60,000**	**10.00%**	
Advertising	0	0.00%	0	0.00%	
Net Salaries	0	0.00%	0	0.00%	
Travel	0	0.00%	0	0.00%	
Sales - Misc.	0	0.00%	0	0.00%	
G.M. Travel	0	0.00%	0	0.00%	
TOTAL SALES EXP.	**0**	**0.00%**	**0**	**0.00%**	
SALARIES - EXEC.	**0**	**0.00%**	**0**	**0.00%**	
PAYROLL - Acct.	250	0.50%	3,000	0.50%	Fixed Expense @ .50% of sales, Accounting & Data Processing Fee
-General Office	375	0.75%	4,500	0.75%	Fixed Expense @ .75% of sales
-Counter - J. S.	2,500	5.00%	30,000	5.00%	1 Parts Manager
-Delivery	0	0.00%	0	0.00%	No Drivers
TOTAL PAYROLL	**3,125**	**6.25%**	**37,500**	**6.25%**	
Bad Debts	0	0.00%	0	0.00%	
data proc	0	0.00%	0	0.00%	
Delivery - Ins	0	0.00%	0	0.00%	Delivery Trucks, Insurance Premium
Maintenance	0	0.00%	0	0.00%	Vehicle Repairs, Fuel
Truck Deprec.	0	0.00%	0	0.00%	Delivery Trucks with a Lease/Depreciation Payment
Dep- F. & F.	0	0.00%	0	0.00%	
Empl. Ben. - Pen.	225	0.45%	2,700	0.45%	Fixed Expense @ .45% of sales
-Other	750	1.50%	9,000	1.50%	Mainly Group Insurance Premiums
Freight & Postage	50	0.10%	600	0.10%	Freight Charges Incurred by this Operation.
Insurance	0	0.00%	0	0.00%	
Interest	0	0.00%	0	0.00%	
Legal & Pro.	0	0.00%	0	0.00%	
L.H.&W.	0	0.00%	0	0.00%	
Rent	0	0.00%	0	0.00%	
Sta. & Shipping	20	0.04%	240	0.04%	Stationary / Shipping Supplies
Stock Loss	50	0.10%	600	0.10%	Restocking Charges for OE Parts
Store	75	0.15%	900	0.15%	Misc. Store Expenses (Fax Machine, Fax Paper, Printer Ribbons etc.)
Taxes (Not Income)	400	0.80%	4,800	0.80%	Payroll Taxes for Employee's @ this Location
Telephone	200	0.40%	2,400	0.40%	Wide-Area Network Monthly
Travel (Not Sales)	0	0.00%	0	0.00%	
Tams	700	1.40%	8,400	1.40%	TAMS Computer & Equipment Lease/Depreciation Expense, Maint./Support Fee's & Tams Misc. Expenses
Training	0	0.15%	0	0.00%	Training Materials
TOTAL MISC. EXP.	**2,470**	**4.94%**	**29,640**	**4.94%**	
Executive Fees	0	0.75%	0	0.00%	
TOTAL EXPENSES	**5,595**	**11.19%**	**67,140**	**11.19%**	
Operating Income	-595	-1.19%	-7,140	-1.19%	
Misc. Inc. Disc.(net)	0	0.75%	0	0.00%	
Others	5,595	11.19%	67,140	11.19%	**Expense Reimbursement by Customer**
PROFIT	**5,000**	**10.00%**	**60,000**	**10.00%**	Net profit realized by Vendor

00005166

SAMPLE CONTRACT ONLY

Formatted: Font: 28 pt

Formatted: Centered

EXHIBIT C

LANDLORD CONSENT AND WAIVER

See attached.

SAMPLE CONTRACT ONLY

WAIVER AND CONSENT AGREEMENT

THIS WAIVER AND CONSENT AGREEMENT (this "Agreement"), made this _____ day of _____, 20 , is by and among _____ (hereinafter referred to as "Landlord"), GENUINE PARTS COMPANY ("NAPA"), and _____ (hereinafter referred to as "Tenant").

