Meeting Date: **2/23/2016**

Report Type: Consent

Report ID: 2016-00139

City of SACRAMENTO

08

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

Title: Cooperative Purchase Agreement: Fleet Parts and Inventory Program Services (Published for 10-Day Review 02/11/2016)

Location: Citywide

Recommendation: Pass a Motion 1) approving the use of the National Joint Powers Alliance (NJPA) cooperative purchase agreement with Genuine Parts Company, doing business as National Auto Parts Association (NAPA) (Contract No. 061015-GPC) for on-site fleet parts and inventory program services; and 2) authorizing the City Manager or the City Manager's designee to: a) execute an agreement with NAPA (NAPA Agreement) implementing the NJPA cooperative purchase agreement in an amount not to exceed $35.6 million through July 21, 2020 or until the cooperative purchase agreement is no longer available for use; and b) execute the purchases specified above provided that sufficient funds are available in the budget adopted for the applicable fiscal year.

Contact: Iseña Garcia, Program Specialist, (916) 808-1163; Mark Stevens, Fleet Manager, (916) 808-5869, Department of Public Works

Presenter: None

Department: Public Works Department

Division: Fleet Management

Dept ID: 15003211

Attachments:

1-Description/Analysis

2-NJPA Agreement

3-NAPA Agreement

City Attorney Review

Approved as to Form
Gary Lindsey
2/9/2016 2:58:13 PM

Approvals/Acknowledgements

Department Director or Designee: Jerry Way - 1/27/2016 1:22:19 PM

Description/Analysis

Issue Detail: The Department of Public Works (DPW), 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.

Policy Considerations: The recommendations in this report are in accordance with City Code Chapter 3.56 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 City has contracted with NAPA for a fleet parts and inventory program since November, 2009. NAPA provides the City with a customized, streamlined parts management system through which the City has access to fleet parts on an “as needed” basis without incurring the upfront expense of investing in a parts inventory or the financial risk of parts obsolescence, and without devoting staff time toward inventory management. NAPA has extensive vendor relationships and buying power which increases parts availability and reduces cost for the City. Contracting with NAPA has improved vehicle turn-around time for maintenance and repair work.

Under the recommended NJPA cooperative purchase agreement each participating agency executes its own individual contract with NAPA. This gives each agency the flexibility to negotiate its own terms relative to such things as onsite inventory management by NAPA. The advantage to using the NJPA cooperative purchase agreement is in the staff time saved in the bidding process and the overall pricing negotiated by the NJPA. Previous City contracts with NAPA include:

Agreement No.	Date	Amount	Expiration Date	Notes
2009-0851	11/17/09	$21,050,000	11/16/14	Resolution No. 2009-728
2014-1138	11/13/14	$8,300,000	2/24/16	Motion No. 2014-0288; NJPA cooperative purchase agreement

				No. 010511-GPC
2014-1138-1	10/28/15	$0	2/24/16	City Manager authority; executed to reference the new NJPA cooperative purchase agreement No. 061015-GPC

In an ongoing effort to maximize cost savings and staff resources, many government agencies share contracting efforts through cooperative purchasing. 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. Cooperative purchasing enables City departments to evaluate a broader range of contracting opportunities and to share resources with other jurisdictions.

Financial Considerations: The recommended purchases with NAPA in a total amount not to exceed $35.6 million through July 21, 2020 will be made from the DPW operating budget (Fleet Fund, Fund 6501). Sufficient funds are available in the FY2015/16 operating budget to purchase the required parts and services through June 30, 2016. Purchases after June 30, 2016 and through the duration of the contract are subject to funding availability in the adopted budget of the applicable fiscal year.

In determining the recommended spending authorities for fleet parts and inventory services, Fleet Management staff reviewed the expenditure history and also considered future needs. The recommended not-to-exceed amount includes a five percent contingency to allow for changes in operational need for services provided to City departments and any potential manufacturer price increases for parts. The annual estimated expenditures for on-site fleet parts and inventory services are provided in the following table.

Estimated Expenditures – On-Site Fleet Parts and Inventory Program Services (millions)						
Vendor	Year 1 (6 mo.)	Year 2	Year 3	Year 4	Year 5	Total
NAPA	$4	$7.9	$7.9	$7.9	$7.9	$35.6

Local Business Enterprise (LBE): NAPA is a local business enterprise. Of the total purchases made by NAPA in 2015, 41 percent of the City's parts were purchased from registered small businesses in the state of California and 51 percent were purchased from local business enterprises.

Contract Award
RFP #061015

FORM D

Formal Offering of Proposal
(To be completed Only by Proposer)

FLEET-RELATED MAINTENANCE EQUIPMENT, SUPPLIES, SERVICES, AND INVENTORY MANAGEMENT SOLUTIONS

In compliance with the Request for Proposal (RFP) for FLEET-RELATED MAINTENANCE EQUIPMENT, SUPPLIES, SERVICES, AND INVENTORY MANAGEMENT SOLUTIONS, the undersigned warrants that I/we have examined this RFP and, being familiar with all of the instructions, terms and conditions, general specifications, expectations, technical specifications, service expectations and any special terms, do hereby propose, fully commit and agree to furnish the defined equipment/products and related services in full compliance with all terms, conditions of this RFP, any applicable amendments of this RFP, and all Proposer's Response documentation. Proposer further understands they accept the full responsibility as the sole source of responsibility of the proposed response herein and that the performance of any sub-contractors employed by the Proposer in fulfillment of this proposal is the sole responsibility of the Proposer.

Company Name: Genuine Parts Company/NAPA Integrated Business Solutions (IBS) Date: June 10, 2015

Company Address: 2999 Circle 75 Parkway SE

City: Atlanta State: GA Zip: 30399

Contact Person: Jett Kuntz Title: Vice President, NAPA IBS

Authorized Signature (ink only): Jett Kuntz
(Name printed or typed)

Form E

Contract Acceptance and Award

(To be completed only by NJPA)

NJPA 061015 FLEET-RELATED MAINTENANCE EQUIPMENT, SUPPLIES, SERVICES, AND INVENTORY MANAGEMENT SOLUTIONS

Genuine Parts Company/NAPA Integrated Business Solutions (IBS)
Proposer's full legal name

Your proposal is hereby accepted and awarded. As an awarded Proposer, you are now bound to provide the defined product/equipment and services contained in your proposal offering according to all terms, conditions, and pricing set forth in this RFP, any amendments to this RFP, your Response, and any exceptions accepted or rejected by NJPA on Form C.

The effective start date of the Contract will be July 21st, 20 15 and continue for four years from the board award date. This contract has the consideration of a fifth year renewal option at the discretion of NJPA.

National Joint Powers Alliance® (NJPA)

NJPA Authorized signature: _____ Dr. Chad Comette
NJPA Executive Director (Name printed or typed)

Awarded this 21st day of July, 20 15 **NJPA Contract Number 061015-GPC**

NJPA Authorized signature: _____ Scott Veronen
NJPA Board Member (Name printed or typed)

Executed this 21st day of July, 20 15 **NJPA Contract Number 061015-GPC**

Proposer hereby accepts contract award including all accepted exceptions and NJPA clarifications identified on FORM C.

Vendor Name GENUINE PARTS Company / NAPA IBS

Vendor Authorized signature: _____ _____
(Name printed or typed)

Title: VICE PRESIDENT - NAPA IBS

Executed this 22nd day of July, 20 15 **NJPA Contract Number 061015-GPC**

COMMENT AND REVIEW
To the
REQUEST FOR PROPOSAL (RFP) #061015
Entitled
FLEET-RELATED MAINTENANCE EQUIPMENT, SUPPLIES, SERVICES, AND INVENTORY MANGEMENT SOLUTIONS

The following advertisement was placed in Oregon's *Daily Journal of Commerce* on May 1, 2015, in South Carolina's *The State* on May 1, 2015, in Utah's *The Salt Lake Tribune* on May 1, 2015, in *USA Today* on May 1, 2015, and on the NJPA website www.njpacoop.org, Onvia website www.onvia.com, Notice to Bidders website www.noticetobidders.com, PublicPurchase.com, Merx, and Biddingo:

> *The National Joint Powers Alliance® (NJPA), on behalf of NJPA and its current and potential member agencies, which includes all governmental, higher education, K-12 education, not-for-profit, tribal government, and all other public agencies located in all fifty states, Canada, and internationally, issues this Request For Proposal (RFP) to result in a national contract solution for the procurement of # 061015 FLEET-RELATED MAINTENANCE EQUIPMENT, SUPPLIES, SERVICES, AND INVENTORY MANAGEMENT SOLUTIONS. Details of this RFP are available beginning MAY 1, 2015. Details may be obtained by letter of request to Jonathan Yahn, NJPA, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479, or by e-mail at RFP@njpacoop.org. Proposals will be received until JUNE 10, 2015 at 4:30 p.m. Central Time at the above address and opened JUNE 11, 2015 at 8:00 a.m. Central Time.*

RFPs were requested from and distributed to:

AssetWorks	CST Fleet Services
Mohawk Resources, Ltd.	
Genuine Parts Company/NAPA Integrated Business Solutions (IBS)	
ACDelco	Asset Inventories, Inc.
Bucks County International, Inc.	Cobalt Truck Equipment
Convoy Technologies	Crow-Burlingame Company
DataTrail	Derive Systems
Engine Systems Integration	Enterprise Fleet Management
Equipment Technology, LLC	eRepublic
Factory Motor Parts	Fairbanks North Star Borough
First Vehicle Services	Flagship Fleet Management
FleetMind Solutions	FORCE America
Ford Motor Company	Frontier Industrial Supply, Co.
Gestion D'Amboise	HDA Truck Pride
Hyundai Construction Equipment of Americas	imafs
JIT Military Sales	Management Consulting, Inc.
Merchants Fleet Management	Mercury Associates
Mile High Forklift	Montana State Procurement Bureau

NU-LIFE Environmental, Inc.
Pacific-Tek
Palmer Trucks, Inc.
RMP Powertrain Solutions
Rustbelt Group, LLC
Smartwerke
State of Utah
Stertil-Koni USA, Inc.
Teletrac Navman Wireless
Trimble Energy North America
Vehicle Service Group, LLC/Rotary Lift
Omntec Mfg. Inc.
Palmer Spring Company
Ranger Designs
Royal 4 Systems
SEFAC, Inc.
State of Nevada
State of Washington
Summit Truck Group
The Createch Group
Upp Technology, Inc.
Wiedenmann North America, LLC

An Addendum was distributed May 11, 2015 to all respondents notifying that the State of Montana intends to participate in this contract category.

Proposals were opened on June 11, 2015 at the NJPA offices located at 202 12th Street Northeast in Staples, Minnesota 56479. Proposals were received from the following:

Factory Motor Parts
Ford Motor Company
Genuine Parts Company/NAPA Integrated Business Solutions (IBS)
Mohawk Resources, Ltd.
SEFAC, Inc.
Stertil-Koni USA, Inc.
Vehicle Service Group, LLC/Rotary Lift

Proposals were reviewed by the Proposal Evaluation Committee:

Ginger Line, CPPB, NJPA Senior Contract Procurement Analyst
Gregg Meierhofer, CPPO, NJPA Senior Contract Products and Price Analyst
Tracy Plinske, NJPA Contract Procurement Analyst
Keith Hanson, CPA, NJPA Accounting Manager
Jonathan Yahn, JD, NJPA Contracts and Compliance Manager
Isena Garcia, CAFM, Program Specialist, City of Sacramento, California

The findings of the Proposal Evaluation Committee are summarized as follows:

The Proposal Evaluation Committee used the established NJPA RFP evaluation criteria and determined that Factory Motor Parts was non-responsive under Level-One Responsiveness. All other proposal responses met Level-One and Level-Two Responsiveness and were evaluated.

Genuine Parts Company/NAPA Integrated Business Solutions (IBS) offers an inventory management solution along with fleet parts, staffing solutions, and many more options under this RFP category. They have a large sales and service force along with extensive experience within the industry.

Ford Motor Company offers an OEM parts solution along with fluid and lubricants. They have a large sales and service force and offer competitive pricing.

Mohawk Resources, Ltd. offers lifts, and through its business partners, offers wheel balancers, vehicle washers, lubrication equipment, floor jacks, compressors, hand tools, and many other products. They have experience with the government and NJPA members and a quality warranty program.

Stertil-Koni USA, Inc. offers mobile lifts in multiple weight capacities that incorporate various green technologies. They have experience within the industry and a good marketing plan.

Vehicle Service Group, LLC/Rotary Lift offers a variety of lift types, including in-ground vehicle lifts. They have a large sales and service force and have experience within the industry.

For these reasons the NJPA Proposal Review Committee recommends award of NJPA Contract #061015 to

Ford Motor Company	061015-FMC
Genuine Parts Company/NAPA Integrated Business Solutions (IBS)	061015-GPC
Mohawk Resources, Ltd.	061015-MRL
Vehicle Service Group, LLC/Rotary Lift	061015-RRL
Stertil-Koni USA, Inc.	061015-SKI

The preceding recommendations were approved at the July 21, 2015 Board meeting.

Ginger Line, CPPB, Senior Contract Procurement Analyst

Gregg Meierhofer, CPPO, Senior Contract Product & Price Analyst

Tracy Plinske, Contract Procurement Analyst

Keith Hanson, CPA, NJPA Accounting Manager

Jonathan Yahn, JD, Contracts and Compliance Manager

Isena Garcia, CAFM, Program Specialist, City of Sacramento, California

National Joint Powers Alliance® (herein NJPA)

REQUEST FOR PROPOSAL (herein RFP)

for the procurement of

FLEET-RELATED MAINTENANCE EQUIPMENT, SUPPLIES, SERVICES, AND INVENTORY MANAGEMENT SOLUTIONS

RFP Opening

JUNE 11, 2015
8:00 a.m. Central Time
At the offices of the
National Joint Powers Alliance®
202 12th Street Northeast, Staples, MN 56479

RFP #061015

The National Joint Powers Alliance® (NJPA), on behalf of NJPA and its current and potential member agencies, which includes all governmental, higher education, K-12 education, not-for-profit, tribal government, and all other public agencies located in all fifty states, Canada, and internationally, issues this Request For Proposal (RFP) to result in a national contract solution for the procurement of # 061015 FLEET-RELATED MAINTENANCE EQUIPMENT, SUPPLIES, SERVICES, AND INVENTORY MANAGEMENT SOLUTIONS. Details of this RFP are available beginning MAY 1, 2015. Details may be obtained by letter of request to Jonathan Yahn, NJPA, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479, or by e-mail at RFP@njpacoop.org. Proposals will be received until JUNE 10, 2015 at 4:30 p.m. Central Time at the above address and opened JUNE 11, 2015 at 8:00 a.m. Central Time.

RFP Timeline

MAY 1, 2015	**Publication of RFP in the print and online version of the *USA Today*, in the print and online version of the *Salt Lake News* within the State of Utah, in the print and online version of the *Daily Journal of Commerce* within the State of Oregon (note: OR entities this pertains to:**http://www.njpacoop.org/oregon-advertising)**, in the print and online version of *The State* within the State of South Carolina, the NJPA website, MERX, Noticetobidders.com, PublicPurchase.com, Biddingo, and Onvia.**
MAY 20, 2015 10:00 a.m. Central Time	**Pre-Proposal Conference (the webcast/conference call. The connection information will be sent to all inquirers two business days before the conference).**
JUNE 3, 2015	**Deadline for RFP questions.**
JUNE 10, 2015 4:30 p.m. Central Time	**Deadline for Submission of Proposals. Late responses will be returned unopened.**
JUNE 11, 2015 8:00 a.m. Central Time	**Public Opening of Proposals.**

Direct questions regarding this RFP to: Jonathan Yahn at jonathan.yahn@njpacoop.org or (218)895-4144.

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1 DEFINITIONS

A. CONTRACT

"Contract" as used herein shall consist of: this RFP, pricing, fully executed forms C, D, F & P from the Proposer's response pursuant to this RFP, and a fully executed form E ("Acceptance and Award") with final terms and conditions. Form E will be executed on or after award and will provide final clarification of terms and conditions of the award.

B. CURRENCY

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

C. 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 nationally. A Proposer that exhibits and demonstrates the ability to offer and execute an outstanding overall program, demonstrates the ability and willingness to serve NJPA current and qualifying Members in all 50 states and comply with all other requirements of this RFP, is preferred.

D. FOB

FOB stands for "Freight On Board" and defines the point at which responsibility for loss and damage of product/equipment purchased is transferred from Seller to Buyer. "FOB Destination" defines that transfer of responsibility for loss is transferred from Seller to Buyer at the Buyer's designated delivery point. FOB does not identify who is responsible for the costs of shipping. The responsibility for the costs of shipping is addressed elsewhere in this document.

E. HUB PARTNER

An organization that a member requests to be served through with an Awarded Vendor for the purposes of complying with a Law, Regulation, or Rule to which that individual NJPA Member deems to be applicable in their jurisdiction.

F. PROPOSER

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

G. REQUEST FOR PROPOSAL

Herein referred to as RFP.

H. SOURCED GOODS

A Sourced Good or Open Market Item is a product within the RFP's scope - generally deemed incidental to the total transaction or purchase of contract items - which a member wants to buy under contract from an Awarded Vendor that is not currently available under the Vendor's NJPA contract.

I. TIME

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

J. TOTAL COST OF ACQUISITION

The Total Cost of Acquisition for the equipment/products and related services being proposed is the cost of the proposed equipment/products and related services delivered and operational for its intended purpose in the end-user's location.

K. VENDOR

A Proposer whose response has been awarded a contract pursuant to this RFP.

2 ADVERTISEMENT OF RFP

2.1 NJPA shall advertise this solicitation: 1) once each in Oregon's Daily Journal of Commerce, South Carolina's The State and Utah's Salt Lake Tribune; 2) on NJPA's website; 3) in the hard copy print and online editions of the USA Today; and 4) on other third-party websites deemed appropriate by NJPA. Other third party advertisers may include Onvia, PublicPurchase.com, MERX and Biddingo.

2.2 NJPA also notifies and provides solicitation documentation to each State level procurement departments for possible re-posting of the solicitation within their systems and at their option for future use and to meet specific state requirements.

3 INTRODUCTION

A. ABOUT NJPA

3.1 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 and participation includes states, cities, counties, all government agencies, both public and non-public educational agencies, colleges, universities and non-profit organizations.

3.2 Under the authority of Minnesota state laws and enabling legislation, NJPA facilitates a competitive bidding and contracting process on behalf of the needs of itself and the needs of current and potential member agencies nationally. This process results in national procurement contracts with various Vendors of products/equipment and services which NJPA Member agencies 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.

3.3 NJPA is a public agency governed by publicly elected officials that serve as the NJPA Board of Directors. NJPA's Board of Directors calls for all proposals, awards all Contracts, and hosts those resulting Contracts for the benefit of its own and its Members use.

3.3.1 **Subject to Approval of the NJPA Board**: NJPA contracts are awarded by the action of NJPA Board of Directors. This action is based on the open and competitive bidding process facilitated by NJPA. The evaluation and resulting recommendation is presented to the Board of Directors by the NJPA Proposal Evaluation Committee.

3.4 NJPA currently serves over 50,000 member agencies nationally. Both membership and utilization of NJPA contracts continue to expand, due in part to the increasing acceptance of Cooperative Purchasing throughout the government and education communities nationally.