WITNESSETH:

WHEREAS, Landlord holds fee simple title to certain land, building and improvements located at _____ (the "Premises"); and

WHEREAS, Landlord has leased the Premises to Tenant; and

WHEREAS, pursuant to an Integrated Supply Agreement between NAPA and Tenant dated _____, and made a part hereof by reference, NAPA will install certain equipment and establish certain inventories on the Premises for use by NAPA in the operation of a parts store benefiting Tenant (with such equipment and inventory being referred to collectively herein as the "Inventory"); and

WHEREAS, NAPA wishes to retain a paramount security interest in the Inventory.

NOW THEREFORE, in consideration of the premises and the mutual benefits to the parties herein, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Landlord hereby consents to the establishment of the Inventory upon the Premises and does hereby agree that, so long as there is compliance with the provisions of this Agreement, it shall not disturb NAPA in the enjoyment of its rights in the Inventory, including, and not by way of limitation, the peaceful repossession of the Inventory upon the default of Tenant pursuant to the provisions as hereinafter set forth.

2. NAPA agrees to exercise any right of repossession or any attempt at gaining possession of the Inventory without breach of the peace and only during such times as access to the Premises shall be made peaceably available by Landlord or by the Tenant, but in the latter case, only so long as Tenant shall actually accompany NAPA during such repossession or gaining of possession.

3. Upon removal of the Inventory by NAPA, as herein provided, NAPA agrees to repair and to restore any damage caused by the repossession.

4. Landlord agrees that NAPA has a paramount and perfected security interest in the Inventory, or identical or comparable replacements or supplements thereof from time to time, but in none other, nor any other property of any nature affixed to the Premises. NAPA agrees to indemnify and hold Landlord harmless for any costs, loss or damage occasioned by its failure to discharge and clear any recorded or filed rights which create interests other than those authorized hereby.

5. Should the occasion arise in which Landlord desires to evict Tenant due to Tenant's default, or otherwise justifiably terminate Tenant's interest in the Premises, then, in either

SAMPLE CONTRACT ONLY

of those events, NAPA agrees that upon the thirty (30) days written notice by Landlord, NAPA will cause the Inventory to be removed from the Premises either as the duly authorized agent of Tenant, which authority Tenant evidences by its execution below, but subject to the obligations of removal as if such removal had been a repossession, or by repossessing itself of the Inventory pursuant to local statute and the provisions hereof.

6. If NAPA shall not remove or repossess the Inventory upon written notice as provided in Paragraph 5 above and shall continue in such failure for sixty (60) days after notice, the parties agree that the Inventory shall be deemed abandoned by NAPA, as its interests may appear. Landlord shall not, thereafter, be liable to NAPA, Tenant or their successors or assigns as any manner of bailee of the Inventory when and if Landlord shall possess itself of the Premises and further, it shall have no obligation to use any standard of caution or care in dealing with the Inventory at any time after such repossession.

7. The agreements and provisions contained herein shall be binding upon each of the parties, their holders, successors and assigns without the necessity of a filing or recordation and each party shall be responsible for securing the undertaking of the within agreements and provisions by its holders, successors and assigns.

IN WITNESS WHEREOF the parties hereto by their duly authorized corporate officers, have executed this Agreement on the day and date set forth in the commencement.

LANDLORD: _____

BY: _____

ITS: _____

NAPA: GENUINE PARTS COMPANY

BY: _____

ITS: _____

TENANT: _____

BY: _____

ITS: _____

EXCEPTIONS TO PROPOSAL, TERMS, CONDITIONS AND SPECIFICATIONS REQUEST

Form C

Company Name: Genuine Parts Company, dba NAPA

Responding Name: Jim Weaver Phone: 770-661-8664

Note: This is a sample form. Actual data may be provided on disk and printed. **Original must be signed** and inserted in the proposal after it is printed. Any exceptions to the Terms, Conditions, Specifications, or Proposal Forms contained herein shall be noted in writing and included with the proposal submittal.

RFP Page Number	Section	Term, Condition, or Specification	Exception
5	1.19.2	Use of Subcontractors	Please delete the last sentence of this section.
6	1.28	Industry Standards	All Services will be provided according to industry standards; however, all items/goods supplied pursuant to this Contract are subject to the terms of written warranties provided by the manufacturer of each part, and NAPA shall use reasonable commercial efforts to assist the Customer in processing all warranty claims that the Customer may have against a manufacturer. The manufacturer's warranty will be the sole and exclusive remedy of the Customer in connection with any claims concerning the parts supplied to the Customer pursuant to this Contract. ALL OTHER WARRANTIES, BOTH EXPRESS AND IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTIBILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY EXCLUDED. Copies of the manufacturers' warranties are available to the Customer upon request.
12	3.33	Insurance - notice	Please amend the first sentence of this section so that it reads as follows: "Notice will be delivered in accordance with the policy provisions." This is an insurance industry-wide change.
12	3.37.3.1	Administrative Fees	NAPA will pay an administrative fee of 1% of "qualified purchases". Qualified purchases are NAPA product lines in which NAPA receives a rebate from our manufacturer.
13	4.5	Line-Item Pricing	Due to the number of products we will be supplying, a percentage discount from catalog or category pricing model will be how we document pricing, as suggested in this section.
24	8.2	Governing Law	Please delete the second, third and fourth sentence of this section. We request the right to negotiate these items with individual purchasers.
28	9.8	Patent & Copyright Infringement	Please delete this section, as NAPA agrees to provide an indemnity for trademark claims based on the trademarks owned by NAPA, or licensed to NAPA from National Automotive Parts Association (NAPA), but cannot provide a direct

			copyright, trademark or patent indemnity for the goods supplied pursuant to the contract, as NAPA does not manufacture the goods. NAPA can agree to use reasonable commercial efforts to assist the customer in processing any infringement claim against the applicable manufacturer.
29	9.17	Force Majeure	Please delete the second to last sentence of this section, as it is too broad. The remainder of this section addresses any force majeure event, which is defined, that a party may experience.
29	9.20	Legal Remedies	If possible, please remove the choice of venue language from this provision.
30	9.28	Public Record	Please add to the beginning of this section the following: "Subject to section 9.13…"
Please add:	Please add:	Please add:	It is understood by the parties that independent NAPA store owners freely elect to participate in the sale of products to Purchaser pursuant to the terms and conditions of this Agreement. It is understood that Seller is a distributor of products manufactured by others. Seller distributes Products to certain Seller-owned automotive parts stores and certain independently-owned and operated automotive parts jobbing stores which operate as NAPA Auto Parts stores and participate in the various sales and marketing programs offered by NAPA. It is understood that Purchaser may from time to time purchase products from participating independent NAPA jobbers. While Seller agrees to inform all independent NAPA jobbers of the opportunities offered by this Agreement and shall encourage them to participate, Seller cannot contract for or on behalf of independent NAPA jobbers and only those independent NAPA jobbers who agree to participate in this program shall be required to sell products to Purchaser at prices or on terms consistent with any of the terms or prices contained or referred to in this Agreement. Additionally, participating NAPA jobbers shall independently be responsible for any applicable indemnity obligations that may arise during the term of this Agreement and are likewise independently responsible to have insurance coverage.

Authorized Signature: _____ Date: 1-12-11

Proposal Offering
And Acceptance and Award
RFP #010511

FORM D

VEHICLE MAINTENANCE AND REPAIR WITH RELATED EQUIPMENT, SUPPLIES, AND SERVICES

Proposal Offering (To be Completed Only by Proposer)

In compliance with the Request for proposal (RFP) for VEHICLE MAINTENANCE AND REPAIR WITH RELATED EQUIPMENT, SUPPLIES, AND SERVICES, the undersigned warrants that I/we have examined the RFP and, being familiar with all the instructions, terms and conditions, general specifications, expectations, technical specifications, service expectations and any special terms, do hereby offer and agree to furnish the defined services/products in compliance with all terms, conditions of the RFP, any applicable amendments of RFP, and all Proposer's response documentation. Proposer further understands they are the sole offeror herein and that the performance of any sub-contractors employed by the Proposer in fulfillment of this offer is the sole responsibility of the Proposer.