B. JOINT EXERCISE OF POWERS LAWS

3.5 NJPA cooperatively shares those contracts with its Members nationwide through various Joint Exercise of Powers Laws or Cooperative Purchasing Statutes established in Minnesota, other States and Canadian Provinces. 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…" This Minnesota Statute allows NJPA to serve Member agencies located in all other states. Municipal agencies nationally have the ability to participate in cooperative purchasing activities as a result of specific laws of their own state. These laws can be found on our website at http://www.njpacoop.org/national-cooperative-contract-solutions/legal-authority/.

C. WHY RESPOND TO A NATIONAL COOPERATIVE PROCUREMENT CONTRACT

3.6 National Cooperative Procurement Contracts create value for Municipal and Public Agencies, as well as for Vendors of products/equipment and services in a variety of ways:

3.6.1 National cooperative contracts potentially save the time and effort of Municipal and Public Agencies who would have been otherwise charged with soliciting vendor responses to individual RFP's, resulting in individual contracts, to meet the procurement needs of their respective agencies. Considerable time and effort is also potentially saved by the Vendors who would have had to otherwise respond to each of those individual RFPs. A single, nationally advertised RFP, resulting in a single, national cooperative contract can potentially replace thousands of individual RFPs for the same equipment/products/services that might have been otherwise advertised by individual NJPA member agencies.

3.6.2 NJPA contracts offer our Members nationally leveraged volume purchasing discounts. Our contract terms and conditions offer the opportunity for Vendors to recognize individual member procurement volume commitment through additional volume based contract discounts.

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

3.8 The collective purchasing power of thousands of NJPA Member agencies nationwide offers the opportunity for volume pricing discounts. Although no sales or sales volume is guaranteed by an NJPA Contract resulting from this RFP, substantial volume is anticipated and volume pricing is requested and justified.

3.9 NJPA and its Members desire the best value for their procurement dollar as well as a competitive price. Vendors have the opportunity to display and highlight value added attributes of their company, equipment/products and services without constraints of a typical individual proposal process.

D. THE INTENT OF THIS RFP

3.10. **National contract awarded by the NJPA Board of Directors:** NJPA seeks the most responsive and responsible Vendor relationship(s) to reflect the best interests of NJPA and its Member agencies. Through a competitive proposal and evaluation process, the NJPA Proposal Evaluation Committee reviews and recommends vendors for to award a national contract by the action of the NJPA Board of Directors. NJPA's primary intent is to establish and provide a national cooperative procurement contract which offer opportunities for NJPA and our Member agencies to procure quality product/equipment and services as desired and needed. The contracts will be marketed nationally through a cooperative effort between the awarded vendor(s) and NJPA. Contracts are expected to offer price levels reflective of the potential and collective volume of NJPA and the nationally established NJPA membership base.

3.11 Beyond our primary intent, NJPA further desires to:

3.11.1 Award a four year term contract with a fifth year contract option resulting from this RFP;

3.11.2 Offer and apply any applicable technological advances throughout the term of a contract resulting from this RFP

3.11.3 Deliver "Value Added" aspects of the company, equipment/products and services as defined in the "Proposer's Response";

3.11.4 Deliver wide spectrums of solutions to meet the needs and requirement of NJPA and NJPA Member agencies.

3.11.5 Award an exclusive contract to the most responsive and responsible vendor when it is deemed to be in the best interest of NJPA and the NJPA Member agencies

3.12 Exclusive or Multiple Awards: Based on the goals and scope of this RFP, NJPA is requesting responders to demonstrate their ability to serve the needs of NJPA's national membership. It is NJPA's intent and desire to award a contract to a single exclusive Vendor to serve our membership's needs. To meet the goals of this RFP, NJPA reserves the right to award a Contract to multiple Proposers where the result justifies a multiple award and multiple contracts are deemed to be in the best interests of NJPA Member agencies.

3.13 Non-Manufacturer Awards: NJPA reserves the right to make an award related to this invitation to a non-manufacturer or dealer/distributor if such action is in the best interests of NJPA and its Members.

3.14 Manufacturer as a Proposer: If the Proposer is a Manufacturer or wholesale distributor, the response received will be evaluated on the basis of a response made in conjunction with that Manufacturer's authorized Dealer Network. Unless stated otherwise, a Manufacturer or wholesale distributor Proposer is assumed to have a documented relationship with their Dealer Network where that Dealer Network is informed of, and authorized to accept, purchase orders pursuant to any Contract resulting from this RFP on behalf of the Manufacturer or wholesale distributor Proposer. Any such dealer will be considered a sub-contractor of the Proposer/Vendor. The relationship between the Manufacturer and wholesale distributor Proposer and its Dealer Network may be proposed at the time of the proposed submission if that fact is properly identified.

3.15 Dealer/Re-seller as a Proposer: If the Proposer is a dealer or re-seller of the products and/or services being proposed, the response will be evaluated based on the Proposer's authorization to provide those products and services from their manufacturer. Where appropriate, Proposers must document their authority to offer those products and/or services.

E. SCOPE OF THIS RFP

3.16 Scope: The scope of this RFP is to award a contract to a qualifying vendor defined as a manufacturer, provider, or dealer/distributor, established as a Proposer, and deemed responsive and responsible through our open and competitive proposal process. Vendors will be awarded contracts based on the proposal and responders demonstrated ability to meet the expectations of the RFP and demonstrate the overall highest valued solutions which meet and/or exceed the current and future needs and requirements of NJPA and its Member agencies nationally within the scope of FLEET-RELATED MAINTENANCE EQUIPMENT, SUPPLIES, SERVICES, AND INVENTORY MANAGEMENT SOLUTIONS .

3.17 Additional Scope Definitions: For purposes of the scope of this solicitation:

3.17.1 In addition to FLEET-RELATED MAINTENANCE EQUIPMENT, SUPPLIES, SERVICES, AND INVENTORY MANAGEMENT SOLUTIONS, **this solicitation should be read to include, but not to be limited to:**

3.17.1.1 vendor managed inventory, lifts, alignment machines, wheel balancers, tire machines, brake lathes, hose reels, diagnostic equipment, lube services, and vehicle body-related parts and services.

3.17.2 NJPA reserves the right to limit the scope of this solicitation for NJPA and current and potential NJPA member agencies.

3.17.2.1 This solicitation should NOT be construed to include 1) inventory software systems unless they also contain an on-site inventory management solution, or 2) vehicle-parts-only solutions that do not include service options.

3.18 Overlap of Scope: When considering equipment/products/services, or groups of equipment/ products/services submitted as a part of your response, and whether inclusion of such will fall within a "Scope of Proposal," please consider the validity of an inverse statement.

3.18.1 For example, pencils and post-it-notes can generally be classified as office supplies and office supplies generally include pencils and post-it-notes.

3.18.2 In contrast, computers (PCs and peripherals) can generally be considered office supplies; however, the scope of office supplies does not generally include computer servers and infrastructure.

3.18.3 In conclusion: With this in mind, individual products and services must be examined individually by NJPA, from time to time and in its sole discretion, to determine their compliance and fall within the original "Scope" as intended by NJPA.

3.19 Best and Most Responsive – Responsible Proposer: It is the intent of NJPA to award a Contract to the best and most responsible and responsive Proposer(s) offering the best overall quality and selection of equipment/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. Qualifying Proposers who are able to anticipate the current and future needs and requirements of NJPA and NJPA member agencies; demonstrate the knowledge of any and all applicable industry standards, laws and regulations; and possess the willingness and ability to distribute, market to and service NJPA Members in all 50 states are preferred. NJPA requests proposers submit their entire product line as it applies and relates to the scope of this RFP.

3.20 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 Member agencies.

3.21 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 equipment/products and services solely from this contract or from another contract source of their choice or from a contract resulting from their own procurement process.

3.22 Awarded Vendor's interest in a contract resulting from this RFP: Awarded Vendors will be able to offer to NJPA, and current and potential NJPA Members, only those products/equipment and services specifically awarded on their NJPA Awarded Contract(s). Awarded Vendors may not offer as "contract compliant," products/equipment and services which are not specifically identified and priced in their NJPA Awarded Contract.

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

3.23.1 Scope of Equipment/Products/Services: NJPA desires a provider for the broadest possible scope of products/equipment and services being proposed over the largest possible geographic area and to the largest possible cross-section of NJPA current and potential Members.

3.23.2 Vendor use of sub-contractors in sourcing or delivering equipment/product/services: NJPA desires a single source of responsibility for equipment/products and services proposed. Proposers 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 equipment/products/services being proposed. Vendor assumes all responsibility for the equipment/products/services and actions of any such Sub-Contractor. Suggested Solutions Options include:

3.24.1 Multiple solutions to the needs of NJPA and NJPA Members are possible. Examples could include:

3.24.1.1 Equipment/Products Only Solution: Equipment/Products Only Solution may be appropriate for situations where NJPA or NJPA Members possess the ability, either in-house or through local third party contractors, to properly install and bring to operation those equipment/products being proposed.

3.24.1.2 Turn-Key Solutions: A Turn-Key Solution is a combination of equipment/products and services which provides a single price for equipment/products, delivery, and installation to a properly operating status. Generally this is the most desirable solution as NJPA and NJPA Members may not possess, or desire to engage, personnel with the necessary expertise to complete these tasks internally or through other independent contractors

3.24.1.3 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 Members' needs.

3.24.1.4 Proven – Accepted – Leading Edge Technology: Where appropriate and properly identified, Proposers are invited to provide an appropriate identified spectrum of technology solutions to compliment or enhance the functionality of the proposed solutions to NJPA and NJPA Members' needs both now and into the future.

3.24.2 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 products and services described in the scope of this RFP. NJPA reserves the right to reject individual, or groupings of specific equipment/products and services proposals as a part of the award.

3.25 Geographic Area to be Proposed: This RFP invites proposals to provide FLEET-RELATED MAINTENANCE EQUIPMENT, SUPPLIES, SERVICES, AND INVENTORY MANAGEMENT SOLUTIONS 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 and willingness to serve Canada, for instance, will be viewed as a value-added attribute.

3.26 Contract Term: At NJPA's option a contract resulting from this RFP will become effective either the date awarded by the NJPA Board of Directors or the day following the expiration date of an existing NJPA procurement contract for the same or similar product/equipment and services.

3.26.1 NJPA is seeking a Contract base term of four years as allowed by Minnesota Contracting Law. Full term is expected. However, 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. NJPA reserves the right to conduct periodic business reviews throughout the term of the contract.

3.27 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.

3.28 Estimated Contract Volume: Estimated quantities and sales volume are based on potential usage by NJPA and NJPA Member agencies nationally.

3.29 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 and public agencies, public and private primary and secondary education agencies, and all non-profit organizations nationally.

3.30 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 EQUIPMENT/PRODUCTS AND SERVICES BEING PROPOSED

3.31 Industry Standards: Except as contained herein, the specifications or solutions for this RFP shall be those accepted guidelines set forth by the FLEET-RELATED MAINTENANCE EQUIPMENT, SUPPLIES, SERVICES, AND INVENTORY MANAGEMENT SOLUTIONS industry, as they are generally understood and accepted within that industry across the nation. Submitted products/equipment, 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 its Members.

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

3.31.2 Technical Descriptions/Specifications. Excessive technical descriptions and specifications which, in the opinion of NJPA unduly enlarge the proposal response may reduce evaluation points awarded on Form G. Proposers must supply sufficient information to:

3.31.2.1 demonstrate the Proposer's knowledge of industry standards;

3.31.2.2 identify the equipment/products and services being proposed; and

3.31.2.3 differentiate equipment/products and services from others.

3.32 New Current Model Equipment/Products: Proposals submitted shall be for new, current model equipment/products and services with the exception of certain close-out products allowed to be offered on the Proposer's "Hot List" described herein.

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

3.34 Delivered and operational: Products/equipment offered herein are to be proposed based upon being delivered and operational at the NJPA Member's site. Exceptions to "delivered and operational" must be explicitly disclosed in the "Total Cost of Acquisition" section of your proposal response.

3.35 Warranty: The Proposer warrants that all products, equipment, supplies, and services delivered under this Contract shall be covered by the industry standard or better warranty. All products and equipment should carry a minimum industry standard manufacturer's warranty that includes materials and labor. The Proposer has the primary responsibility to submit product specific warranty as required and accepted by industry standards. Dealer/Distributors agree to assist the purchaser in reaching a solution in a dispute over warranty's terms with the manufacturer. Any manufacturer's warranty which is effective past the expiration of the warranty will be passed on to the NJPA member. Failure to submit a minimum warranty may result in non-award.

3.36 Additional Warrants: The Proposer warrants all products/equipment and related services furnished hereunder will be free from liens and encumbrances; defects in design, materials, and workmanship; and will conform in all respects to the terms of this RFP including any specifications or standards. In addition, Proposer/Vendor warrants the products/equipment and related services are suitable for and will perform in accordance with the ordinary use for which they are intended.

G. SOLUTIONS BASED SOLICITATION

3.37 NJPA solicitations and contract process will not offer specific specifications for proposers to meet or base your response on. This RFP is a "Solutions Based Solicitation." This means the proposers are asked to understand and anticipate the current and future needs of NJPA and the nationally located NJPA membership base, within the scope of this RFP, and including specifications commonly desired or required by law or industry standards. Your proposal will be evaluated in part on your demonstrated ability to meet or exceed the needs and requirements of NJPA and our member agencies within the defined scope of this RFP.

3.38 NJPA does not typically provide product and service specifications; rather NJPA is requesting an industry standard or accepted specification for the requested product/equipment and services. 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 Members' needs.

4 INSTRUCTIONS FOR PREPARING YOUR PROPOSAL

A. INQUIRY PERIOD

4.1 The inquiry period shall begin at the date of first advertisement and continue to the "Deadline for Requests." RFP packages shall be distributed to Potential Bidders during the inquiry period. The purpose for the defined "Inquiry Period" is to ensure proposers have enough time to complete and deliver the proposal to our office.

B. PRE-PROPOSAL CONFERENCE

4.2 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 and hear answers to their own questions and the questions of other Potential Proposers. Only answers issued in writing by NJPA to questions asked before or during the Pre-proposal Conference shall be considered binding.

C. IDENTIFICATION OF KEY PERSONNEL

4.3 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.

4.4 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.

D. PROPOSER'S EXCEPTIONS TO TERMS AND CONDITIONS

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

4.6 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.

E. PROPOSAL FORMAT

4.7 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.

4.8 All proposals must be properly labeled and sent to "The National Joint Powers Alliance®, 202 12th ST NE Staples, MN 56479."

4.9 Format for proposal response: All proposals must be physically delivered to NJPA at the above address in the following form and with all required hard copy documents and signature forms/pages inserted as loose pages at the front of the Vendor's response:

4.9.1 Hard copy original signed, completed, and dated forms C, D, F and hard copy signed signature page only from forms A and P from this RFP;

4.9.2 Hard copies of all addenda issued for the RFP with original counter signed by the Proposer;

4.9.3 Hardy copy of Certificate of Insurance verifying the coverage identified in this RFP; and

4.9.4 A complete copy of your response on a CD (Compact Disc) or flash drive. The copy shall contain completed Forms A, B, C, D, F & P, your statement of products and pricing (including apparent discount) together with all appropriate attachments. Everything you send with your hard copy should also be included in the electronic copy. As a public agency, NJPA proposals, responses and awarded contracts are a matter of public record, except for that data included in the proposals, responses and awarded contracts that is classified as nonpublic; thus, pursuant to statute, NJPA policies and RFP terms and conditions, all documentation, except for that data which is nonpublic is available for review by the public through a public records request. If you wish to request that certain information that falls within Minnesota Statute §13.37 be redacted, such request must be made within thirty-days of award/non-award.

4.10 All Proposal forms must be submitted in English and be legible. All appropriate forms must be executed by an authorized signatory of the Proposer. Blue ink is preferred for signatures.

4.11 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.

4.12 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.

4.12.1 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.

4.13 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.

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

4.14.1 Proposer's are responsible for checking directly with the NJPA website for addendums to this RFP.

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

F. QUESTIONS AND ANSWERS ABOUT THIS RFP

4.15 Upon examination of this RFP document, Proposer shall promptly notify NJPA of any ambiguity, inconsistency, or error they may discover. Interpretations, corrections and changes to this RFP will be made by NJPA through addendum. Interpretations, corrections, or changes made in any other manner will not be binding and Proposer shall not rely upon such.

4.16 Submit all questions about this RFP, in writing, referencing FLEET-RELATED MAINTENANCE EQUIPMENT, SUPPLIES, SERVICES, AND INVENTORY MANAGEMENT SOLUTIONS to Jonathan Yahn, NJPA 202 12th Street NE, Staples, MN 56479 or RFP@njpacoop.org. Those not having access to the Internet may call Jonathan Yahn at (218) 895-4144. Requests for additional information or interpretation of instructions to Proposers or technical specifications shall also be addressed to Jonathan Yahn. 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; however, communications permitted include: NJPA issued addenda or potential Vendor withdrawal of their response prior to RFP submission deadline.

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

4.18 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.

4.19 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.

4.20 Addenda are written instruments issued by NJPA that modify or interpret the 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 and Pending Solicitations" and from the NJPA offices. No questions will be accepted by NJPA later than seven (7) days prior to the deadline for receipt of proposals, except 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.

4.21 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

4.22 A submitted proposal may not be modified, withdrawn or cancelled by the Proposer for a period of ninety (90) days following the date proposals were opened. Prior to the deadline for submission of proposals, any proposal submitted may be modified or withdrawn by notice to the NJPA Contracts and Compliance Manager. 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.

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

4.24 Value added equipment/products and services and expanded services, as they relate to this RFP, will be given positive consideration in the award selection. Consideration will be given to an expanded selection of FLEET-RELATED MAINTENANCE EQUIPMENT, SUPPLIES, SERVICES, AND INVENTORY MANAGEMENT SOLUTIONS and advances to provide equipment/products/services or 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 equipment/products/services and training. Value added could include areas of equipment, product and service, sales, ordering, delivery, performance, maintenance, technology, and service that furthers the functionality and effectiveness of the procurement process while remaining within the scope of this RFP.

4.25 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 process to purchase equipment/products and related 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 and reflected in the "value added" area of the evaluation. NJPA is committed to facilitating the realization of such "Credits" through certain structuring techniques for transactions resulting from this RFP.

4.26 Environmentally Preferred Purchasing Opportunities: There is a growing trend among NJPA Members to consider the environmental impact of the equipment/products and related services they purchase. "Green" characteristics demonstrated by responding companies will be evaluated positively by NJPA and reflected in the "value added" area of the evaluation. Please identify any Green characteristics of the equipment/products and related services in your proposal and identify the sanctioning body determining that characteristic. Where appropriate, please indicate which products have been certified as "green" and by which certifying agency.

4.27 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 on-line 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.

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

H. PROPOSAL OPENING PROCEDURE

4.29 Sealed and properly identified Proposer's Responses for this RFP entitled FLEET-RELATED MAINTENANCE EQUIPMENT, SUPPLIES, SERVICES, AND INVENTORY MANAGEMENT SOLUTIONS will be received by Jonathan Yahn, Contracts and Compliance Manager, at NJPA Offices,

202 12th Street NE, Staples, MN 56479 until the deadline for receipt of, and proposal opening identified on page one of this RFP**. We document the receipt by using an atomic clock; an NJPA employee electronically time and date stamps all Proposals immediately upon receipt.** The NJPA Director of Contracts and Marketing, or Representative from the NJPA Proposal Evaluation Committee, will then read the Proposer's names aloud. A summary of the responses to this RFP will be made available for public inspection in the NJPA office in Staples, MN. A letter or e-mail request is required to receive a complete RFP package. Send or communicate all requests to the attention of Jonathan Yahn 202 12th Street Northeast Staples, MN 56479 or RFP@njpacoop.org to receive a complete copy of this 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 this 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 identify FLEET-RELATED MAINTENANCE EQUIPMENT, SUPPLIES, SERVICES, AND INVENTORY MANAGEMENT SOLUTIONS. To avoid premature opening, it is the responsibility of the Proposer to label the Proposal Response properly.