Company Name: Genuine Parts Company dba NAPA Date: 1-12-2011

Company Address: 2999 Circle 75 Parkway

City: Atlanta State: GA Zip: 30339

Contact Person: Dennis Tolivar Title: Vice President Major Accounts

Authorized Signature (ink only): _____

(Name printed or typed)

Contract Acceptance and Award (To be completed only by NJPA)

Your proposal offering is hereby accepted and awarded. As the awarded Proposer, you are now bound to provide the defined goods and services contained in your proposal offering according to all terms, conditions, and pricing set forth in the RFP, any amendments to the RFP, and the Proposer's Response. The effective date of this Contract shall be _____, _____ and continue for four years AND which is subject to annual renewal at the option of both parties.

National Joint Powers Alliance® (NJPA)

NJPA Authorized signature: _____ _____

(Name printed or typed)

Title: _____

Awarded this _____ day of _____ **Contract Number # 010511**

NJPA Authorized signature: _____ _____

(Name printed or typed)

Title: _____

Executed this _____ day of _____ **Contract Number # 010511**

Form E

Proposal Affidavit Signature Page

PROPOSER'S AFFIDAVIT

The undersigned, representing the persons, firms and corporations joining in the submission of the foregoing proposal (such persons, firms and corporations hereinafter being referred to as the "Proposer"), being duly sworn on his/her oath, states to the best of his/her belief and knowledge:

1. The undersigned certifies the Proposer is submitting their proposal under their true and correct name, the Proposer has been properly originated and legally exists in good standing in its state of residence, that the Proposer possesses, or will posses prior to the delivery of any goods and services, all applicable licenses necessary for such delivery, and that they are authorized to act on behalf of, and encumber the "Proposer" in this Contract, and

2. To the best of my knowledge, no Proposer or Potential Proposer, nor any person duly representing the same, has directly or indirectly entered into any agreement or arrangement with any other Proposers, Potential Proposers, any official or employee of the NJPA, or any person, firm or corporation under contract with the NJPA in an effort to influence either the offering or non-offering of certain prices, terms, and conditions relating to RFP which tends to, or does, lessen or destroy free competition in the letting of the Contract sought for by RFP, and

3. The Proposer or any person on his/her behalf, has not agreed, connived or colluded to produce a deceptive show of competition in the manner of the proposal or award of the referenced contract, and

4. Neither I, the Proposer, nor, any officer, director, partner, member or associate of the Proposer, nor any of its employees directly involved in obtaining contracts with the NJPA or any subdivision of the NJPA, has been convicted of false pretenses, attempted false pretenses or conspiracy to commit false pretenses, bribery, attempted bribery or conspiracy to bribe under the laws of any state or federal government for acts or omissions after January 1, 1985, and

5. The Proposer has examined and understands the terms, conditions, scope, contract opportunity, specifications request and other documents of this solicitation and that any and all exceptions have been noted in writing and have been included with the proposal submittal, and

6. If awarded a contract, the Proposer will provide the services/products to qualifying members of the NJPA in accordance with the terms, conditions, scope of RFP, Proposer offered specifications and other documents of this solicitation, and

7. The undersigned, being familiar with expectations and specifications request outlined in this RFP under consideration, hereby proposes to deliver through valid service request, Enrollment/election forms or forms for NJPA Members per RFP, only new, unused and first quality services/services and products to designated NJPA Members, and

8. The Proposer has carefully checked the accuracy of all items and listed total price per item in this proposal. In addition, the Proposer accepts all general terms and conditions of RFP, including all responsibilities of commitment and delivery of services as outlined, and

9. In submitting this proposal, it is understood that the right is reserved by the NJPA to reject any or all proposals and it is agreed by all parties that this proposal may not be withdrawn during a period of 90 days from the date proposals were opened regarding RFP, and

10. The Proposer certifies that in performing this Contract they will comply with all applicable provisions of the federal, state, and local laws, regulations, rules, and orders, and

11. If Proposer has more than 40 employees in the state in which their principal place of business is located, Proposer hereby certifies their compliance with federal affirmative action requirements.

12. Proposer certifies they have disclosed all rebates, re-imbursements, cost reductions and any other sources of revenue to the Proposer, or organization known to Proposer, relating to the goods and services contemplated for procurement by NJPA and NJPA Members associated with NJPA RFP 010511.

13. Proposer certifies they will continue to disclose new sources of rebates, re-imbursements, marketing fees, cost reductions, and any other source of revenue to the Proposer, or organization known to Proposer, relating to goods and services contemplated for procurement by NJPA and NJPA Members associated with NJPA RFP 010511 during the term of any contract awarded pursuant to this RFP.

Company Name: Genuine Parts Company dba NAPA

Contact Person for Questions: Jim Weaver Phone: O: 770-661-8664 C: 770-764-8456
(Must be individual who is responsible for filling out this Proposer's Response form)

Address: 2999 Circle 75 Parkway

City/State/Zip: Atlanta, GA 30339

Telephone Number: 770-661-8664 Fax Number: 770-859-2920

E-mail Address: jim_weaver@genpt.com

Authorized Signature: Dennis P. Tolivar

Authorized Name (typed): Dennis P. Tolivar

Title: Vice President Major Accounts

Date: 1-12-2011

Notarized

Subscribed and sworn to before me this 12th the day of January, 2011

Notary Public in and for the County of Cobb State of Georgia

My commission expires: March 4, 2014

Signature: Rebecca Lock

REBECCA LOCK
NOTARY PUBLIC
COBB COUNTY, GEORGIA
MY COMMISSION EXPIRES MARCH 4, 2014

FORM H **State Of Minnesota – Affirmative Action Certification**

If your response to this solicitation is or could be in excess of $100,000, complete the information requested below to determine whether you are subject to the Minnesota Human Rights Act (Minnesota Statutes 363A.36) certification requirement, and to provide documentation of compliance if necessary. **It is your sole responsibility to provide this information and—if required—to apply for Human Rights certification prior to the due date and time of the proposal or proposal and to obtain Human Rights certification prior to the execution of the contract. The State of Minnesota is under no obligation to delay proceeding with a contract until a company receives Human Rights certification BOX A** – For companies which have employed more than 40 full-time employees within Minnesota on any single working day during the previous 12 months. All other companies proceed to **BOX B.**

Your response will be rejected unless your business:

has a current Certificate of Compliance issued by the Minnesota Department of Human Rights (MDHR)

–or–

has submitted an affirmative action plan to the MDHR, which the Department received prior to the date and time the responses are due.

Check one of the following statements if you have employed more than 40 full-time employees in Minnesota on any single working day during the previous 12 months:

- ☑ We have a current Certificate of Compliance issued by the MDHR. **Proceed to** BOX C. **Include a copy of your certificate with your response.**
- ☐ We do not have a current Certificate of Compliance. However, we submitted an Affirmative Action Plan to the MDHR for approval, which the Department received on _____ (date). [If the date is the same as the response due date, indicate the time your plan was received: _____ (time). **Proceed to** BOX C.
- ☐ We do not have a Certificate of Compliance, nor has the MDHR received an Affirmative Action Plan from our company. **We acknowledge that our response will be rejected. Proceed to** BOX C. **Contact the Minnesota Department of Human Rights for assistance.** (See below for contact information.)

Please note: Certificates of Compliance must be issued by the Minnesota Department of Human Rights. Affirmative Action Plans approved by the Federal government, a county, or a municipality must still be received, reviewed, and approved by the Minnesota Department of Human Rights before a certificate can be issued.

BOX B – **For those companies not described in BOX A**

Check below.

- ☐ We have not employed more than 40 full-time employees on any single working day in Minnesota within the previous 12 months. **Proceed to** BOX C.

BOX C – **For all companies**

By signing this statement, you certify that the information provided is accurate and that you are authorized to sign on behalf of the responder. You also certify that you are in compliance with federal affirmative action requirements that may apply to your company. (These requirements are generally triggered only by participating as a prime or subcontractor on federal projects or contracts. Contractors are alerted to these requirements by the federal government.)