I. NJPA'S RIGHTS RESERVED

4.30.1 Reject any and all Proposals received in response to this RFP;

4.30.2 Disqualify any Proposer whose conduct or Proposal fails to conform to the requirements of this RFP;

4.30.3 Have unlimited rights to duplicate all materials submitted for purposes of RFP evaluation, and duplicate all public information in response to data requests regarding the Proposal;

4.30.4 Consider a late modification of a Proposal if the Proposal itself was submitted on time and if the modifications were requested by NJPA and the modifications make the terms of the Proposal more favorable to NJPA, and accept such Proposal as modified;

4.30.5 At its sole discretion, reserve the right to waive any non-material deviations from the requirements and procedures of this RFP;

4.30.6 Extend the Contract, in increments determined by NJPA, not to exceed a total contract term of five years; and

4.30.7 Cancel the Request for Proposal at any time and for any reason with no cost or penalty to NJPA.

4.30.8 Correct or amend the RFP at any time with no cost or penalty to NJPA. If NJPA should correct or amend any segment of the RFP after submission of Proposals and prior to announcement of the Awarded Vendor, all Proposers will be afforded ample opportunity to revise their Proposal to accommodate the RFP amendment and the dates for submission of revised Proposals announced at that time. NJPA will not be liable for any errors in the RFP or other responses related to the RFP.

4.30.9 Extend proposal due dates.

5 PRICING

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

5.2 RFP is an Indefinite Quantity Equipment/Products and Related Service Price and Program Request with potential national sales distribution and service. If Proposer's 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 copied on a CD or thumb drive along with other requested information as a part of a Proposer's Response.

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

5.4 All Proposers will be required to submit "Primary Pricing" in the form of either "Line-Item Pricing," or "Percentage Discount from Catalog Pricing," or a combination of these pricing strategies. Proposers are also encouraged to offer OPTIONAL pricing strategies such as but not limited to "Hot List," "Sourced Product/Equipment" and "Volume Discounts," as well as financing options such as leasing. All pricing documents should include an effective date, preferably in the top right corner of the first page of each pricing document.

A. LINE-ITEM PRICING

5.5 A pricing format where specific individual products and/or services are offered at specific individual Contract prices. Products/equipment and/or related services are individually priced and described by characteristics such as manufacture name, stock or part number, size, or functionality. This method of pricing offers the least amount of confusion as products/equipment and prices are individually identified however, Proposers with a large number of products/equipment to propose may find this method cumbersome. In these situations, a percentage discount from catalog or category pricing model may make more sense and increase the clarity of the contract pricing format.

5.6 All Line-Item Pricing items must be numbered, organized, sectioned, including SKU's (when applicable) and easily understood by the Evaluation Committee and members.

5.7 Submit Line-Item Pricing items in an Excel spreadsheet format and include all appropriate identification information necessary to discern the line item from other line items in each Responder's proposal.

5.8 The purpose for a searchable excel spreadsheet format for Line-Item Pricing is to be able 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 products/equipment and related services.

5.9 All products/equipment and related services 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.

5.10 Proposers are asked to provide both a published "List" price as well as a "Proposed Contract Price" in their pricing matrix. Published 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 CATALOG OR CATEGORY

5.11 A specific percentage discount from a Catalog or List price" defined as a published Manufacturer's Suggested Retail Price (MSRP) for the products/equipment or related services being proposed.

5.12 Individualized percentage discounts can be applied to any number of defined product groupings.

5.13 A Percentage Discount from MSRP may be applied to all elements identified in MSRP including all Manufacturer Options applicable to the equipment/products or related services.

5.14 When a Proposer elects to use "Percentage Discount from Catalog or Category," Proposer will be responsible for providing and maintaining current published MSRP with NJPA and must be included in their proposal and provided throughout the term of any Contract resulting from this RFP.

C. COST PLUS A PERCENTAGE OF COST

5.15 Cost plus a percentage of cost as a primary pricing mechanism is not desirable.

D. HOT LIST PRICING

5.16 Where applicable, a Vendor may opt to offer a specific selection of products/services, defined as Hot List pricing at greater discounts or related advantages than those listed in the standard Contract pricing. All product/service pricing, including the Hot List Pricing, must be submitted electronically provided in Excel format. Hot List pricing must be submitted in a Line-Item format. Equipment/products and related services may be added or removed from the "Hot List" at any time through an NJPA Price and Product Change Form.

5.17 Hot List program and pricing when applicable may also be used to discount and liquidate close-out and discontinued equipment/products and related services 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.

E. CEILING PRICE

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

5.19 Allowable specific needs may include competitive situations, certain purchase volume commitments or the creation of custom programs based on the individual needs of NJPA Members.

F. VOLUME PRICE DISCOUNTS / ADDITIONAL QUANTITIES

5.20 Proposers are free to offer volume commitment discounts from the contract 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.

5.21 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, a similar time frame, seasonal considerations, locations, competitively situations and provided the same manufacturer support is available to the Vendor.

5.22 All price adjustments are to be offered equally to all NJPA Members exhibiting the same or substantially similar characteristics such as purchase volume commitments, and timing including the availability of special pricing from the Vendor's suppliers.

5.23 The contract awarded vendor will accept orders for additional quantities at the same prices, terms and conditions, providing the NJPA Member exercises the option before a specific date, mutually agreed upon between member and contract awarded vendor at time of original purchase order. Any extension(s) of pricing beyond the specific date shall be upon mutual consent between the NJPA Member and the contract awarded vendor.

G. TOTAL COST OF ACQUISITION

5.24 The Total Cost of Acquisition for the equipment/products and related services being proposed, including those payable by NJPA Members to either the Proposer or a third party is the cost of the proposed

equipment/products product/equipment and related services delivered and operational for its intended purpose in the end-user's location. For example, if you are proposing equipment/products FOB Proposer's dock., your proposal should identify your deviation from the "Total Cost of Acquisition" of contracted equipment/products. The Proposal should reflect that the "contract does not provide for delivery beyond Proposer's dock, nor any set-up activities or costs associated with those delivery or set-up activities." In contrast, proposed terms including all costs for product/equipment and services delivered and operational at to the end-user's location would require a disclosure of "None."

H. SOURCED PRODUCT/EQUIPMENT / OPEN MARKET ITEMS

5.25 A Sourced Good or an Open Market Item is a product that a member wants to buy under contract that is not currently available under the Vendor's NJPA contract. This method of procurement can be satisfied through a contract sourcing process. Sourcing options serve to provide a more complete contract solution to meet our members' needs. Sourced items are generally deemed incidental to the total transaction or purchase of contract items.

5.26 NJPA or NJPA Members may request product/equipment and/or related services that are within the related scope of this RFP, which are not included in an awarded Vendor's line-item product/equipment and related service list or catalog. These items are known as Sourced Product/Equipment or Open Market Items.

5.27 An awarded Vendor resulting from this RFP may "Source" equipment/products and related services for NJPA or an NJPA Member to the extent they:

5.27.1 Identify all such equipment, products and services as "Sourced Products/Equipment " or "Open Market Items" on any quotation issued in reference to an NJPA awarded contract, and provided to either NJPA or an NJPA Member; and

5.27.2 Follow all applicable acquisition regulations pertaining to the purchase of such equipment, products and services, as defined by NJPA or NJPA Member receiving quotation from Vendor; and

5.27.3 Ensure NJPA or the NJPA Member has determined the prices as quoted by the Vendor for such equipment, products and services are deemed to be fair and reasonable and are acceptable to the member/buyer; and

5.27.4 Identify all product/equipment sourced as a part of an NJPA contract purchase with all required NJPA reporting and fees applying.

5.28 Cost plus a percentage is an option in pricing of sourced goods.

I. PRODUCT & PRICE CHANGES

5.29 Requests for equipment/products or service changes, additions or deletions will be allowed at any time throughout the awarded contract term. All requests must be made in written format by completing the NJPA Price and Product Change Request Form (located at the end of this RFP and on the NJPA website) and signature of an authorized Vendor employee. All changes are subject to review and approval by the NJPA Contracts & Compliance Manager, signed in acceptance by the NJPA Executive Director and acknowledged by the NJPA Contract Council. Submit request via email to your Contract Manager and PandP@njpacoop.org.

5.30 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." A signed Price and Product Change form will be returned to vendor contact via email.

5.31 Vendor must complete this change request form and individually list or attach all items or services subject to change, provide sufficiently detailed explanation and documentation for the change, and include

a compete restatement of pricing document in appropriate format (preferably Excel). The pricing document must identify all equipment/products and services being offered and must conform to the following NJPA product/price change naming convention: (Vendor Name) (NJPA Contract #) (effective pricing date); for example, "COMPANY 012411-CPY eff 02-12-2013."

5.32 New pricing restatement must include all equipment/products and services offered regardless of whether their prices have changed and include a new "effective date" on the pricing documents. This requirement reduces confusion by providing a single, current pricing sheet for each vendor and creates a historical record of pricing.

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

5.34 DELETIONS. New equipment/products and related services may be deleted from a contract if an item or service is no longer available and thus not relevant to the contract; for example, discontinued, improved, etc.

5.35 PRICE CHANGES: Request prices changes in general terms along with the justification by product category for the change; for example, a 3% increase in XYZ Product Line is due to a 3% increase in petroleum, or this list of SKUs/ product descriptions is increasing X% due to X% increase in cost of raw materials.

5.35.1 *Price decreases:* NJPA expects Vendors to propose their very best prices and anticipates price reductions are due to advancement of technologies and market place efficiencies.

5.35.2 *Price increases:* Typical acceptable increase requests include increases to Vendor input costs such as petroleum or other applicable commodities, increases in product utility of new compared to old equipment/product or service, etc. Vendor must include reasonable documentation for the claims cited in their request along with detailed justification for why the increase is needed. Special details for price changes must be included with the request along with both current and proposed pricing. Appropriate documentation should be attached to this form, including letters from suppliers announcing price increases. Price increases will not exceed industry standard.

5.36 Submit the following documentation to request a pricing change:

5.36.1 Signed NJPA Price and Product Change Form

5.36.2 Single Statement of Pricing Excel spreadsheet identifying all equipment/products and services being offered and their pricing. 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. Each subsequent pricing update will be saved using the naming convention of "(Vendor Name) pricing effective XX/XX/XXXX."

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

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

5.36.2.1.2 Create a historical record of pricing.

5.37 NJPA reserves the right to review additional catalogs being proposed as additions or replacements to determine if the represented products and services reflect and relate to the scope of this RFP. 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 may result in termination for convenience. New price lists or catalogs found to be offering non-contract items during the Contract may be grounds for terminating the Contract for convenience.

5.38 Proposers representing multiple manufacturers, or carrying multiple related product lines may also request the addition of new manufacturers or product lines to their Contract to the extent they remain within the scope of this RFP.

5.39 Proposers 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.

5.40 All equipment/products and services 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.

5.41 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 this RFP. Proposers are required to create a historical record of pricing annually by submitting updated pricing referred to as a "Single Statement of Product/Equipment and Related Services Contract Price Update". This pricing update is required at a minimum of once per contract year.

J. PAYMENT TERMS

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

5.43 If applicable, identify any leasing programs available to NJPA and NJPA Members as part of your proposal. Proposers should submit an example of the lease agreement to be used and should identify:

5.43.1 General leasing terms such as:

5.43.1.1 The percentage adjustment over/under an index rate used in calculating the internal rate of return for the lease; and

5.43.1.2 The index rate being adjusted; and

5.43.1.3 The "Purchase Option" at lease maturity ($1, or fair market value); and

5.43.1.4 The available term in months of lease(s) available.

5.43.2 Leasing company information such as:

5.43.2.1 The name and address of the leasing company; and

5.43.2.2 Any ownership, common ownership, or control between the Proposer and the Leasing Company.

K. SALES TAX

5.44 Sales and other taxes 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 the Vendor. When ordering, 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 this RFP.

L. SHIPPING

5.45 NJPA desires an attractive freight program. A shipping program for material only proposals, or sections of proposals, must be defined as a part of the cost of equipment/products. If shipping is charged to NJPA or NJPA Member, only the actual cost of delivery may be added to an invoice. Shipping charges calculated as a percentage of the product price may not be used, unless such charges are lower than actual delivery charges. COD orders will be accepted if both parties agree. It is desired that delivery be made within ninety-days (90) of receipt of the Purchase Order.

5.46 Selection of a carrier for shipment or expedited shipping will be the option of the party paying for said shipping. Use of another carrier will be at the expense of the party who requested.

5.47 Proposers must define their shipping programs for Alaska and Hawaii and any location not served by conventional shipping services. Over-size and over-weight items and shipments may be subject to custom freight programs.

5.48 All shipping and re-stocking fees must be identified in the price program. Certain industries providing made to order product/equipment may not allow returns. Proposers will be evaluated based on the relative flexibility extended to NJPA and NJPA Members relating to those subjects.

5.49 Proposer agrees shipping errors will be at the expense of the Vendor.

5.50 Delivery effectiveness is very important aspect of this Contract. If completed deliveries are not made at the time agreed, NJPA or NJPA Member reserves the right to cancel and purchase elsewhere and hold Vendor accountable. If delivery dates cannot be met, Vendor agrees to advise NJPA or NJPA Member of the earliest possible shipping date for acceptance by NJPA or NJPA Member.

5.51 Delivered products/equipment must be properly packaged. Damaged equipment/products will not be accepted, or if the damage is not readily apparent at the time of delivery, the equipment/products shall be returned at no cost to NJPA or NJPA Member. NJPA and NJPA Members reserve the right to inspect the equipment/products at a reasonable time subsequent to delivery where circumstances or conditions prevent effective inspection of the equipment/products at the time of delivery.

5.52 Vendor shall deliver Contract conforming products/equipment in each shipment and may not substitute products/equipment without approval from NJPA or the NJPA Member.

5.53 NJPA reserves the right to declare a breach of Contract if the Vendor intentionally delivers substandard or inferior equipment/products which are not under Contract and described in its paper or electronic price lists or sourced upon request to any member under this Contract. In the event of the delivery of non-conforming equipment/products, NJPA Member will notify the Vendor as soon as possible and the Vendor will replace non-conforming equipment/products with conforming equipment/products acceptable to the NJPA member.

5.54 Throughout the term of the Contract, Proposer agrees to pay for return shipment on equipment/products that arrives in a defective or inoperable condition. Proposer must arrange for the return shipment of damaged equipment/products.

5.55 Vendor may not substitute equipment/products unless agreed to by both parties.

5.56 Unless contrary to other parts of this solicitation, if the product/equipment or the tender of delivery fail in any respect to conform to this Contract, the purchasing member may: 1) reject the whole, 2) accept the whole or 3) accept any commercial unit or units and reject the rest.

6 EVALUATION OF PROPOSALS

A. PROPOSAL EVALUATION PROCESS

6.1 The NJPA Proposal Evaluation Committee will evaluate proposals received based on a 1,000 point evaluation system. The Committee establishes both the evaluation criteria and designates the relative importance of those criteria by assigning possible scores for each category on Form G of this RFP.

6.2 NJPA shall use a final overall scoring system to include consideration for best price and cost evaluation. 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. Strong consideration will be given to the best price as it relates to the quality of the product and service. However, price is ultimately only one of the factors taken into consideration in the evaluation and award.

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

B. PROPOSER RESPONSIVENESS

6.4 All responses are evaluated for level one and level two responsiveness. If a response does not reasonably and substantially conform to all the terms and conditions in the solicitation or it requests unreasonable exceptions, it may be considered non-responsive.

6.5 All proposals must contain answers or responses to the information requested in the proposal forms. The following items constitute the test for "Level One Responsiveness" and are determined on the proposal opening date. If these are not received, your response may be disqualified as non-responsive.

6.6 Level One Responsiveness includes:

6.6.1 received prior to the deadline for submission or it will be returned unopened;

6.6.2 properly addressed and identified as a sealed proposal with a specific opening date and time;

6.6.3 pricing document (with apparent discounts), sample certificate of liability insurance and all forms fully completed even if "not applicable" is the answer;

6.6.4 original signed, completed and dated RFP forms C, D, and F hard copy signed signature page Only from forms A and P from this RFP and if applicable, all counter signed addenda issued in relation to this RFP;

6.6.5 an electronic copy (CD or flash drive) of the entire response; and

6.6.6 falls within the scope as determined by the NJPAs Proposal Evaluation Committee.

6.7 "Level Two" responsiveness is determined through the evaluation of the remaining items listed under Proposal Evaluation Criteria below. These items are not arranged in order of importance and each item

may encompass multiple areas of information requested. Any questions not answered will result in a loss of points from relevant Form G criteria and may lead to non-award if too many areas are unanswered resulting in the inability for evaluation team to effectively review your response.

C. PROPOSAL EVALUATION CRITERIA

6.8 Evaluation Criteria: Forms A and P includes a series of questions encompassing, but not limited to, the following categories:

- **6.8.1** Company Information & Financial Strength
- **6.8.2** Industry Requirements & Marketplace Success
- **6.8.3** Ability to Sell & Deliver Service Nationwide
- **6.8.4** Marketing Plan
- **6.8.5** Other Cooperative Procurement Contracts
- **6.8.6** Value Added Attributes
- **6.8.7** Payment Terms & Financing Options
- **6.8.8** Warranty
- **6.8.9** Equipment/Products/Services
- **6.8.10** Pricing & Delivery
- **6.8.11** Industry Specific Items

6.9 Evaluation of each Proposer's Response will take into consideration as a minimum response but not necessarily limited to these items.

D. OTHER CONSIDERATIONS

6.10 The Proposer is required to have extensive knowledge and at least three (3) years of experience with the related activities surrounding the selling of the equipment/products and/or related services.

6.11 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.

6.12 If a manufacturer or supplier chooses not to produce or supply a full selection and representation of product/equipment and related services it has available which fall within the scope of this RFP, such action will be considered sufficient cause to reduce evaluation points.

6.13 NJPA reserves the right to request and test equipment/products and related services 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.

6.14 Past performance information 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, Past Performance Information can be defined as the Proposer's businesslike concern for the interests of the NJPA Member.

6.15 NJPA shall reserve the right to reject any or all proposals.

E. COST COMPARISON

6.16 NJPA uses a variety of evaluation methodologies, including but not limited to a cost comparison of specific and deemed to be like equipment/products. NJPA reserves the right to use this process in the event the Proposal Evaluation Committee feels it is necessary to make a final determination.

6.17 This process will be based on a point system with points being awarded for being low to high Proposer for each cost evaluation item selected. A "Market Basket" of identical (or substantially similar) equipment/products and related services may be selected by the NJPA Evaluation Committee and the unit cost will be used as a basis for determining the point value. The "Market Basket" will be selected by NJPA from all product categories as determined appropriate by NJPA.

F. MARKETING PLAN

6.18 A key element of an NJPA awarded a contract will be based on your marketing response to this solicitation. An awarded Vendor's sales force will be the primary source of communication to the customers and NJPA members directly relating to the contract success. Success in marketing is dependent on delivery of messaging and communication relating to the contract value, knowledge of contract, proper use and the delivery of contracted equipment/products and related services to the end user. Much of the success and sales reward is a direct result of the commitment to the Contract by the vendor and sales teams. NJPA reserves the right to deem a proposer non-responsive or to not award based on an unacceptable or incomplete marketing plan

6.19 NJPA marketing expectations include:

6.19.1 Vendors ability to demonstrate the leveraging of a national sales force and/or dealer network. Vendors must demonstrate the ability to sell, service and deliver products and equipment through acceptable distribution channels to customers and NJPA members in all 50 states. Demonstrate fully the sales and service capabilities of your company through your response; outline Vendor's national sales force network in terms of numbers and geographic location and method of distribution of the equipment/products and related services. Service may be independent of the equipment/product sales pricing but is encouraged to be a part of your response and contract.

6.19.2 Vendor is invited to demonstrate the ability to successfully market, promote and communicate the opportunity of an NJPA contract to current and potential members nationwide. NJPA desires a marketing plan that communicates the value of the contract to members.

6.19.3 Vendor is expected to be receptive to NJPA sales trainings. Vendor shall provide a venue for appropriate personnel from both management and the sales force who will be trained. NJPA commits to providing contract sales training and awareness regarding all aspects of communicating the value of the contract itself including: the authority of NJPA to offer the contract to its Members, value and utility the contract delivers to NJPA Members, scope of NJPA Membership, authority of NJPA Members to utilize NJPA procurement contracts, marketing and sales methods, and overall vertical strategies.

6.19.4 Vendor is expected to demonstrate the intent to a commit to full embracement of the NJPA contract. Identify the appropriate levels of sales management and sales force that will need to understand the value of and the internal procedures necessary, to deliver the NJPA contract solution and message to NJPA and NJPA Members. NJPA shall provide a general schedule and a variety of methods surrounding when and how those individuals will be trained.

6.19.5 Vendor will outline their proposed involvement in the promotion of a contract resulting from this RFP through applicable industry trade show exhibits and related customer meetings. Proposers are encouraged to consider participation with NJPA at NJPA embraced national trade shows.

6.19.6 Vendor must exhibit the willingness and ability to actively market and develop contract specific marketing materials including, but not limited to:

6.19.6.1 Complete Marketing Plan. Proposer shall submit a marketing plan outlining how the Vendor will launch the NJPA contract to current and potential NJPA Members. NJPA requires the Awarded Vendors to embrace and actively promote the Contract in cooperation with the NJPA.

6.19.6.2 Printed Marketing Materials. Proposer will initially produce and thereafter maintain full color print advertisements in camera ready electronic format including company logo and contact information to be used in the NJPA directory and other approved marketing publications.

6.19.6.3 Contract announcements and advertisements. Proposer will outline in the marketing plan their anticipated contract announcements, advertisements in industry periodicals and other direct or indirect marketing activities promoting the awarded NJPA contract.

6.19.6.4 Proposer's Website. Proposer will identify how an Awarded Contract will be displayed and linked on the Proposer's website. An on-line shopping experience for NJPA Members is desired when applicable.

6.19.7 An NJPA Vendor Contract Launch will be scheduled during a reasonable time frame after the award and held at the NJPA office in Staples, MN.

6.20 Proposer shall identify their commitment to develop a sales/communication process to facilitate NJPA membership and establish status of current and potential agencies/members. Proposer should further express their commitment to capturing sufficient member information as is deemed necessary by NJPA.

G. CERTIFICATE OF INSURANCE

6.21 Vendors shall provide evidence of liability insurance coverage identified below in the form of a Certificate of Insurance or an ACCORD binder form with their proposal. Upon Award issued pursuant to this contract and prior to the execution of any commerce relating to such award, Vendor will be responsible for providing verification, in the form of a Certificate of Insurance identifying the coverage required below and identifying NJPA as a "Certificate Holder." Vendor will be responsible to maintain such insurance coverage at their own expense throughout the term of any contract resulting from this solicitation.

6.22 Any exceptions and/or assumptions to the insurance requirements ***must*** be identified on ***Attachment C.*** Exceptions and/or assumptions will be taken into consideration as part of the evaluation process; however, vendors must be specific. If vendors do not specify any exceptions and/or assumptions at time of proposal submission, NJPA will not consider any additional exceptions and/or assumptions during negotiations. Upon contract award, the successful vendor ***must*** provide the Certificate of Insurance identifying the coverage as specified**.**

6.23 Insurance Liability Limits: The awarded vendor must maintain, for the duration of its contract, $1.5 million in General Liability insurance coverage or General Liability insurance in conjunction with an Umbrella for a total combined coverage of $1.5 million. Work on the contract shall not begin until after the awarded vendor has submitted acceptable evidence of the required insurance coverage. Failure to maintain any required insurance coverage or acceptable alternative method of insurance will be deemed a breach of contract.

6.23.1 Minimum Scope and Limits of Insurance: Vendor shall provide coverage with limits of liability not less than those stated below. An excess liability policy or umbrella liability policy

may be used to meet the minimum liability requirements provided that the coverage is written on a "following form" basis.

6.23.1.1 Commercial General Liability – Occurrence Form
Policy shall include bodily injury, property damage and broad form contractual liability and XCU coverage.

6.23.1.2 Each Occurrence $1,500,000

6.24 Insurance Requirements: The limits listed herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. NJPA in no way warrants that the minimum limits contained herein are sufficient to protect the Vendor from liabilities that might arise out of the performance of the work under this Contract by the Vendor, his agents, representatives, employees or subcontractors and Vendor is free to purchase additional insurance as may be determined necessary.

6.25 Acceptability of Insurers: Insurance is to be placed with insurers duly licensed or authorized to do business in the State of Minnesota and with an "A.M. Best" rating of not less than A- VII. NJPA in no way warrants that the above required minimum insurer rating is sufficient to protect the Vendor from potential insurer solvency.

6.26 Subcontractors: Vendors' certificate(s) shall include all subcontractors as additional insureds under its policies **or** Vendor shall furnish to NJPA separate certificates for each subcontractor. All coverage for subcontractors shall be subject to the minimum requirements identified above.

H. ORDER PROCESS AND/OR FUNDS FLOW

6.27 Please propose an order process and funds flow. 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. Administrative fees may also be used for purposes as allowed by Minnesota State Law and approved by the Board of Directors.

6.28 Additional Terms and Conditions can be added at the PO level if both Vendor and Member agree.

I. ADMINISTRATIVE FEES

6.29 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:

6.29.1 Calculated as a percentage of the dollar volume of all equipment/products and services provided to and purchased by NJPA Members or calculated as reasonable and acceptable method applicable to the contracted transaction; and

6.29.2 Included in, and not added to, the pricing included in Proposer's Response to the RFP; and

6.29.3 Designed to offset the anticipated costs of NJPA's involvement in contract management, facilitating marketing efforts, Vendor training, and any order processing tasks relating to the Contract resulting from this RFP. Administrative fees may also be used for other purposes as allowed by Minnesota law. Administrative fees may also be used for other purposes as allowed by Minnesota law.

6.29.4 Typical administrative fees for a B-TO-G order process and funds flow is 2.0%. NJPA does not mandate a specific fee percentage, we merely state that 2% is a typical fee across our contracts. The administrative fee percent varies among vendors, industries and responses.

6.29.5 NJPA awarded contract holder is responsible for the Administrative Fee and related reporting.

6.30 The opportunity to propose these factors and an appropriate administrative fee is available in the Proposer's Questionnaire Form P.

J. VALUE ADDED

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

6.32 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.

6.33 Value added equipment/products and services and expanded services, as they relate to this RFP, will be given positive consideration in the award selection. Consideration will be given to an expanded selection of FLEET-RELATED MAINTENANCE EQUIPMENT, SUPPLIES, SERVICES, AND INVENTORY MANAGEMENT SOLUTIONS and advances to provide products/services, 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 equipment/products and services and training. Value added could include areas of product and service, sales, ordering, delivery, performance, maintenance, technology, and service that furthers the functionality and effectiveness of the procurement process while remaining within the scope of this RFP.

6.34 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 process to purchase product/equipment and related 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 and reflected in the "value added" area of the evaluation. NJPA is committed to facilitating the realization of such "Credits" through certain structuring techniques for transactions resulting from this RFP.

6.35 Environmentally Preferred Purchasing Opportunities: There is a growing trend among NJPA Members to consider the environmental impact of the equipment/products and related services they purchase. "Green" characteristics demonstrated by responding companies will be evaluated positively by NJPA and reflected in the "value added" area of the evaluation. Please identify any Green characteristics of the product/equipment and related services in your proposal and identify the sanctioning body determining that characteristic. Where appropriate, please indicate which products have been certified as "green" and by which certifying agency.

6.36 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 on-line 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.

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

6.38 Technology: Technological advances, increased efficiencies, expanded service and other related improvements beyond today's NJPA member's needs and applicable standards.

K. WAIVER OF FORMALITIES

6.39 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.

7 POST AWARD OPERATING ISSUES

A. SUBSEQUENT AGREEMENTS

7.1 Purchase Order. Purchase Orders for equipment/products and/or related 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 product/equipment and related services at specified prices by NJPA or NJPA Members pursuant to a Contract resulting from this RFP. Purchase Order flow and procedure will be developed jointly between NJPA and an Awarded Vendor after an award is made.

7.2 Governing Law. Purchase Orders 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 party 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.

7.3 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 formally 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, intent or currently established terms and conditions contain in this RFP document.

7.4 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, standalone 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 as a part or within the scope of the awarded Contract.

7.5 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 product/equipment and related services. If a purchase order is cancelled for lack of a required performance bond by the member agency, it shall be the recommendation of NJPA that the current pending Purchase Order be canceled. 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.

B. NJPA MEMBER SIGN-UP PROCEDURE

7.6 Awarded Vendors will be responsible for familiarizing their sales and service forces with the various forms of NJPA Membership documentation and shall encourage and assist potential Members in establishing Membership with NJPA. NJPA membership is at no cost, obligation or liability to the Member or the Vendor.

C. REPORTING OF SALES ACTIVITY

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

7.7.1 Zero sales reports: Awarded Vendors are responsible for providing a quarterly sales report of contract sales every quarter regardless of the existence or amount of sales.

D. AUDITS

7.8 No more than once per calendar year during the Contract term, Vendor may be required to make available to NJPA the invoice reports and/or invoice documents from Vendor pertaining to all invoices sent by Vendor and all payments made by NJPA members for all equipment/products and related services purchased under the awarded Contract. NJPA must provide written notice of exercise of this requirement with no less than fourteen (14) business days' notice. NJPA may employ an independent auditor or NJPA may choose to conduct such audit on its own behalf. 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 under of the Contract are being met. Vendor agrees to provide verifiable documentation and tracking in a timely manner.

E. HUB PARTNER

7.9 Hub Partner: NJPA Members may request to be served through a "Hub Partner" for the purposes of complying with a Law, Regulation, or Rule to which that individual NJPA Member deems to be applicable in their jurisdiction. Hub Partners may bring value to the proposed transactions through consultancy, Disadvantaged Business Entity Credits or other considerations.

7.10 Hub Partner Fees: Fees, costs, or expenses from this Hub Partner levied upon a transaction resulting from this contract, shall be payable by the NJPA Member. The fees, costs, or expenses levied by the Hub Vendor must be clearly itemized in the transaction; and to the extent that the Vendor stands in the chain of title during a transaction resulting from this RFP, the documentation shall be documented to show it is "Executed for the Benefit of [NJPA Member Name]."

F. TRADE-INS

7.11 The value in US Dollars for Trade-ins will be negotiated between NJPA or an NJPA Member, and an Awarded Vendor. That identified "Trade-In" value shall be viewed as a down payment and credited in full against the NJPA purchase price identified in a purchase order issued pursuant to any Awarded NJPA procurement contract. The full value of the trade-in will be consideration.

G. OUT OF STOCK NOTIFICATION

7.12 Vendor shall immediately notify NJPA members upon receipt of order(s) when an out-of-stock occurs. Vendor shall inform the NJPA member regarding the anticipated date of availability for the out-of-stock item(s), and may suggest equivalent substitute(s). The ordering organization shall have the option of accepting the suggested equivalent substitute, or canceling the item from the order. Under no circumstance is Proposer permitted to make unauthorized substitutions. Unfilled or substituted item(s) shall be indicated on the packing list.

H. TERMINATION OF CONTRACT RESULTING FROM THIS RFP

7.13 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. Some examples of material breach include, but are not limited to:

7.13.1 The Vendor provides products/equipment or related services that does not meet reasonable quality standards and is not remedied under the warranty;

7.13.2 The Vendor fails to ship the products/equipment or related services or provide the delivery and services within a reasonable amount of time;

7.13.3 NJPA has reason to believe the Vendor will not or cannot perform to the requirements or expectations of the Contract and issues a request for assurance and Vendor fails to respond;

7.13.4 The Vendor fails to observe any of the material terms and conditions of the Contract;

7.13.5 The Vendor fails to follow the established procedure for purchase orders, invoices and/or receipt of funds as established by the NJPA and the Vendor in the Contract.

7.13.6 The Vendor fails to report quarterly sales;

7.13.7 The Vendor fails to actively market this Contract within the guidelines provided in this RFP and the expectations of NJPA defined in the NJPA Contract Launch.

7.13.8 In the event the contract has no measurable and defining value or benefit to NJPA or the NJPA member.

7.14 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. If the issue is not resolved within sixty (60) days, contract will be terminated.

7.15 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.

7.16 NJPA reserves the right to cancel or suspend the use of any Contract resulting from this RFP if the Vendor files for bankruptcy protection or is acquired by an independent third party. Awarded Vendor will be responsible for disclosing to NJPA any litigation, bankruptcy or suspensions/disbarments that occur during the contract period. Failure to disclose may result in an immediate termination of the contract.

7.17 NJPA 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.

7.18 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 this 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.

7.19 Events of Automatic termination to include, but not limited to:

7.19.1 Vendor's failure to remedy a material breach of a Contract resulting from this RFP within sixty (60) days of receipt of notice from NJPA specifying in reasonable detail the nature of such breach; and/or,

7.19.2 Receipt of written information from any authorized agency finding activities of Vendors engaged in pursuant to a Contract resulting from this RFP to be in violation of the law.

8 GENERAL TERMS AND CONDITIONS

A. ADVERTISING A CONTRACT RESULTING FROM THIS RFP

8.1 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.

B. APPLICABLE LAW

8.2 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 products, services, or warranties of the Awarded Vendor or the intended or unintended effects of the product/equipment and services procured there from.

8.3 NJPA Compliance with Minnesota Procurement Law: NJPA will exhaust all avenues to comply with each unique state law or requirement whenever possible. It is the responsibility of each participating NJPA member to ensure to their satisfaction that NJPA contracting process falls within these laws and applicable laws are satisfied. An individual NJPA member using these contracts is deemed by their own accord to be in compliance with their own requirements and procurement regulations.

8.4 Governing Law with respect to delivery and acceptance: All applicable portions of the Minnesota Uniform Commercial Code, all other applicable Minnesota laws, and the applicable laws and rules of delivery and inspection of the Federal Acquisition Regulations (FAR) laws shall govern NJPA contracts resulting from this solicitation.

8.5 Jurisdiction: Any claims pertaining to this 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 unless otherwise agreed to.

8.5.1 Purchase Orders issued pursuant to a contract resulting from this solicitation shall be construed in accordance with, and governed by, the laws of a competent jurisdiction with respect to the purchaser.

8.6 Vendor Compliance with applicable law: Vendor(s) shall comply with all federal, state, or local laws applicable to or pertaining to the transaction, acquisition, manufacturer, suppliers or the sale of the equipment/products and relating services resulting from this RFP.

8.7 Other 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.

8.8 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.

8.9 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.

8.10 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 hold harmless NJPA and NJPA Members against any and all suits, claims, judgments, and costs instituted or recovered against it by any person on account of the use or sale of such articles by NJPA or NJPA Members in violation or right under such patent or copyright.

C. ASSIGNMENT OF CONTRACT

8.11 No right or interest in this Contract shall be assigned or transferred by the Vendor without prior written permission by the NJPA. No delegation of any duty of the Vendor shall be made without prior written permission of the NJPA. NJPA shall notify members by posting approved assignments on the NJPA website (www.njpacoop.org) within 15 days of NJPA's approval.

8.12 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 change of name agreement will not change the contractual obligations of the Vendor.

D. LIST OF PROPOSERS

8.13 NJPA will not maintain or communicate to a list of proposers. All interested proposers must respond to the solicitation as a result of NJPA solicitation advertisements indicated. Because of the wide scope of the potential Members and qualified national Vendors, NJPA has determined this to be the best method of fairly soliciting proposals.

E. CAPTIONS, HEADINGS, AND ILLUSTRATIONS

8.14 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.

F. DATA PRACTICES

8.15 All materials submitted in response to this RFP will become property of the NJPA and will become public record in accordance with Minnesota Statutes, section 13.591, after the evaluation process is completed. If the Responder submits information in response to this RFP that it believes to be nonpublic

information, as defined by the Minnesota Government Data Practices Act, Minnesota Statute § 13.37, the Responder must:

8.15.1 make the request within thirty days of award/non-award, and include the appropriate statutory justification. Pricing is generally not redactable. The NJPA Legal Department shall review the statement to determine whether the information shall be withheld. If the NJPA determines to disclose the information, the Bids & Contracts department of the NJPA shall inform the Proposer, in writing, of such determination; and

8.15.2 defend any action seeking release of the materials it believes to be nonpublic information, and indemnify and hold harmless the NJPA, its agents and employees, from any judgments or damages awarded against the NJPA in favor of the party requesting the materials, and any and all costs connected with that defense.

8.16 This indemnification survives the NJPA's award of a contract. In submitting a response to this RFP, the Responder agrees that this indemnification survives as long as the confidential information is in possession of the NJPA. When the situation warrants, Proposer may be able redact additional nonpublic information after the evaluation process if legal justification is provided and accepted by NJPA.

G. ENTIRE AGREEMENT

8.17 The Contract, as defined herein, shall constitute the entire understanding between the parties to that Contract. A Contract resulting from this RFP is formed when the NJPA Board of Directors approves and signs the applicable Contract Award & Acceptance document (Form E).

H. FORCE MAJEURE

8.18 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 this RFP. Force majeure shall not include late deliveries of equipment/products and services 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.

I. GRATUITIES

8.19 NJPA may cancel an awarded Contract by written notice if it is found that gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the Vendor or any agent or representative of the Vendor, to any employee of the NJPA.

J. HAZARDOUS SUBSTANCES

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

K. LICENSES

8.21 Proposer shall maintain a current status on all required federal, state, and local licenses, bonds and permits required for the operation of the business that is anticipated to be conducted with NJPA and NJPA members by the Proposer.

8.22 All responding Proposers must be licensed (where required) and have the authority to sell and distribute offered equipment/products and related services to NJPA and NJPA Members nationally. Documentation of required said licenses and authorities, if applicable, is requested to be included in the proposer's response.

L. MATERIAL SUPPLIERS AND SUB-CONTRACTORS

8.23 The awarded Vendor shall be required to supply the names and addresses of sourcing suppliers and sub-contractors as a part of the purchase order when requested by NJPA or the NJPA member.

M. NON-WAIVER OF RIGHTS

8.24 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 this 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.