Name of Company: Genuine Parts Company. dba NAPA Date 1-12-2011

Authorized Signature: Dennis P. Toivar Telephone number: 770-661-8664

Printed Name: Dennis P. Toivar Title: VP Major Accounts

For assistance with this form, contact:

Minnesota Department of Human Rights, Compliance Services Section

Mail:	190 East 5th St., Suite 700 St. Paul, MN 55101	TC Metro:	(651) 296-5663	Toll Free:	800-657-3704
Web:	www.humanrights.state.mn.us	Fax:	(651) 296-9042	TTY:	(651) 296-1283

STATE OF MINNESOTA

CERTIFICATE OF COMPLIANCE

The **Genuine Parts Company - NAPA Minneapolis** *is hereby certified by the Department of Human Rights, State of Minnesota, as having an affirmative action plan approved by the Commissioner. This certification shall extend for two years beginning* **July 16, 2009** *and is subject to revocation or suspension by the Commissioner of Human Rights for failure to make a good faith effort to implement the affirmative action plan.*

Commissioner of Human Rights

CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY) 01/12/2011

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Aon Risk Services South, Inc.
fka Aon Risk Services, Inc. of Georgia
1000 Milwaukee Ave
Glenview IL 60025 USA

CONTACT NAME:
PHONE (A/C. No. Ext): 866-283-7122 FAX (A/C. No.): 847-953-5390
E-MAIL ADDRESS:
PRODUCER CUSTOMER ID #: 10638915

INSURED
GENUINE PARTS CO & SUBSIDIARIES -
NAPA, Motion, Balkamp, Altrom, EIS,
Rayloc, SP Richards, Drago Supply,
General Tool & Supply etal
2999 Circle 75 Parkway
Atlanta GA 30339 USA

INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A:	Discover Property & Casualty Ins Co	36463
INSURER B:	ACE Property & Casualty Insurance Co.	20699
INSURER C:		
INSURER D:		
INSURER E:		
INSURER F:		

COVERAGES **CERTIFICATE NUMBER:** 570041415896 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. Limits shown are as requested

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY			D004L00135	09/01/2010	09/01/2011	EACH OCCURRENCE	$2,000,000
	X COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence)	$1,000,000
	CLAIMS-MADE X OCCUR						MED EXP (Any one person)	$5,000
							PERSONAL & ADV INJURY	$2,000,000
							GENERAL AGGREGATE	$3,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$3,000,000
A	AUTOMOBILE LIABILITY			D004A00353	09/01/2010	09/01/2011	COMBINED SINGLE LIMIT (Ea accident)	$5,000,000
	X ANY AUTO						BODILY INJURY (Per person)	
	X ALL OWNED AUTOS						BODILY INJURY (Per accident)	
	SCHEDULED AUTOS						PROPERTY DAMAGE (Per accident)	
	X HIRED AUTOS							
	X NON OWNED AUTOS							
B	X UMBRELLA LIAB X OCCUR			X00G24874941	09/01/2010	09/01/2011	EACH OCCURRENCE	$5,000,000
	EXCESS LIAB CLAIMS-MADE			SIR applies per policy terms & conditions			AGGREGATE	$5,000,000
	DEDUCTIBLE							
	X RETENTION $100,000							
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A					WC STATU-TORY LIMITS / OTH-ER	
							E.L. EACH ACCIDENT	
							E.L. DISEASE-EA EMPLOYEE	
							E.L. DISEASE-POLICY LIMIT	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

National Joint Powers Alliance is included as Additional Insured as required by written contract, but limited to the operations of the Insured under said contract, per the applicable endorsement with respect to the General Liability policy.

CERTIFICATE HOLDER

National Joint Powers Alliance
200 First St. NE
Staples, MN 56479 USA

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Aon Risk Services South Inc

Holder Identifier :

Certificate No : 570041415896

7777777707070007776161604557111077443500432655530766020 7

©1988-2009 ACORD CORPORATION. All rights reserved.

ACORD 25 (2009/09) The ACORD name and logo are registered marks of ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY) 01/12/2011

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Aon Risk Services South, Inc.
fka Aon Risk Services, Inc. of Georgia
1000 Milwaukee Ave
Glenview IL 60025 USA

CONTACT NAME:
PHONE (A/C. No. Ext): 866-283-7122
FAX (A/C. No.): 847-953-5390
E-MAIL ADDRESS:
PRODUCER CUSTOMER ID #: 10638915

INSURED
GENUINE PARTS CO & SUBSIDIARIES -
NAPA, Motion, Balkamp, Altrom, EIS,
Rayloc, SP Richards, Drago Supply,
General Tool & Supply etal
2999 Circle 75 Parkway
Atlanta GA 30339 USA

INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A:	Travelers Property Cas Co of America	25674
INSURER B:	Travelers Indemnity Co of America	25666
INSURER C:		
INSURER D:		
INSURER E:		
INSURER F:		

COVERAGES **CERTIFICATE NUMBER:** 570041415875 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. Limits shown are as requested

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	GENERAL LIABILITY						EACH OCCURRENCE	
	COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence)	
	CLAIMS-MADE OCCUR						MED EXP (Any one person)	
							PERSONAL & ADV INJURY	
							GENERAL AGGREGATE	
	GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	
	ANY AUTO						BODILY INJURY (Per person)	
	ALL OWNED AUTOS						BODILY INJURY (Per accident)	
	SCHEDULED AUTOS						PROPERTY DAMAGE (Per accident)	
	HIRED AUTOS							
	NON OWNED AUTOS							
	UMBRELLA LIAB OCCUR						EACH OCCURRENCE	
	EXCESS LIAB CLAIMS-MADE						AGGREGATE	
	DEDUCTIBLE							
	RETENTION							
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			TC2HUB204T038111	01/01/2011	01/01/2012	X WC STATU-TORY LIMITS / OTH-ER	
A	ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		AOS TRJUB168T307511 AZ,MA,OR,WI	01/01/2011	01/01/2012	E.L. EACH ACCIDENT	$1,000,000
							E.L. DISEASE-EA EMPLOYEE	$1,000,000
							E.L. DISEASE-POLICY LIMIT	$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER

National Joint Powers Alliance
200 First St. NE
Staples, MN 56479 USA

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Aon Risk Services South Inc.

Holder Identifier :

Certificate No : 570041415875

©1988-2009 ACORD CORPORATION. All rights reserved.

ACORD 25 (2009/09)

The ACORD name and logo are registered marks of ACORD

Attachment to ACORD Certificate for GENUINE PARTS CO & SUBSIDIARIES -

The terms, conditions and provisions noted below are hereby attached to the captioned certificate as additional description of the coverage afforded by the insurer(s). This attachment does not contain all terms, conditions, coverages or exclusions contained in the policy.

INSURED

GENUINE PARTS CO & SUBSIDIARIES -
NAPA, Motion, Balkamp, Altrom, EIS,
Rayloc, SP Richards, Drago Supply,
General Tool & Supply etal
2999 Circle 75 Parkway
Atlanta GA 30339 USA

INSURER
INSURER
INSURER
INSURER
INSURER

ADDITIONAL POLICIES If a policy below does not include limit information, refer to the corresponding policy on the ACORD certificate form for policy limits.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER/ POLICY DESCRIPTION	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	WORKERS COMPENSATION							
A		N/A		TWXJUB204T834211 Ohio SIR applies per policy terms & conditions	01/01/2011	01/01/2012		

Certificate No : 570041415875

Form I

State of Minnesota — Immigration Status Certification

By order of the Governor's Executive Order 08-01, vendors and subcontractors MUST certify compliance with the Immigration Reform and Control Act of 1986 (8 U.S.C. 1101 et seq.) and certify use of the *E-Verify* system established by the Department of Homeland Security.

E-Verify program information can be found at http://www.dhs.gov/ximgtn/programs.

If any response to a solicitation is or could be in excess of $50,000, vendors and subcontractors must certify compliance with items 1 and 2 below. In addition, prior to the delivery of the product or initiation of services, vendors MUST obtain this certification from all subcontractors who will participate in the performance of the contract. All subcontractor certifications must be kept on file with the contract vendor and made available to the state upon request.

1. The company shown below is in compliance with the Immigration Reform and Control Act of 1986 in relation to all employees performing work in the United States and does not knowingly employ persons in violation of the United States immigration laws. The company shown below will obtain this certification from all subcontractors who will participate in the performance of this contract and maintain subcontractor certifications for inspection by the state if such inspection is requested; and

2. By the date of the delivery of the product and/or performance of services, the company shown below will have implemented or will be in the process of implementing the *E-Verify* program for all newly hired employees in the United States who will perform work on behalf of the State of Minnesota.

I certify that the company shown below is in compliance with items 1 and 2 above and that I am authorized to sign on its behalf.