N. PROTESTS OF AWARDS MADE

8.25 Protests shall be filed with the NJPA's Executive Director and shall be resolved in accordance with appropriate Minnesota state statutes. Protests will only be accepted from Proposers. A protest must be in writing and filed with NJPA. A protest of an award or proposed award must be filed within ten (10) calendar days after the public notice or announcement of the award. A protest must include:

8.25.1 The name, address and telephone number of the protester;

8.25.2 The original signature of the protester or its representative (you must document the authority of the Representative);

8.25.3 Identification of the solicitation by RFP number;

8.25.4 Identification of the statute or procedure that is alleged to have been violated;

8.25.5 A precise statement of the relevant facts;

8.25.6 Identification of the issues to be resolved;

8.25.7 The aggrieved party's argument and supporting documentation;

8.25.8 The aggrieved party's statement of potential financial damages; and

8.25.9 A protest bond in the name of NJPA and in the amount of 10% of the aggrieved party's statement of potential financial damages.

O. SUSPENSION OR DISBARMENT STATUS

8.26 If within the past five (5) years, any firm, business, person or Proposer responding to NJPA solicitation and submitting a proposal has been lawfully terminated, suspended or precluded from participating in any public procurement activity with a federal, state or local government or education agency 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.

P. AFFIRMATIVE ACTION AND IMMIGRATION STATUS CERTIFICATION

8.27 An Affirmative Action Plan, Certificate of Affirmative Action or other documentation regarding Affirmative Action may be required by NJPA or NJPA Members relating to a transaction from this RFP. Vendors shall comply with any such requirements or requests.

8.28 Immigration Status Certification may be required by NJPA or NJPA Members relating to a transaction from this RFP. Vendors shall comply with any such requirements or requests.

Q. SEVERABILITY

8.29 In the event that any of the terms of a Contract resulting from this 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 an awarded Contract resulting from this RFP, but such invalidity or unenforceability shall not invalidate any of the other terms of an awarded Contract resulting from this RFP.

R. RELATIONSHIP OF PARTIES

8.30 No Contract resulting from this 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 this 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.

9 FORMS

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Form A

PROPOSER QUESTIONNAIRE- General Business Information

*(Products, Pricing, Sector Specific, Services, Terms and Warranty are addressed on **Form P**)*

Proposer Name: _____Questionnaire completed by: _____

Please identify the person NJPA should correspond with from now through the Award process:

Name: _____ E-Mail address: _____

Provide an answer to all questions directly below each question (do not leave blank, mark NA if not applicable) and address all requests made in this RFP**.** Please supply any applicable supporting information and documentation you feel appropriate in addition to answers entered to the Word document. All information must be typed, organized, and easily understood by evaluators. ***Please use the Microsoft Word document version of this questionnaire to respond to the questions contained herein.***

Company Information & Financial Strength

1) Why did you respond to this RFP?
2) What are your company's expectations in the event of an award?
3) Provide the full legal name, address, tax identifications number, and telephone number for your business.
4) Demonstrate your financial strength and stability.
5) Are you now, or have you ever been the subject of a bankruptcy action? Please explain.
6) Provide a brief history of your company that includes your company's core values and business philosophy.
7) How long has your company been in the FLEET-RELATED MAINTENANCE EQUIPMENT, SUPPLIES, SERVICES, AND INVENTORY MANAGEMENT SOLUTIONS industry?
8) Is your organization best described as a manufacturer or a distributor/dealer/re-seller for a manufacturer of the products/equipment and related services being proposed?
   a) If the Proposer is best described as a re-seller, manufacturer aggregate, or distributor, please provide evidence of your authorization as a dealer/re-seller/manufacturer aggregate for the manufacturer of the products/equipment and related services you are proposing.
   b) If the Proposer is best described as a manufacturer, please describe your relationship with your sales/service force and/or Dealer Network in delivering the products/equipment and related services proposed.
   c) Are these individuals your employees, or the employees of a third party?
   d) If applicable, is the Dealer Network independent or company owned?
9) Please provide your bond rating, and/or a credit reference from your bank.
10) Provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held by your organization in pursuit of the commerce and business contemplated by this RFP.
11) Provide a detailed explanation outlining licenses and certifications both required to be held, and actually held, by third parties and sub-contractors to your organization in pursuit of the commerce contemplated by this RFP. If not applicable, please respond with "Not Applicable."
12) Provide all "Suspension or Disbarment" information as defined and required herein.
13) In addition to the $1.5 million in General Liability and/or in conjunction with umbrella insurance coverage, what level of automobile and workers compensation insurance does your organization currently have? If none, please explain.
14) Within the RFP category there is potential to be several different sub-categories of solutions; list sub category title/s that best describe your equipment/products, services and supplies.

Industry Requirements &Marketplace Success

15) List and document recent industry awards and recognition.
16) Supply three references/testimonials from customers of like status to NJPA Members to include Government and Education agencies. Please include the customer's name, contact, and phone number.

17) Provide a list of your top 5 Government and/or Education customers (entity name is optional) including: entity type, the state the entity is located in, scope of the project/s, size of transaction/s and dollar volumes from the past 3 fiscal years.
18) What percentages of your current (within the past three (3) fiscal years) national sales are to the government and education verticals? Indicate government and education verticals individually.

Proposer's Ability to Sell and Deliver Service Nationwide

19) Please describe your company sales force in terms of numbers, geographic dispersion, and the proportion of their attention focused on the sale and services of the equipment/products contemplated in this RFP?
20) Please describe your dedicated dealer network and number of individual sales force within your dealer network in terms of numbers, geographic dispersion, and the proportion of their attention focused on the sales distribution and delivery of your equipment/products and related services contemplated in this RFP?
21) Please describe your dedicated company service force or dedicated network in terms of numbers, geographic dispersion, and the proportion of their attention focused on the sale of the equipment/products and related services contemplated in this RFP?
22) Please describe your dedicated dealer service force or network in terms of numbers geographic dispersion, and the proportion of their attention focused on the sale of the equipment/products and related services contemplated in this RFP? Additionally, please describe any applicable road service and do they offer the ability to service customers at the customer's location?
23) Describe in detail your customer service program regarding process and procedure. Please include, where appropriate, response time capabilities and commitments as a part of this RFP response and awarded contract.
24) Identify any geographic areas or NJPA market segments of the United States you will NOT be fully serving through the proposed contract.
25) Identify any of NJPA Member segments or defined NJPA verticals you will NOT be offering and promoting an awarded contract to? (Government, Education, Non-profit)
26) Define any specific requirements or restrictions as it applies to our members located off shores such as Hawaii and Alaska and the US Islands. Address your off shore shipping program on the Pricing form P of this document.

Marketing Plan

27) Describe your contract sales training program to your sales management, dealer network and/or direct sales teams relating to a NJPA awarded contract.
28) Describe how you would market/promote an NJPA Contract nationally to ensure success**.**
29) Describe your marketing material, and overall marketing ability, relating to promoting this type of partnership and contract opportunity. Please send a few representative samples of your marketing materials in electronic format.
30) Describe your use of technology and the internet to provide marketing and ensure national contract awareness.
31) Describe your perception of NJPA's role in marketing the contract and your contracted products/equipment and related services.
32) Describe in detail any unique marketing techniques and methods as a part of your proposal that would separate you from other companies in your industry.
33) Describe your company's Senior Management level commitment with regards to embracement, promoting, supporting and managing a resultant NJPA awarded contract
34) Do you view your products/equipment applicable to an E-procurement ordering process?
____ Yes ____ No
    a) If yes, describe examples of E-procurement system/s or electronic marketplace solutions that your products/equipment was available through. Demonstrate the success of government and educations customers to ordering through E-procurement.
35) Please describe how you will communicate your NJPA pricing and pricing strategy to your sales force nationally?

Other Cooperative Procurement Contracts

36) Describe your level of experience with national, state and local cooperative contracts.
37) What is the annual dollar sales volume generated through each of the contract(s) identified in your answer to the previous question.
38) Identify any GSA Contracts held or utilized by the Proposer.

39) What is the annual combined dollar sales volume for each of these contracts?
40) If you are awarded the NJPA contract, are there any market segments or verticals (e.g., higher education, K-12 local governments, non-profits 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.
41) How would you leverage an NJPA awarded contract in your sales process?
42) Identify a proposed administrative fee payable to NJPA for facilitation, management and promotion of the NJPA contract, should you be awarded. This fee is typically calculated as a percentage of Contract sales and not a line item addition to the customers cost of goods.

Value Added

43) If applicable, describe any product/equipment training programs available as options for NJPA members. If applicable, do you offer equipment operator training as well as maintenance training? ____ Yes ____ No
44) Is this training standard as a part of a purchase or optional?
45) Describe current technological advances your proposed equipment/products and related services offer.
46) Describe your "Green" program as it relates to your company, your products/equipment, and your recycling program, including a list of all green products accompanied by the certifying agency for each (if applicable).
47) Describe any Women or Minority Business Entity (WMBE) or Small Business Entity (SBE) accreditations and the general minority and small business program of your organization as it relates to a Contract resulting from this RFP.
48) Identify any other unique or custom value added attributes of your company or your products/equipment or related services. What makes your proposed solutions unique in your industry as it applies to NJPA members?
49) Other than what you have already demonstrated or described, what separates your company, your products/equipment and related services from your competition?
50) Identify and describe any service contract options included in the proposal, or offered as a proposed option, for the products/equipment being offered.
51) Identify your ability and willingness to offer an awarded contract to qualifying member agencies in Canada specifically and internationally in general.
52) Describe any unique distribution and/or delivery methods or options offered in your proposal.

NOTE: Questions regarding Payment Terms, Warranty, Products/Equipment/Services, Pricing and Delivery, and Industry Specific Items are addressed on Form P.

Signature: _____ Date: _____

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

Authorized Signer for your organization*:

Name: _____

Email: _____Phone: _____

* By executing Form F, the "Proposer's Assurance of Compliance," you are certifying this person identified here has their authorization to sign on behalf of your organization:

Author of your proposal response

Name:_____Title:_____

Email: _____Phone:_____

Your Primary Contact person regarding your proposal:

Name: _____Title:_____

Email: _____Phone:_____

Other important contact information:

Name: _____Title:_____

Email: _____Phone:_____

Name: _____Title:_____

Email: _____Phone:_____

Form C

EXCEPTIONS TO PROPOSAL, TERMS, CONDITIONS AND SOLUTIONS REQUEST

Company Name: _____

Note: **Original must be signed** and inserted in the inside front cover pouch.

Any exceptions to the Terms, Conditions, Specifications, or Proposal Forms contained herein shall be noted in writing and included with the proposal submittal. Proposer acknowledges that the exceptions listed may or may not be accepted by NJPA and may or may not be included in the final contract. NJPA may clarify exceptions listed here and document the results of those clarifications in the appropriate section below.

Section/page	Term, Condition, or Specification	Exception	NJPA ACCEPTS

Proposer's Signature: _____ **Date:** _____

NJPA's clarification on exception/s listed above:

Contract Award
RFP #061015

FORM D

Formal Offering of Proposal
(To be completed Only by Proposer)

FLEET-RELATED MAINTENANCE EQUIPMENT, SUPPLIES, SERVICES, AND INVENTORY MANAGEMENT SOLUTIONS

In compliance with the Request for Proposal (RFP) for FLEET-RELATED MAINTENANCE EQUIPMENT, SUPPLIES, SERVICES, AND INVENTORY MANAGEMENT SOLUTIONS, the undersigned warrants that I/we have examined this RFP and, being familiar with all of the instructions, terms and conditions, general specifications, expectations, technical specifications, service expectations and any special terms, do hereby propose, fully commit and agree to furnish the defined equipment/products and related services in full compliance with all terms, conditions of this RFP, any applicable amendments of this RFP, and all Proposer's Response documentation. Proposer further understands they accept the full responsibility as the sole source of responsibility of the proposed response herein and that the performance of any sub-contractors employed by the Proposer in fulfillment of this proposal 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)

Form E

Contract Acceptance and Award

(To be completed only by NJPA)

NJPA #061015 _____

_____
Proposer's full legal name

Your proposal is hereby accepted and awarded. As an awarded Proposer, you are now bound to provide the defined product/equipment and services contained in your proposal offering according to all terms, conditions, and pricing set forth in this RFP, any amendments to this RFP, your Response, and any exceptions accepted or rejected by NJPA on Form C.

The effective start date of the Contract will be _____, 20_____ and continue for four years from the board award date. This contract has the consideration of a fifth year renewal option at the discretion of NJPA.

National Joint Powers Alliance® (NJPA)

NJPA Authorized signature: _____ _____
NJPA Executive Director (Name printed or typed)

Awarded this _____ day of_____, 20_____ **NJPA Contract Number #061015**

NJPA Authorized signature: _____ _____
NJPA Board Member (Name printed or typed)

Executed this _____ day of _____, 20_____ **NJPA Contract Number #061015**

Proposer hereby accepts contract award including all accepted exceptions and NJPA clarifications identified on FORM C.

Vendor Name _____

Vendor Authorized signature: _____ _____
(Name printed or typed)

Title: _____

Executed this _____ day of _____, 20_____ **NJPA Contract Number #061015**

Form F

PROPOSER ASSURANCE OF COMPLIANCE

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 possess prior to the delivery of any equipment/products and related services, all applicable licenses necessary for such delivery to NJPA members agencies nationally, 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 this RFP which tends to, or does, lessen or destroy free competition of the Contract sought for by this 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 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 equipment/products and/or services to qualifying members of the NJPA in accordance with the terms, conditions, scope of this RFP, Proposer offered specifications and other documents of this solicitation; and

7. The undersigned, being familiar with and understand the expectations requested and outlined in this RFP under consideration, hereby proposes to deliver through valid requests, Purchase Orders or other acceptable forms ordering and procurement by NJPA Members. Unless otherwise indicated, requested and agreed to on a valid purchase order per this RFP, only new, unused and first quality equipment/products and related services are to be transacted with NJPA Members relating to an awarded contract; and

8. The Proposer has carefully checked the accuracy of all proposed products/equipment and related services and listed total price per unit of purchase in this proposal to include shipping and delivery considerations. In addition, the Proposer accepts all general terms and conditions of this RFP, including all responsibilities of commitment as outlined and proposed; 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 this 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. The Proposer understands that submitted proposals which are marked "confidential" in their entirety, or those in which a significant portion of the submitted proposal is marked "nonpublic" **will not** be accepted by NJPA. Pursuant to Minnesota Statute §13.37 only specific parts of the proposal may be labeled a "trade secret." All proposals are nonpublic until the contract is awarded; at which time, both successful and unsuccessful vendors' proposals become public information.

12. The Proposer understands and agrees that NJPA will not be responsible for any information contained within the proposal.

13. By signing below, the Proposer understands it is his or her responsibility as the Vendor to act in protection of labeled information and agree to defend and indemnify NJPA for honoring such designation. Proposer duly realizes failure to so act will constitute a complete waiver and all submitted information will become public information; additionally failure to label any information that is released by NJPA shall constitute a complete waiver of any and all claims for damages caused by the release of the information.

[The rest of this page has been left intentionally blank. Signature page below]

By signing below, Proposer is acknowledging that he or she has read, understands and agrees to comply with the terms and conditions specified above.

Company Name: _____

Contact Person for Questions: _____

_____
(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 _____ day of _____, 20_____

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

My commission expires: _____

Signature: _____

Form G

OVERALL EVALUATION AND CRITERIA

For the Proposed Subject FLEET-RELATED MAINTENANCE EQUIPMENT, SUPPLIES, SERVICES, AND INVENTORY MANAGEMENT SOLUTIONS

Conformance to Terms & Conditions	50	
Financial, Industry Requirements & Marketplace Success	75	
Proposer's Ability to Sell and Deliver Service Nationwide	100	
Proposer's Marketing Plan	50	
Value Added Attributes	75	
Warranty	50	
Equipment/Products and Related Services	200	
Pricing	400	
TOTAL POINTS	**1000**	

Reviewed by: _____ Its_____

_____Its_____

Form P

PROPOSER QUESTIONNAIRE

Payment Terms, Warranty, Products/Equipment/Services, Pricing and Delivery, Industry Specific

Proposer Name: _____

Questionnaire completed by: _____

Payment Terms and Financing Options

1) Identify your payment terms if applicable. (Net 30, etc.)
2) Identify any applicable leasing or other financing options as defined herein.
3) Briefly describe your proposed order process for this proposal and contract award. (Note: order process may be modified or refined during an NJPA member's final Contract phase process).
    a. Please specify if you will be including your dealer network in this proposal. If so, please specify how involved they will be. (For example, will he Dealer accept the P.O.?), and how are we to verify the specific dealer is part of your network?
4) Do you accept the P-card procurement and payment process?

Warranty

5) Describe, in detail, your Manufacture Warranty Program including conditions and requirements to qualify, claims procedure, and overall structure.
6) Do all warranties cover all products/equipment parts and labor?
7) Do warranties impose usage limit restrictions?
8) Do warranties cover the expense of technicians travel time and mileage to perform warranty repairs?
9) Please list any other limitations or circumstances that would not be covered under your warranty.
10) Please list any geographic regions of the United States for which you cannot provide a certified technician to perform warranty repairs. How will NJPA Members in these regions be provided service for warranty repair? Please provide a list of your network service providers for warranty work and repairs.

Equipment/Product/Services, Pricing, and Delivery

11) Provide a general narrative description of the equipment/products and related services you are offering in your proposal.
12) Provide a general narrative description of your pricing model identifying how the model works (line item and/or published catalog percentage discount).
13) Please quantify the discount range presented in this response pricing as a percentage discount from MSRP/published list.
14) Provide an overall proposed statement of method of pricing for individual line items, percentage discount off published product/equipment catalogs and/or category pricing percentage discount with regard to all equipment/products and related services and being proposed. Provide a SKU number for each item being proposed.
15) Propose a strategy, process, and specific method of facilitating "Sourced Equipment/Products and/or related Services" (AKA, "Open Market" items or "Non-Standard Options").
16) Describe your NJPA customer volume rebate programs, as applicable.
17) Identify any Total Cost of Acquisition (as defined herein) cost(s) which is **NOT** included "Pricing" submitted with your proposal response. Identify to whom these charges are payable to and their relationship to Proposer.

18) If freight, delivery or shipping is an additional cost to the NJPA member, describe in detail the complete shipping and delivery program.

19) As an important part of the evaluation of your offer, indicate the level of pricing you are offering.
Prices offered in this proposal are:

_____a. Pricing is the same as typically offered to an individual municipality, Higher Ed or school district.

_____b. Pricing is the same as typically offered to GPOs, cooperative procurement organizations or state purchasing departments.

_____c. Better than typically offered to GPOs, cooperative procurement organizations or state purchasing departments.

_____d. Other; please describe.

20) Do you offer quantity or volume discounts?

_____ YES _____ NO Outline guidelines and program.

21) Describe in detail your proposed exchange and return program(s) and policy(s).

22) Specifically identify those shipping and delivery and exchange and returns programs as they relate to Alaska and Hawaii and any related off shore delivery of contracted products/ equipment and related services

23) Please describe any self-audit process/program you plan to employ to verify compliance with your anticipated contract with NJPA. Please be as specific as possible.

Industry-Specific Items

24) Describe your on-site inventory management solution, if applicable.

25) If you are proposing an on-site inventory management solution, can you customize it based on NJPA member requests? If so, please provide an example(s) of when and how you have done this.

26) What is your parts fill rate, if applicable?

Signature: _____Date: _____

10 PRE-SUBMISSION CHECKLIST

Check when Completed	Contents of Your Bid Proposal	Hard Copy Required Signed and Dated	Electronic Copy Required - CD or Flash Drive
	Form A: Proposer Questionnaire with all questions answered completely	X - signature page only	X
	Form B: Proposer Information		X
	Form C: Exceptions to Proposal, Terms, Conditions, and Solutions Request	X	X
	Form D: Formal Offering of Proposal	X	X
	Form E. Contract Acceptance and Award		X
	Form F: Proposers Assurance of Compliance	X	X
	Form P: Proposer Questionnaire with all questions answered completely	X-signature page only	X
	Certificate of Insurance with $1.5 million coverage	X	X
	Copy of all RFP Addendums issued by NJPA	X	X
	Pricing for all Products/Equipment/Services within the RFP being proposed		X
	Entire Proposal submittal including signed documents and forms.		X
	All forms in the Hard Copy Required Signed and Dated should be inserted in the front of the submitted response, unbound.		
	Package containing your proposal labeled and sealed with the following language: "Competitive Proposal Enclosed, Hold for Public Opening XX-XX-XXXX"		
	Response Package mailed and delivered prior to deadline to: NJPA, 202 12th St NE, Staples, MN 56479		

11 NJPA VENDOR PRICE AND PRODUCT CHANGE REQUEST FORM

Section 1. Instructions For Vendor

Pursuant the NJPA RFP, requests for equipment/products or service changes, additions or deletions will be allowed at any time throughout the awarded contract term. All requests must be made in written format by completing sections 2, 3 and 4 of the NJPA Price and Product Change Request Form and signature of an authorized Vendor employee in section 5. All changes are subject to review and approval by the NJPA Contracts & Compliance Manager, signed in acceptance by the NJPA Executive Director and acknowledged by the NJPA Contract Council. Submit request via email to your Contract Manager **AND**: **PandP@njpacoop.org.**

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." A signed Price and Product Change form will be returned to vendor contact via email.

Vendor must complete this change request form and individually list or attach all items or services subject to change, provide sufficiently detailed explanation and documentation for the change, and include a compete restatement of pricing document in appropriate format (preferably Excel). The pricing document must identify all equipment/products and services being offered and must conform to the following NJPA product/price change naming convention: (Vendor Name) (NJPA Contract #) (effective pricing date); for example, "COMPANY 012411-CPY eff 02-12-2013."

> *NOTE:* New pricing restatement must include all equipment/products and services offered regardless of whether their prices have changed and include a new "effective date" on the pricing documents. This requirement reduces confusion by providing a single, current pricing sheet for each vendor and creates a historical record of pricing.

ADDITIONS. New equipment/products and related services may be added to a contract if such additions are within the scope of the RFP.

DELETIONS. New equipment/products and related services may be deleted from a contract if an item or service is no longer available and thus not relevant to the contract; for example, discontinued, improved, etc.

PRICE CHANGES: Request prices changes in general terms along with the justification by product category for the change; for example, a 3% increase in XYZ Product Line is due to a 3% increase in petroleum, or this list of SKUs/ product descriptions is increasing X% due to X% increase in cost of raw materials.

> *Price decreases:* NJPA expects Vendors to propose their very best prices and anticipates price reductions are due to advancement of technologies and market place efficiencies.
>
> *Price increases:* Typical acceptable increase requests include increases to Vendor input costs such as petroleum or other applicable commodities, increases in product utility of new compared to old equipment/products or service, etc. Vendor must include reasonable documentation for the claims cited in their request along with detailed justification for why the increase is needed. Special details for price changes must be included with the request along with both current and proposed pricing. Appropriate documentation should be attached to this form, including letters from suppliers announcing price increases.

Refer to section 4 of the RFP for complete "Pricing" details.

Section 2. Vendor Name and Type of Change Request

CHECK ALL CHANGES THAT APPLY:

AWARDED VENDOR NAME: _____

NJPA CONTRACT NUMBER: _____

- ☐ Adding Equipment/ Products /Services
- ☐ Deleting/Discontinuing Equipment/Products/Services
- ☐ Price Increase
- ☐ Price Decrease

Section 3. Detailed Explanation of Need for Changes

List equipment/products and/or services that are changing, being added or deleted from previous contract price list along with the percentage change for each item or category. (Attach a separate, detailed document if more than 10 items.)

Provide a general statement and documentation explaining the reasons for these price and/or equipment/product/service changes.

SAMPLES: 1-All paper equipment/products and services increased 5% in price due to transportation and fuel costs (see attached documentation of raw materials increase). 2-The 6400 series floor polisher is added to the product list as a new model replacing the 5400 series. The 6400 series 3% increase reflects technological improvements made that improve the rate of efficiency and useful life. The 5400 series is now included in the "Hot List" at a 20% discount from previous pricing until remaining inventory is liquidated.

If adding equipment/products/services, provide a general statement how these are in the scope.

If changing prices and/or adding equipment/products/services, provide a general statement that the pricing or equipment/products/services is consistent with existing NJPA contract pricing.

Section 4. Complete Restatement of Pricing Submitted

A COMPLETE restatement of the pricing including all new and existing equipment/products and services is attached and/or has been emailed to PandP@njpacoop.org.

☐ Yes ☐ No

Section 5. Signatures

_____ _____
Vendor Authorized Signature Date

_____
Print Name and Title of Authorized Signer

_____ _____
NJPA Executive Director Signature Date

Appendix A

NJPA The National Joint Powers Alliance® (NJPA), on behalf of NJPA and its current and potential Member agencies to include all Government, Higher Education, K12 Education, Non-Profit, Tribal Government, and all other Public Agencies located nationally in all fifty states, Canada, and internationally, issues this Request For Proposal (RFP) to result in a national contract solution.

For your reference, the links below include some, but not all, of the entities included in this proposal:

http://www.usa.gov/Agencies/Local_Government/Cities.shtml
http://nces.ed.gov/globallocator/
https://harvester.census.gov/imls/search/index.asp
http://nccsweb.urban.org/PubApps/search.php
http://www.usa.gov/Government/Tribal-Sites/index.shtml
http://www.usa.gov/Agencies/State-and-Territories.shtml
http://www.nreca.coop/about-electric-cooperatives/member-directory/
Oregon
Hawaii
Washington

Form E

Contract Acceptance and Award

(To be completed only by NJPA)

NJPA 061015 FLEET-RELATED MAINTENANCE EQUIPMENT, SUPPLIES, SERVICES, AND INVENTORY MANAGEMENT SOLUTIONS

Genuine Parts Company/NAPA Integrated Business Solutions (IBS)
Proposer's full legal name

Your proposal is hereby accepted and awarded. As an awarded Proposer, you are now bound to provide the defined product/equipment and services contained in your proposal offering according to all terms, conditions, and pricing set forth in this RFP, any amendments to this RFP, your Response, and any exceptions accepted or rejected by NJPA on Form C.

The effective start date of the Contract will be July 21st, 20 15 and continue for four years from the board award date. This contract has the consideration of a fifth year renewal option at the discretion of NJPA.

National Joint Powers Alliance® (NJPA)

NJPA Authorized signature: _____ Dr. Chad Comette
NJPA Executive Director (Name printed or typed)

Awarded this 21st day of July, 20 15 **NJPA Contract Number** 061015-GPC

NJPA Authorized signature: _____ Scott Veronen
NJPA Board Member (Name printed or typed)

Executed this 21st day of July, 20 15 **NJPA Contract Number** 061015-GPC

Proposer hereby accepts contract award including all accepted exceptions and NJPA clarifications identified on FORM C.

Vendor Name Genuine Parts Company / NAPA IBS

Vendor Authorized signature: _____ _____
(Name printed or typed)

Title: Vice President - NAPA IBS

Executed this 22nd day of July, 20 15 **NJPA Contract Number** 061015-GPC

Form F

PROPOSER ASSURANCE OF COMPLIANCE

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 possess prior to the delivery of any equipment/products and related services, all applicable licenses necessary for such delivery to NJPA members agencies nationally, 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 this RFP which tends to, or does, lessen or destroy free competition of the Contract sought for by this 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 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 equipment/products and/or services to qualifying members of the NJPA in accordance with the terms, conditions, scope of this RFP, Proposer offered specifications and other documents of this solicitation; and

7. The undersigned, being familiar with and understand the expectations requested and outlined in this RFP under consideration, hereby proposes to deliver through valid requests, Purchase Orders or other acceptable forms ordering and procurement by NJPA Members. Unless otherwise indicated, requested and agreed to on a valid purchase order per this RFP, only new, unused and first quality equipment/products and related services are to be transacted with NJPA Members relating to an awarded contract; and

8. The Proposer has carefully checked the accuracy of all proposed products/equipment and related services and listed total price per unit of purchase in this proposal to include shipping and delivery considerations. In addition, the Proposer accepts all general terms and conditions of this RFP, including all responsibilities of commitment as outlined and proposed; 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 this 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. The Proposer understands that submitted proposals which are marked "confidential" in their entirety, or those in which a significant portion of the submitted proposal is marked "nonpublic" **will not** be accepted by NJPA. Pursuant to Minnesota Statute §13.37 only specific parts of the proposal may be labeled a "trade secret." All proposals are nonpublic until the contract is awarded; at which time, both successful and unsuccessful vendors' proposals become public information.

12. The Proposer understands and agrees that NJPA will not be responsible for any information contained within the proposal.

13. By signing below, the Proposer understands it is his or her responsibility as the Vendor to act in protection of labeled information and agree to defend and indemnify NJPA for honoring such designation. Proposer duly realizes failure to so act will constitute a complete waiver and all submitted information will become public information; additionally failure to label any information that is released by NJPA shall constitute a complete waiver of any and all claims for damages caused by the release of the information.

[The rest of this page has been left intentionally blank. Signature page below]

By signing below, Proposer is acknowledging that he or she has read, understands and agrees to comply with the terms and conditions specified above.

Company Name: Genuine Parts Company/NAPA Integrated Business Solutions

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

Address: 2999 Circle 75 Parkway SE

City/State/Zip: Atlanta, GA 30339

Telephone Number: (770)855-2221 Fax Number: (303)623-5143

E-mail Address: Jett_Kuntz@genpt.com

Authorized Signature: Jett Kuntz

Authorized Name (typed): Jett Kuntz

Title: Vice President, NAPA Integrated Business Solutions

Date: June 10, 2015

Notarized

Subscribed and sworn to before me this 10th day of June, 2015

Notary Public in and for the County of Arapahoe State of Colorado

My commission expires: 12/20/2016

Signature: Priscilla K. Gonzales

PRISCILLA K GONZALES
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20044045305
MY COMMISSION EXPIRES 12/20/2016

Form P

PROPOSER QUESTIONNAIRE

Payment Terms, Warranty, Products/Equipment/Services, Pricing and Delivery, Industry Specific

Proposer Name: **Genuine Parts Company/NAPA Integrated Business Solutions**

Questionnaire completed by: **Jett Kuntz**

Payment Terms and Financing Options

1) **Identify your payment terms if applicable. (Net 30, etc.)**

On a monthly basis, we deliver parts billing and operational cost billing as part of our IBS services to our IBS contract customers. Our contract payment terms for parts purchases and operational expenses as part of our IBS services are Net 30th.

2) **Identify any applicable leasing or other financing options as defined herein.**

There are no applicable leasing/finance options as part of the services we provide for our customers since they are buying parts and paying us for monthly services rendered as part of our contracts.

3) **Briefly describe your proposed order process for this proposal and contract award. (Note: order process may be modified or refined during an NJPA member's final Contract phase process).**
   a. **Please specify if you will be including your dealer network in this proposal. If so, please specify how involved they will be. (For example, will he Dealer accept the P.O.?), and how are we to verify the specific dealer is part of your network?**

Our order process is often a longer than normal process as our outsourced services often take longer due to working with government and educational fleet operations and management on case studies, financial analysis, and specific tracking metrics for each individual contract. This process is completely customizable to the needs of our customer and may be modified or refined during the NJPA member's contract adoption phase.

Step One – Discover the need with fleet operations and management on outsourcing parts and service needs. This will require analysis of current staffing, inventory, hours of operation, fleet needs, software adoption, billing processes, paperwork flow, audit procedures, and approvals.

Step Two – Introduce co-operative contract solution as a means to contract during the early phase of our analysis. If customer is not an NJPA member, we use this time to present the easy steps to become a member. If they already are an NJPA member, we present our contract opportunity with IBS along with documentation on the solicitation. At this point we have added a step in our process to verify documentation of NJPA membership with our NJPA contract manager.

Step Three – Complete financial and staffing analysis to determine needs of customer.

Step Four – Once customer has agreed to proceed to contract, our GPC legal and NAPA IBS representative present our NJPA IBS contract terms to the customer for their legal review.

Step Five – Customer builds business exceptions as part of our master IBS NJPA contract. NAPA IBS will negotiate specific terms for the customer based on their hours of operation, staffing needs, inventory needs, etc…

Step Six – NAPA IBS and Customer come to terms on NJPA contract.

Step Seven – NAPA IBS will inform NJPA when a contract has been agreed to between NAPA and customer. NAPA sets the commencement date with customer and ensures all operational systems are in place during mobilization. For NJPA, this is the window where we turn flags on in our system to accurately report sales per our NJPA contract agreement.

Step Eight – contract tracking and reporting will be communicated to NJPA on a quarterly basis along with announcements of all new contracts.

a) **Yes –** Our independent dealer network will be part of this proposal. Genuine Parts Company controls the process much like was outlined above for our independent dealer network. The dealer is responsible during the analysis phase to provide staffing, inventory and operational documentation. The dealer must agree to all of the terms of the NJPA IBS contract as well as the customization for a NJPA contract holder in the final agreement. To ensure these steps are made and done in our dealer network, Genuine Parts Company has provided an assignment document as part of the NJPA contract that must be signed by the customer, Genuine Parts Company, NJPA (if required), and the independent dealer as part of the contract process. The dealer is required to abide by the terms of the contract or will need to assign the business back to Genuine Parts Company.

4) Do you accept the P-card procurement and payment process?

Our NAPA IBS operations typically do not accept p-cards for payment on our monthly parts statement or monthly operations charges statement. We do make exceptions where customers are required to pay us via p-cards. However, since our NAPA IBS operations bill customers for all operating costs incurred in our services, we will be required to bill back any p-card service charges incurred by our IBS store operations on the monthly operating statement bill. For this reason, most NAPA IBS customers do not use their p-cards for our monthly billing – as we would bill them back any service charges.

Warranty

5) Describe, in detail, your Manufacture Warranty Program including conditions and requirements to qualify, claims procedure, and overall structure.

As an outsourced vendor managing hundreds – if not thousands –of vendors for a fleet operation, NAPA IBS accepts the responsibility to manage all parts warranties for our customers. NAPA will work with the NJPA contract customer to assist with and manage the manufacturer warranty process. All parts supplied under our agreement – OE, aftermarket, tires, supplies, etc. -- will be tracked and credit issued upon manufacturer approval. Reports will be available as needed for credit tracking purposes. Original equipment parts will be supplied where most beneficial to maximize manufacturer participation in the warranty process. NAPA will issue warranty credit immediately for any part that is determined to be defective. NAPA will then process the warranty claim on behalf of the customer. If the manufacture denies the claim, NAPA will work with the customer to work through the vendor to expense out the cost of the product – only as a last resort. All inventory supplied pursuant to this agreement is 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. Designated NAPA personnel will process all warranty claims and provide the customer with information received from each claim processed. Copies of the manufacturers' warranties will be available to our contract IBS customers upon request.

In some specific cases, we have worked with customers to add warranty documentation and due diligence in writing to ensure protection for our customers. This may include additional indemnity agreements and warranty documentation and processes. All agreements of this nature must be approved as part of our contract processes with NJPA IBS contract customers. Details of our warranty language appear in the sample contract attached in our response in Exhibit G.

6) **Do all warranties cover all products/equipment parts and labor?**

The written manufacturer's warranty covers parts warranties in most every case within our contract. Labor cost will be requested from specific vendors – however, in our experience manufacturers of parts may not cover labor as part of product sales to commercial applications – and some require documentation from the shop technicians to request labor reimbursement. If available through the vendors that supply parts to NAPA IBS and the customer through this contract, NAPA IBS will manage the process to recover all available warranties from the vendors that provide parts. That is a big service we provide all IBS customers.

7) **Do warranties impose usage limit restrictions?**

Most warranties have a date/mileage restriction for warranty as well as a misuse clause in their documentation of warranty. NAPA IBS will keep a written record of all warranty information on file within our on-site store and will track warranty periods on the parts we sell via this contract.

8) **Do warranties cover the expense of technicians travel time and mileage to perform warranty repairs?**

Typically warranties on the parts and supplies we sell within the scope of NAPA IBS services do not cover outside vendor technician time on outside sources sent to do a repair since most of the customer technicians do the work. Therefore mileage and travel time do not come into play within the scope of services we provide. If we discover that an NJPA contract IBS may need these types of warranty coverage for unique warranty situations, we will address this with the vendor at the beginning of the contract and will ask them to include their solution in our due diligence paperwork for that vendor. The customer will have to agree to that warranty arrangement before we proceed with that vendor.

9) **Please list any other limitations or circumstances that would not be covered under your warranty.**

NAPA IBS is extremely engaged in warranty recovery as part of the services we provide. The only other circumstances where we may need to address warranty concerns will be for parts and services that were purchased by the customer before we begin our contract but then come to light after we have started our contract. We will work with manufacturers and distributors on behalf of our NJPA contract customer to resolve and recover warranty on parts we did not provide. The only additional foreseen warranty issue that may come up is when warranties are rejected because of technician error or misuse of equipment. No different than the first example – NAPA IBS responsibility will be to work directly with the supplier of the part/service to resolve and recover what we can for our customer.

10) **Please list any geographic regions of the United States for which you cannot provide a certified technician to perform warranty repairs. How will NJPA Members in these regions be provided service for warranty repair? Please provide a list of your network service providers for warranty work and repairs.**

Since we will be providing a service – and that service will be providing hundreds of thousands of parts – the warranty procedures will be the same for any NJPA contract IBS customer in all 50 US states. The technicians and fleet management will present a defective or warranty part and our responsibility will be to process with the manufacturer or distributor who sold the product, recover the available, and process the paperwork on behalf of our customer. As a result we will use local and regional sources to process warranty work or the parts and services we provide. It is one phone call for an NJPA contract member to their local IBS on-site store to process any warranty. As soon as the warranty part is presented to our on site location, the store will be required to immediately replace the warranty part for the technician and credit the customer. The IBS store will then begin the warranty processing on behalf of the customer and present results after the proper vendor has processed the claim.

Equipment/Product/Services, Pricing, and Delivery

11) Provide a general narrative description of the equipment/products and related services you are offering in your proposal.

NAPA Integrated Business Solutions (IBS) is a customized on-site (or off-site) vendor managed parts and supplies inventory management program offered by NAPA Auto Parts under the trademark name Integrated Business Solutions.

In the simplest form NAPA IBS is a service for fleet customers in any government segment (State, DOT, City, County, Utility, etc.) or education segment (Higher Education and K-12) where the customer has a need to more effectively manage the parts, supplies and materials it takes to maintain their fleet vehicles.

Today, NAPA IBS operates over 350 on-site locations for multiple government and private fleet and warehousing operations in the US and over 20 sites in Canada.

Each IBS contract is unique because each fleet we service has different hours of operation, different vehicles, varying ages of vehicles, and unique staffing situations…no two fleets are the same. **Each IBS location is customized for the government/education customers business.** We start with a blank sheet of paper and build the store entirely around them (people, vendors, services, hours, space, and inventory).

NAPA IBS manages **any product our customers need us to handle** (NAPA and Non-NAPA Automotive/Truck/GSE Parts, OE parts, office supplies, safety material, tires, bulk fluids, and more).

How does NAPA IBS help our government/education customers? NAPA IBS works with the customer to build a customized on-site (or in some cases off-site) store that has dedicated NAPA IBS staff who are dedicated 100% to the specific contract customer. When we come to project scope agreement and contract agreement with our customers, NAPA IBS installs a full-scale dedicated on-site parts, supplies and warehouse materials system at the fleet operation that services that particular customer around the business hours of that customer.