Name of Company: Genuine Parts Company

Date: 1-12-2011

Authorized Signature: [signature]

Telephone Number: 770-661-8664

Printed Name: Dennis P Toliver

Title: VP Major Accounts

If the contract vendor and/or the subcontractors are not in compliance with the Immigration Reform and Control Act, or knowingly employ persons in violation of the United States immigration laws, or have not begun or implemented the *E-Verify* program for all newly hired employees in support of the contract, the state reserves the right to determine what action it may take. This action could include, but would not be limited to cancellation of the contract, and/or suspending or debarring the contract vendor from state purchasing.

For assistance with the *E-Verify* Program
Contact the National Customer Service Center (NCSC) at **1-800-375-5283** (TTY 1-800-767-1833).

For assistance with this form, contact:
Mail: 112 Administration Bldg, 50 Sherburne Ave. St. Paul, MN 55155
E-mail: MMDHelp.Line@state.mn.us
Telephone: 651.296.2600
Persons with a hearing or speech disability may contact us by dialing 711 or 1.800.627.3529

NJPA contract number 010511 – GPC
Genuine Parts Company/NAPA Auto Parts

The NAPA IBS program is a full-service government program that includes several pieces including:

- parts inventory management on-site
- on-site vendor managed inventory parts system
- NAPA personnel on site
- consolidated billing transactions

The program will be made available to all participating Genuine Parts Company/NAPA company-owned and independent NAPA stores in the US. Each governmental agency will use the sample contracts provided in the RFP response as a basis to come to contractual relationship with the servicing NAPA store. Both parties must agree and sign a contract summarizing the business relationship.

The IBS relationship pricing can be divided into two pieces: the operating expenses and the parts price.

Operating Expenses.
Due to the different nature and business structure at each governmental agency, each individual IBS agreement will have a different level of expense depending on the unique aspects that the fleet needs. For this reason, NAPA and the customer must complete an analysis of the fleet's needs before deciding on the proper expense structure for the IBS site. Due to the nature of the IBS contract, the expenses involved with projected monthly operating expenses must be looked at separately from the parts pricing. NJPA contract member should consult with NAPA on structure of IBS and possible expenses. All operating expenses are agreed on by both parties before moving to final contract. A sample agreement and sample monthly operating expense example is in NAPA's attached response.

COST FACTOR: EXPENSES X _____ Factor = OPERATING COST
Pricing:

NAPA's offering includes two models:

- Cost plus 10% gross profit model
- Pricing profile model

Cost + 10% gross profit model: All parts supplied in the arrangement are sold to customer at cost divided by .90 to arrive at a selling cost that provides a 10% gross profit margin on all parts NAPA and non-NAPA. The operating expenses of the store are also billed to the customer in their entirety at cost to ensure the NAPA on-site store will be

Some customers prefer this model to bill operating expenses separate from the price of the part.

PRICE OF PART:
NAPA Parts: NAPA JOBBER NET divided by .90 = parts cost at 10% Gross profit
Non-NAPA Parts: Parts cost divided by .90 = parts cost at 10% Gross profit

All parts from Napa and non-Napa vendors are put on to one consolidated billing statement. NAPA provides a separate bill for the operating expenses in this model.

Pricing profile model: Some governmental NJPA members may wish to encumber the operating expense in the price of the part. For that reason, we have created a second pricing option.

PRICE OF PART:
NAPA Parts: Billed to customer at 9071 NAPA NJPA pricing profile
Non-NAPA Parts: Price of part divided by .75 = parts cost at 25% Gross profit rate

This model builds an extra gross margin on parts for the NAPA store. In this model the operating costs are paid entirely by NAPA. The NAPA store still receives a 10% net profit guarantee so amounts will be refunded or charged based on failure to achieve an overall 10% net profit after gross profit dollars and expenses are compared. Simply put, this model builds the price of most operating expenses into the price of the part.

Some governmental entities prefer this model so that as they bill parts to different cost centers the IBS operating expenses are included in the price of the part.

All NAPA IBS inquiries should begin with a call or email to National Director Jett Kuntz at Jett_Kuntz@genpt.com or call 770-855-2221. Thank you!

Jett Kuntz
National Director
NAPA IBS
Jett_Kuntz@genpt.com
770-855-2221