Here are the immediate benefits to our contract customers of having an on-site NAPA IBS location service:

- **Inventory Reduction** – NAPA IBS owns the parts supply and inventory. In many cases, we buy the existing non-obsolete parts the customer stocked prior to IBS – relieving them of the inventory investment. Then we add additional inventory on NAPA's investment to support the fleet and improve fill rates. NAPA IBS stores **sell our contract customers parts and supplies as they need them – on-demand**… dramatically reducing the expensive world of owning and managing inventory. The customer only pays for the part when they use it.
- **Staffing** – NAPA IBS provides the staff to run the parts operation during the hours the customer needs us. This staff is 100% dedicated to their contract customer and will also be available to cover the parts operation after hours and in emergency situations (if requested by customer).
- **Transaction Cost Reduction** – NAPA IBS works with fleet departments and procurement departments to reduce the number of transactions by reducing paperwork and reducing the vast number of vendors usually servicing a fleet. We source from all vendors NAPA and non-NAPA and provide our customers with **one bill at the end of the month**. By consolidating the monthly parts bill into one statement, our customers experience a big transactional cost savings reduction by paying one bill versus hundreds.
    - NAPA IBS also works to reduce transactional time and cost by integrating our exclusive TAMS (Total Automotive Management System) point of sale system with existing fleet and warehousing software systems. By integrating with a fleets existing software platform, we help them leverage a major investment they have made in their fleet software and fully utilize the billing, reconciliation, work orders, and reporting available in their software. **Most importantly, it ensures that all parts and supplies used in the shop get billed to a proper work order – allowing our customers the auditability of what they do in their fleet operations.** NAPA seamlessly integrates with dozens of the most popular systems on the market (including Assetworks –Fleet Focus, FA, M4 and M5, Faster, Mitchell One, RO Writer, RTA, Dossier, Chevin).

- **Shop Productivity Improvement** -- NAPA IBS on-site store handles the day-to-day productivity killers (parts management, paperwork, cores, defects, warranties, new part returns). A very important part of our service is

providing regular reporting of on-demand fill rates. Between inventory management, customized min-max services and our nationwide vendor network, NAPA IBS builds a transparent, auditable inventory plan with our customers that builds in specific KPI's and benchmarks for on-time parts delivery to the technicians. Our goal with this is to eliminate the expensive downtime in a shop spent waiting for parts delivery in the traditional parts procurement system. Our goal is to help the government/educational customer by keeping technicians turning wrenches through having the proper inventory on hand and taking the ball on parts pickup and service to ensure the shop gets their parts on time – by dealing with hundreds of vendors.

In summary, IBS is customizable inventory solution that can be built around one shop, multiple shops and broad geographies.

12) Provide a general narrative description of your pricing model identifying how the model works (line item and/or published catalog percentage discount).

The NAPA IBS program is a turnkey, full-service inventory and parts supply program for fleet and warehouse operations. Services we provide will be outlined in our response to question #24 of Form P.

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 **(Exhibit G)** 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.

Pricing Model – Industry Standard – With over 350 current contract sites in the US and over 20 in Canada – NAPA IBS proposes the industry standard pricing model for the purposes of responding to this RFP. In our 20+ years of providing this service to government, educational and non-profit customers – as outlined in this RFP – our customers have asked for and have come to expect a pricing model that consists of two distinct parts:

1. IBS PARTS PRICE: The price of all parts and supplies purchased by the NJPA customer factored at an acquisition price divided by a margin factor to arrive at customer parts price.
2. IBS OPERATIONS COST: The monthly operating expenses charged to customer – based on agreed upon service and staffing agreements.

IBS Parts Price Narrative:

Today, NAPA IBS manages over one million parts skus from over 1,300 unique manufacturers and distributors for fleet operations nationwide. This does not count the NAPA branded 445,000+ skus we also can manage in an operation. As a result, the industry standard for managing and selling such a wide range of vendors and skus has made it important for our customers in this space to work on an actual acquisition parts cost vs. a list price less contract.

Most of our government IBS customers wish to have our parts pricing and contract margin clearly defined – along with a separate operating cost for our IBS services broken down separately to distinguish the true cost of operating an on-site location. The pricing models listed in this RFP are the same models used in virtually every government and educational IBS location we have today – as well as the model that has been presented in several RFPs of this nature in fleets where we are not the contract holder. For this reason, we are presenting our pricing model solution as within the industry standard for these types of services.

In both models we present, we will define the "acquisition cost" on parts as this:

NAPA Branded Parts – Acquisition price will be the jobber net store acquisition cost for NAPA parts (on 10% margin model) and 9071 profile price (on Pricing Profile model)
Non-NAPA/Sourced Parts – Acquisition price will be the net invoice price for NAPA IBS to acquire the part from the non-NAPA source.

IBS Operations Cost Narrative:

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 needs of the fleet – different staffing, different hours, and different 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. Operating expenses are billed to the IBS customer at true cost with no markup and a sample of expected, agreed expenses are added to the final contract for approval from all parties before proceeding.

Sample monthly operating expense details are listed in Exhibit F of NAPA IBS's RFP response.

Summary Narrative:

Our contract proposal gives NJPA members the most flexibility to select from two pricing options for our services within our contract to account for parts billing and operational costs – giving them easy audit capabilities on the price or parts and full accounting on all operating expenses for their project to gain a clear picture of total cost of services. Our two options are:

Option 1: 10% gross margin model
Option 2: NJPA Pricing profile model

The specifics of these two options will be outlined in our response to Form P - Question #14 below.

13) Please quantify the discount range presented in this response pricing as a percentage discount from MSRP/published list.

NAPA IBS is a vendor managed service for fleet related parts and services. In many cases we handle hundreds of vendors across broad scopes of products. As a result, the traditional methodology of calculating an "off-list/off-MSRP" methodology for the vast array of product supplied is not applicable. The products we sell are a function of our service. The products we sell under an IBS program are based on a cost factor – not on a total margin factor. Due to the wide array of products supplied in a vendor managed inventory, our customers have traditionally preferred to have us provide products at a negotiated cost plus factor (unless asked to provide an alternative model like our pricing profile model listed in the previous question). Because many vendors today do not maintain a true suggested MSRP or List price, the "off-list" discount numbers can vary wildly across multiple vendors – so the ability to have a true apples-to-apples comparison on list less discounts becomes clouded. As a result, a vast majority of our 350 contracts are based on an acquisition cost factored margin methodology to determine selling price to the customer. Our government customers overwhelmingly prefer the transparent cost nature of our IBS pricing model, as they have auditable invoices from our suppliers to measure the true cost factor on our margin/markup.

Many parts vendors do not provide a true MSRP or list price. That is the main reason the industry standard for parts pricing in this model is using the factored margin approach – NJPA contract members will purchase parts at the store acquisition cost (less any rebates and discounts that are passed to the customer via the acquisition price) divided by the factored margin agreed to in our contract. That allows the customer to see the invoice cost of the part and to easily factor the contract margin based on the contract to audit pricing. For vendors that do provide MSRP or List Pricing - we can estimate a wide range of discounts off list price from 10% off list to 75%.

On the NAPA branded product we sell in our agreements – since we are the sole distributor of NAPA branded products – we may have an average of 20%-50% off list price on NAPA branded products – depending on the pricing model our customers select.

14) Provide an overall proposed statement of method of pricing for individual line items, percentage discount off published product/equipment catalogs and/or category pricing percentage discount with regard to all equipment/products and related services and being proposed. Provide a SKU number for each item being proposed.

NJPA Customer Option 1: 10% Gross Margin Model

Parts Costs

NAPA Branded Parts - Supplied to customer at NAPA JOBBER NET Store Acquisition Cost divided by a factor of .90 = Customer purchase price of NAPA branded part. This is a not-to exceed pricing structure.

Sourced (non-NAPA Branded) Parts - Supplied to customer at IBS store acquisition cost from vendor divided by a factor of .90 = Customer purchase price of Sourced part. This is a not-to exceed pricing structure. Examples of these types of Sourced Parts vendors are outlined in Question #15 – Form P – below. **This price structure is outlined in our RFP proposal Exhibit H – electronically.**

This will be the cost factor for every sku sold from every vendor in this pricing model.

Operating Costs

The operating expenses of the store are billed on a separate bill to the customer in their entirety at cost. Industry standard for vendor managed inventory services has been for the vendor to supply a monthly, detailed operating statement to show all operating expenses and billing categories for expenses to run these operations per contract. In most cases customers prefer this model to bill operating expenses separate from the price of the part.

Example: If NAPA IBS and fleet agree that the IBS will stock and source a Ford OE brake part. The part is sourced by NAPA IBS and sold to the contract customer under our agreement at NAPA IBS acquisition cost from local Ford dealer divided by .90 to equal the selling price of the part. i.e. – Ford brake parts net acquisition cost is $47.00 divided by .90 = IBS selling price to customer of $52.22. This formula for gross margin is the same for NAPA branded product and non-Source/non-NAPA product. This will be the not to exceed price factor for each sku we provide in our agreement.

Under the term of this agreement with a customer, we would provide the customer a monthly parts detail with the parts acquisition cost and gross margin detail – as well as an audited operating statement. All parts from NAPA and non-NAPA Sourced vendors are put on to one consolidated billing statement. NAPA provides a separate bill for the operating expenses in this model.

A sample estimated operating statement showing the price model for the 10% gross margin model and sample operating expenses is included in Exhibit F of this document as well as documented in the pricing section of the sample contract listed in Exhibit G of our response.

NJPA Customer Option 2: NJPA Pricing Profile Model

We have some government/education fleet customers -- usually ones that service and bill multiple internal customers -- who ask us for an alternative model where our IBS operating expenses are built into the parts margins – so they may bill the proportionate operating expenses within the price of the part when they bill their internal agencies. For that reason, we have created a second pricing option for NJPA contract holders wishing to go to IBS contract.

This model builds an extra gross margin on parts for the NJPA customer from the NAPA store. In this model the operating costs are paid entirely by NAPA. The NAPA store still receives a contract 10% net margin so amounts will be refunded or charged based on failure to achieve an overall 10% net margin 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. The NAPA Branded Parts Pricing in this model is billed to customer on the identical 9071 pricing profile used

in our NAPA Auto Parts Awarded Traditional NJPA contract **#031212.** **This price structure is outlined in our RFP proposal Exhibit H– electronically.**

Parts Costs

NAPA Branded Parts -- Supplied to customer at the NAPA Parts Contract Pricing profile schedule 9071. This is a not-to exceed pricing structure.

Sourced (non-NAPA Branded) Parts -- Supplied to customer will be sold at IBS store acquisition cost from vendor divided by a factor of .75 = Customer purchase price of sourced/Non-NAPA branded part. This is meant to yield a 25% margin on parts. This is a not-to-exceed pricing structure. Examples of these types of Sourced Parts vendors are outlined in Question #15 – Form P – below.

This will be the cost factor for every sku sold from every vendor in this pricing model.

Operating Costs

In this option, the operating expenses are not billed to the customer. The additional gross margin from all parts sales for the month are intended to cover most of the monthly operating expenses in this model. At the end of each month, the customer will be refunded or charged based on failure to achieve an overall 10% net margin for NAPA IBS for that month. We show a sample operating statement for this model in Exhibit G of our proposal.

Example: In this model, the IBS customer will be billed 9071 pricing (not to exceed) on all NAPA branded product and billed a cost factor of acquisition cost divided by .75 on all non-NAPA/Sourced parts (not to exceed price). The intent of these two profiles will be to produce a higher margin than pricing model 1. For the purposes of our example in Exhibit G – we used a blended gross margin of 25% on parts. The customer would pay the total price of parts in this model and the expenses would not be billed to the customer. One important note – if the gross margin in this model does not exceed the expenses to ensure NAPA of a 10% net margin per contract, the customer may be billed the difference.

15) Propose a strategy, process, and specific method of facilitating "Sourced Equipment/Products and/or related Services" (AKA, "Open Market" items or "Non-Standard Options").

We have a clear-cut strategy for how potential NJPA customers will approach our proposed services in this offering space. Traditionally, customers will contact NJPA and NAPA IBS asking for one of two things when it comes to parts supply for their fleet or warehousing operations. The parts supply scope covered in NAPA Auto Parts NJPA contract **#031212** which was awarded to NAPA Auto Parts in 2013 addresses traditional parts supply. In that model, NAPA retail stores across the country supply and deliver NAPA branded parts to NJPA customers.

The NAPA IBS model we propose in this solicitation is a completely different model. In IBS we propose an alternative method from traditional government procurement. Our model is a services related contract model that deals across multiple vendors offering an inventory management model that allows governments to use an NJPA contract to build a transformational model of parts supply and inventory management. Our model is facilitated by working directly with municipal and educational NJPA contract members to build a financially sound case for outsourcing their parts facility and supply chain to NAPA IBS. We have a vast marketplace of government and education fleets that we work with every year on major transformational operating strategies through IBS. The basic premises outlined in Form A of this response delineates the different aspects these fleet operators look at when determining our services. Some of the added value services we provide in our IBS services could be considered "Non-Standard Options", and the basic services we provide could be considered "Open Market" services. We facilitate each customer based on their specific needs and provide them a menu of operational, vendor and service options to fit exactly what they need for their shops.

What specifically sets us apart from other vendors in the vendor managed inventory marketplace is the depth of experience and broad range of vendors available under our program. NAPA IBS has an incredible network of non-Source/Non-NAPA vendors that cannot be matched. This depth of experience dealing with vast amounts of local

businesses, diverse businesses, regional businesses, and national brand name vendors for parts and supplies -- give our NAPA IBS customers a unique opportunity to have sources available to them for parts.
We work in hundreds of government and educational fleet operations and many private fleet operations. That gives us a unique breadth of sources for parts – a very important aspect considering the broad range of fleet vehicles and operations across the NJPA verticals: light-medium-heavy duty, OE trucks, fire apparatus, ambulances, construction equipment, lawn maintenance equipment, semi-trucks, police cruisers, cement mixers, road maintenance vehicles, snow plows, garbage trucks, school buses, transport buses, airport maintenance, fueling….we have worked with most major brands of fleet vehicles and equipment. NAPA IBS sources millions of dollars each year from suppliers like:

IBS Non-Source/Non-NAPA Sample Vendor List	
Tires - Multiple Brands: incl. Goodyear, Bridgestone, Michelin, etc..	Motion Industries
Ford Motor Parts	Kenworth Trucks
International - Navistar - IC Bus - Monaco - Workhorse	Thomas Built Bus
General Motors F	BMW
Caterpillar	Terex - Amida Brand
Freightliner	Toyota
Cummins	John Deere - Green
McNeilus	Mercedes Benz
John Deere - Yellow	Nissan
Altec Industries	Volvo
Chrysler Family of Vehicles	Federal Signal
Whelen Lights	Jasper Engines & Transmissions
Grainger	Isuzu
E-One Fire Trucks	Continental Battery
Tug Technologies	Bobcat
Labrie Environmental Group - Leach / Wittke / Juggler	Blue Bird Corporation
Peterbilt	New Flyer
Toro	Hall Industries
Heil Environmental	Komatsu
Elgin Sweeper Co	Prevost / Nova
Case Equipment - New Holland - International Harvester	Wirtgen - Vogele / Hamm / Kleemann Equipment
Mack	Imperial Supply
Four Seasons Radiator	Honda - Acura
Pierce Manufacturing - Fire Trucks	Hydraulic Solutions
AC Delco	Vactor Equipment
Hale Products	Detroit Diesel / Allison Transmission
Heil Heating & Cooling	Terex - Amida Brand

We leverage local, regional and national buying sources – and have a national database of pricing – to compare prices and ensure our customers get fair prices in their operations. Our customers see the actual invoice price when we source parts from these type of non-NAPA Sourced parts vendors and the customer can easily see the margin factor we apply to these parts to show part price per the contract.

16) Describe your NJPA customer volume rebate programs, as applicable.

Based on our cost-based model, we do not provide rebates as part of a volume program with our IBS customers. Parts are sold at cost plus and any negotiated vendor rebates or discounts from ANY vendor in our operation are immediately accounted for in the raw acquisition cost of the part or supply for the customer. The true cost savings for the customer is encumbered in the total solution of NAPA IBS – cost savings come from buying parts and supplies at the "after rebate" price net acquisition cost on parts, inventory reduction and/or acquisition, transaction cost reductions, and shop productivity.

17) Identify any Total Cost of Acquisition (as defined herein) cost(s) which is NOT included "Pricing" submitted with your proposal response. Identify to whom these charges are payable to and their relationship to Proposer.

Our total cost of acquisition has been defined in our pricing response in line items 12-14. There are no hidden costs of acquisition in our IBS model. Parts costs are transparent to the customer and gross margin is added as a factor on our pricing schedule. On the operating expense pricing, NAPA IBS provides an audited operating statement to every NJPA IBS contract customer on a monthly basis – complete with backup for the expenses listed. The total cost of acquisition is the sum of the parts purchased by the NJPA contract customer at acquisition cost + contract gross margin + total agreed operating expenses. The only other additions to total cost may be special request projects – like IT projects, mobilization costs or overtime charges that come up as part of our agreement. Those expenses are verified and agreed to by a customer before we begin our services.

18) If freight, delivery or shipping is an additional cost to the NJPA member, describe in detail the complete shipping and delivery program.

Our IBS store services include inventory management and parts supply. NAPA branded parts are primarily supplied from our closest NAPA Distribution Center (at no freight charge to the customer). Our NAPA Distribution Centers are available for parts supply 7 days per week for our On-site NAPA IBS stores. Nightly freight deliveries to IBS locations are available on Monday-Friday with special pickups and deliveries on weekend. We also handle a huge array of local, regional and national non-NAPA vendors. Our goal is to have a vast majority of stock on hand to avoid freight charges. We work with all vendors to deliver parts at FOB destination cost. As part of our IBS services, the only freight or shipping costs come in the form of special order parts and supplies as requested by the customer. For example, if we have a specific application part that is an emergency and the only supply for that particular part is from a vendor in another state, we provide the customer with a freight approval form and will only ship upon approval from authorized NJPA IBS customer approver. Freight and shipping on special order items is billed to customer on the itemized operating statement on a monthly basis and is billed at cost with no markup. In addition, freight for these special order items is included on our invoice along with the part for auditing and tracking.

19) As an important part of the evaluation of your offer, indicate the level of pricing you are offering.
Prices offered in this proposal are:

_____ a) Pricing is the same as typically offered to an individual municipality, Higher Ed or school district.
__XX__ b. Pricing is the same as typically offered to GPOs, cooperative procurement organizations or state purchasing departments.
_____ c) Better than typically offered to GPOs, cooperative procurement organizations or state purchasing Departments.
_____ d. Other; please describe.

Explanation: The hallmark of our NAPA IBS program is pricing and service cost transparency. That's why our pricing model presented here is the same as we present to government agencies in the US and Canada. Parts supply vendor managed inventory contracts are unique in that a customer gets handed a detailed operating statement from a vendor and is provided auditable backup on all expenses and product costs on a monthly basis. For this reason, our IBS program presented to NJPA for consideration for this RFP is the same premise and conditions that we expect in every government offering or procurement event focused specifically on our IBS services. What varies in each contract is the services, staffing, overhead, and products as requested as part of the services we provide. In one IBS operation, the customer may request 7 people to staff their operation 24/7. In another operation, with similar needs, we may have 5 people. The expense bill back for these two operations will be a different cost to each customer because their needs are different. Both will work on the same pricing platform agreed to in the contract for parts and supplies, but the operations expense charge or "price of operation" will differ because they require different resources.

It is important to clarify and note that the services we are proposing for this RFP are a services-based, non-traditional procurement. Typically a procurement organization puts a bid out for parts, and vendors negotiate an acceptable margin to pay rebates, service the customer, and make a profit for their business. NAPA IBS is an atypical procurement in that the cost of the parts is not the "price" of the parts. Because of the service aspect of charging IBS customers for IBS services, we can say that traditionally parts prices can be lower, the same, or higher, depending on the mix of product we sell. It would not be accurate to say that prices across the board will be better – mainly because we do not know that until we get involved in an engagement and understand who is supplying parts and supplies.

In many cases we have been able to reduce the parts "price" for a customer through NAPA branded vendors and some non-NAPA vendors as well. We stand shoulder to shoulder with procurement and fleet to provide the agreed products they want for their fleet. We have had examples where fleet and procurement have been buying an aftermarket product from a vendor – only to find the quality of the parts to be poor. We jointly make the decision to purchase the higher priced OE part for a customer. In that case, our parts "price" was not lower, but the reduction of downtime, gain of tech productivity time, and overall "cost" has been reduced by the services we provide.

On a broad scope in our IBS services, we have been able to produce significant "cost" reductions for customers – which many times includes price reduction on the raw acquisition of the parts "price".

20) Do you offer quantity or volume discounts?

_____ YES __X__ **NO** Outline guidelines and program.

No. See response to question #16 on Form P above.

21) Describe in detail your proposed exchange and return program(s) and policy(s).

One of the hallmark services we will provide NJPA IBS contract customers is our incredible returns and exchange program managed by our on-site point of sale TAMS system. As part of a 6,000 site retailer, our IBS sites get to use the same technology NAPA uses to manage its 6,000 retail stores which manage millions of dollars in returned/exchanged merchandise every year. TAMS processes three type of returns: **New part returns, core returns, and warranty returns**. NAPA IBS will issue returns immediately upon physically receiving the returned goods parts and a return request from technicians or appropriate customer personnel. If any warranty fails to meet manufacturer warranty terms and NAPA IBS does receive credit, we will work with the customer to reissue the cost of the return to the appropriate asset. NAPA will maintain comprehensive warranty information and terms within the customer's fleet system as well, if requested.

As for core returns, NAPA IBS will either bill customers for cores or track the return of all cores – or – if the customer requests – we may set up a core bank which will be reconciled on a regular basis. When NAPA IBS issues out a part with a core value, the core value will automatically be billed to the separate core account. The core value remains on this account as pending awaiting return from the customer. NAPA will issue credit upon receiving the appropriate rebuild-able core. If the customer is unable to return a rebuild-able core within a timely manner, NAPA will issue the customer for the core value on the primary billing account.

To effectively track all core, warranty and new return parts - NAPA IBS will be able to provide the customer daily and on demand a list of open and pending cores to be returned to NAPA. New part returns and warranty returns are processed immediately and the customer is issued instant credit – no matter the vendor. All returns are measured exclusively in our TAMS Report RPT130 – Special Invoice Report and are reconciled daily by our on-site NAPA IBS manager and team.

22) Specifically identify those shipping and delivery and exchange and returns programs as they relate to Alaska and Hawaii and any related off shore delivery of contracted products/ equipment and related services.

Since we have brick and mortar store and warehouse operations in Alaska and Hawaii, they will have the exact same benefits as the other 48 states. Since they are part of the Genuine Parts Company family and NAPA network, NAPA branded products are delivered at the same cost as the mainland US. Freight and shipping for special order parts and parts not available through local and regional vendors would be vetted the same as in the 48 mainland states. Freight charges would be on an approval basis from the customer on special order and national vendors. NAPA also has export distribution centers on the West Coast (Sacramento) and East Coast (Miami) that already have international channels of distribution in place that can expand the services proposed in this agreement to the Caribbean, South America, and the South Pacific (including Guam).

23) Please describe any self-audit process/program you plan to employ to verify compliance with your anticipated contract with NJPA. Please be as specific as possible.

Self-audit process/program. NAPA IBS manages a similar process with audits on all 350+ IBS contracts nationally.

Corporate auditing and governance: First and foremost – as a publicly traded company, Genuine Parts Company is governed by Sarbanes-Oxley corporate governance and auditors as part of our public responsibility. Our business units in all company operations -- including IBS -- are audited on a regular basis.

IBS Corporate Auditing: Genuine Parts Company supplies each of our IBS locations with 3rd party inventory auditing through 3rd party contract inventory teams – per Sarbanes Oxley regulations. Each NJPA/NAPA IBS customer agreement will include monthly monitored electronic tracking of all customer purchases handled through our NAPA Headquarters in Atlanta, GA. The contracts will be subject to a quarterly compliance business review with involvement from the contract owner (GPC or independent dealer) and the customer and will be signed off and logged at NAPA Headquarters for compliance.

Parts Pricing and Operations Statements Compliance: Our HQ's IBS operations department -- listed in Form A of this response -- produces and reviews month end contract compliance reporting to insure each customers prices match their specific agreements with any deviation reported to the operations for corrections. This team will perform quarterly pricing reviews along with our local operations to ensure our customers receive contract pricing per our agreed NJPA contract. Our TAMS on-site point of sale system will be the system of record for all transactions – and we have dozens of daily, weekly and monthly reporting available to any IBS customer for contract margin compliance. In many of our IBS sites, we are very familiar with contract compliance and audit measures, so our team is seasoned to report and audit our operations. This transparency is reflected in our IBS NJPA contract agreement attached. As a rule, in many of our IBS contracts, we provide a specific market basket of products to our customer with specific margins and costs to ensure compliance – typically on a quarterly basis. Our customers may pick the parts from parts acquired in the contract and may ask us to do an analysis on our contract price vs. the price charged. For example, the City of Chicago -- on a quarterly basis -- currently randomly selects 100 skus from the market basket of parts supplied through our contract and asks us to produce acquisition cost proof in the form of a statement from the vendor we purchased the product. We then produce TAMS reports and billing showing specific markup in the billed parts vs. the contract price to ensure compliance. The audit needs of our NJPA contract customers may differ – so we write the information requirements specifically in our contract language. NAPA IBS lives in a transparent government and education fleet environment every day and takes price compliance very seriously.

One additional note: All IBS customer purchases are stored and protected in our GPC secured network daily. Purchases are held in two separate secure corporate servers/data warehouses and preserved for the term of the contract – for internal and external audit purposes.

NJPA Marketing Requirements: In regards to marketing and advertising requirements our VP of IBS will assign the designated IBS Marketing Coordinator to insure the IBS website has the most current NJPA marketing materials posted and maintained monthly.

Reporting Compliance: Our IBS Operations Department will be notified of all new members and will insure that the locations' purchases are properly tracked to insure accurate quarterly reporting to the designated NJPA representative. Under our current contract, we have customized reporting on our NJPA contract for the co-op. We can deliver sku level data and overall program progress to NJPA on quarterly basis.

Industry-Specific Items

24) Describe your on-site inventory management solution, if applicable.

Integrated Business Solutions or IBS - Overview of Turn-Key Services Provided: The primary function of NAPA IBS services is to provide an on-site, turnkey replacement parts, supply warehouse/store within the walls of the

customers we serve. NAPA IBS has the responsibility to staff, stock and manage the warehouse/stockroom parts inventory for the NJPA contract fleet customer.

Pre-contract Phase

Project Analysis: Prior to initiating contracts with NJPA members for our services, our initial service is to perform a project/financial analysis for the customer to determine the viability of the project. This analysis includes – but is not limited to: current parts pricing analysis, current hours of operations, staffing, technician service rates, inventory, historical fill rates and service levels, transactional costs, shop productivity, down vehicle history, fleet makeup, return part processes, and operational costs to maintain parts room, parts supply or warehousing for fleet or maintenance operation.

This co-operative analysis effort with the NJPA member will determine:

- Expected staffing and operational costs associated with managing the turnkey operation
- Projected initial parts vendors to be used in the operation
- Targeted key performance areas to be addressed in the agreement
- Project plan and timeframe of project launch

Once the NJPA member agrees to move forward, we move to the contract phase. *The last step in the pre-contract phase is to contact N JPA and get written documentation of the NJPA member status with our NJPA contract manager.*

Contract Phase

- NAPA IBS and NJPA member come to terms on specifics in the turnkey vendor managed IBS solution using the contract documents template proposed in the NAPA IBS response in this RFP –**Exhibit G.**
- Once a contract has been agreed to by both parties and NJPA member status has been verified, GPC legal will work with the customer to properly execute the contract.
- Once the contract is signed, NAPA IBS begins the project launch phase.

Project Mobilization/Launch Phase

NAPA IBS will next execute a well-organized project plan that includes:

- **Staffing Selection:** NAPA IBS staffs the personnel and management to operate each customer on-site parts warehousing location. We suggest the customer interview and approve on-site staff candidates and welcome their input and approval of our staff. The number of people and/or scheduling will be mutually agreed upon between the parties and accounted for every month with an audited operating statement. The following staff members will be mutually agreed upon by the NJPA contract customer and NAPA IBS: On-site staff may include:
    - Project managers
    - Site managers
    - Parts sourcing clerks
    - Inventory clerks
    - Paperwork clerks
    - Delivery drivers to source local pickup parts
- **Point of Sales/IT Implementation**: NAPA IBS installs our TAMS point of sale system of record within the proposed on-site location and connects all appropriate wide area network connections and software integrations. ***NAPA IBS Exclusive:*** Total Automotive Management System (TAMS) inventory management and point of sale billing computer system 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 and much more. In addition, this system is a great benefit for the customer as it allows access to the area's largest inventory of automotive and heavy-duty replacement parts, paint, supplies and equipment. This access provides real-time warehouse stocking levels and electronically produces daily stock orders to the customer's location from NAPA's Distribution Centers to replenish the inventory on a regular basis.
- **Physical Inventory Count:** NAPA IBS provides -- at no charge to the customer -- an inventory count team comprised of NAPA team members to execute a full physical inventory of current fleet and warehouse parts and supplies. Once the full physical inventory is complete, our team provides bar coding, location loading, and

data loading of all applicable product into NAPA point of sale inventory system. NAPA IBS will work with customers to determine if there is an amount of working inventory that is in good, sellable condition and with a recent (24 month or less) significant purchase history. NAPA IBS reserves the right to inspect inventory and make a determination on the amount of inventory we may purchase up front on behalf of the NJPA member for use in their operation. Upon completion of physical inventory, NAPA and the customer will agree on the proper min/max levels for all products needed to meet fleet demands and contractual fill rates.

- **Vendor Orientation and Selection:** NAPA IBS takes the lead – with the assistance of the customer's purchasing and fleet departments – to select a list of key vendors to meet with regarding pricing and supply terms for the project. This will consist of current fleet vendors and new fleet vendors.

  Evaluation of Non-NAPA Vendors. With the current number of government customers utilizing the IBS program from NAPA IBS, we take our job very seriously on evaluating the vendors we use to serve our IBS contracts. As a result, we have strict criteria for any parts or supplies vendors who supply parts through our IBS services, including:

  - Shipping performance and turnaround time from vendor to our customer site
  - Order fill rate on special orders and stock replenishment orders – over 90% fill
  - Warranty, core and returns procedures
  - Product Quality -- understand the unique aspects of IBS as it relates to specifications and quality control within our customers fleets
  - Electronic Ordering Capabilities
  - Sales/Inventory Support – adaptable to changes or special requirements
  - Pricing Support – pricing shall be competitive with the industry standard
  - General Services
  - Offering of Clinics or Technical Information
  - Effective Cataloging
  - Communication/Responsiveness

  Local Business Enterprise. Every year our IBS sites spend millions of dollars with local, small and diverse business entities to support the contract customers we serve. NAPA IBS agrees to work with the customer to meet and exceed small business and diverse business spend goals. In addition, our IBS services include documentation and reporting of all small business and diverse business spends – as the customer requires.

- **Operational Work Flow Plan:** NAPA IBS will meet with all appropriate customer management to insure seamless transition in billing, service and support. This includes training all support staff on IT, billing, invoicing product, and service expectations. We will also take this time to ensure our new on-site employees will meet the safety and security standards within the customer's place of business.

Store Go-Live

Our launch date arrives, the staff is in place, inventory has been signed off by both parties, and vendors are in place. NAPA IBS's turn-key solution is fully operational and we are ready to execute the terms of our agreement.

NAPA IBS is now under contract to supply parts, supplies and services as put forth in our agreement.

Our day-to-day duties include:

Inventory controls and management: IBS agrees to be wholly responsible for the on-site inventory at the customer's shops provided that the stock area is totally secured and NAPA is the only authorized party for access. ***NAPA IBS takes the burden of inventory cost*** by owning all parts and supplies inventory within the secured on-site parts room for the customer. NAPA IBS takes ownership of inventory replenishment, inventory costs, and continuous management. When we own the inventory, the customer only pays for parts as they use them instead of incurring inventory holding costs, obsolescence and loss.

Our on-site staff is required to maintain and manage min/max and service levels to meet the service requirements of our contract. That includes daily stock orders, special order parts, vendor negotiations and managing new part/core and warranty returns for customers. NAPA IBS will bar code parts we manage to ensure accuracy and will manage inventory records within a customer's fleet management system – if requested.

NAPA IBS may also offer the ability to work on ***off-site inventory management solutions*** with customers that have small, satellite shops that may not require staffing to manage their parts needs.

Parts and Supplies Sourcing – Non-Source (Non-NAPA) and NAPA Branded: NAPA IBS delivers a best-in-class solution to leverage our 350+ on-site operations and network of 62+ NAPA Distribution Centers and 6,000 NAPA stores by giving our on-site stores the ability to check inventory levels and order from any NAPA Distribution Centers in the entire United States with approximately $1 billion in inventory availability. **In addition, our IBS sites have access** to the largest OE, proprietary, and aftermarket parts supply database in the industry (sourced parts/non-NAPA product) with over 1,300 non-NAPA manufacturers and distributors. This gives our customers broad geographic comparisons on parts supply resources in all 50 states and Canada.

NAPA IBS agrees to provide stock and non-stock O.E. equipment parts, supplies, and equipment or NAPA aftermarket items of equal or higher quality (unless directed differently by customer) including but not limited to the following:

- Automotive Replacement Parts – OE and aftermarket
- Light, Medium and Heavy Duty Parts – OE and aftermarket
- Bulk Oil and other Lubricants/Chemicals – including management of SDS sheets
- Tools and Equipment – including management of tool cribs for customers
- Automotive Accessories
- Paint and Refinishing Supplies
- Tires – multiple vendors across our 350+ store network
- MRO, safety and necessary operations supplies
- Necessary equipment for lube equipment for dispensing oils and greases or hydraulic hose making equipment

Parts Availability and Quality: If a situation arises where NAPA IBS cannot locate a given part, the customer will be notified. If NAPA IBS cannot provide the item within the time frame required, our customers are allowed to procure this item from another source. NAPA agrees to provide stock and non-stock O.E. equipment parts, supplies and equipment or NAPA aftermarket items in equal or higher quality to OE or to customer specs. NAPA agrees to allow customers to inspect the quality of materials, supplies and equipment proposed to be furnished and allow the customer to reserve the right to reject any item(s) that do not meet O.E. or fleet specifications.

Billing, Invoicing and Reporting day-to-day parts inventory, operations and parts activity:

- NAPA IBS has the responsibility to properly invoice all parts at the time of sale and **ensure all parts are billed to the proper work order** in the customer's system. We will also enter any information into the customer's fleet, billing or inventory database system at the time of sale as required by customer, including complete repair order information -- as required by customer.
- **NAPA IBS provides all daily and monthly reports** generated by TAMS computer upon request of the customer including key performance metrics of the customer contract.
- At the end of each month we provide the customer with a **detailed statement** showing all invoice numbers, sku level data, and amounts purchased – ensuring contract pricing transparency and detailed operating statement transparency. NAPA IBS will produce a separate detailed billing statement for the monthly operating expenses of the operation.

The level of staffing and operating expenses vary based on the size and scope of customers. A mutually agreed staffing plan is included in every NJPA contract. **Our sample staffing plan and sample operational expense recap for our IBS pricing models are included in Exhibit F of this response**

25) If you are proposing an on-site inventory management solution, can you customize it based on NJPA member requests? If so, please provide an example(s) of when and how you have done this.

A trademark of our NAPA IBS program is the customizability of our services around the needs of our customers. Our solution can customize the program for fleets of any size. Typical requests for customization usually revolve around inventory, staffing, and/or operations support.

We have hundreds of examples where government fleet customers have worked with NAPA IBS to build a specific custom solution for their fleet operations. Some important solutions are outlined below:

State of Georgia – Independent Involvement to support NJPA State Contract

The State of Georgia broke new ground by adopting the NJPA contract for parts and supplies and related services in 2010. As part of that project, the State asked us to reach out to local small business NAPA independent owners in Georgia and coordinate an effort to solicit IBS services as part of the State of Georgia NJPA contract. Our local IBS sales resources and NAPA IBS Headquarters resources worked with State of Georgia resources to find specific opportunities within the State. The result of our NJPA IBS campaign was the addition of several new K-12 IBS contracts on the existing State of Georgia contract that includes: Newton County Schools, Muscogee County Schools, and Richmond County Schools – all IBS sites managed by small business, Georgia-based ownerships. This was a win-win-win for all parties involved.

The State of Georgia was able to help local County K-12 organizations through the cooperative NJPA contract and brought significant business to the small business Georgia-based NAPA owners in Georgia. The K-12 organizations gained big savings by getting out of the inventory business and showed huge productivity gains by having NAPA IBS operate their parts operations. The small business NAPA owners gained new business and were able to support the State of Georgia in their efforts to gain contract adoption through our IBS contracts. This was a great example of how co-operative purchasing should work.

Dallas County Schools – Staffing

In 2014, NAPA IBS worked with another educational opportunity in Texas. The customer understood the many benefits of IBS – inventory, productivity, procurement leverage, and transactional savings. They operate 11 school bus garages across a large metropolitan area. They had several key current employees who would fit our new IBS model. Our customer solution for Dallas County Schools included Genuine Parts Company hiring several of their current parts staff to our company, giving them the training and tools provided in our IBS program – including them in the solution. This was a win-win for Dallas County Schools and NAPA IBS: The Schools were able to restructure their staffing to better serve the public while the staff were given an enhanced role in management of our GPC IBS operations and the schools got the financial benefits of IBS.

City of Chicago – Inventory Management Process

When NAPA IBS entered into our IBS agreement with the City of Chicago Fleet operations in 2000, their primary need was a growing obsolete and excessive parts inventory of over $20 million dollars. NAPA developed a customized plan to work with existing vendors and new vendors with one main goal: Help the City out of a $20 million dollar inventory liability while leveraging the power of our NAPA IBS services. As NAPA IBS added important inventory on our books to service the fleet, we worked with other vendors to reduce the City-owned parts and supplies inventory organization-wide. The results of this customized inventory effort:

- City of Chicago-owned inventory was reduced from $20,000,000 to $3,000,000 within the first 3 years of the contract.
- The current City owned inventory is valued under $500,000. Most of the City owned inventory is made up of internally fabricated and rebuilt parts, used and recapped tires, and warranty compensated parts.
- The balance of City owned inventory (managed by NAPA) is issued at no charge until depleted.
- The City was able to eliminate the parts inventory annual investment.
- NAPA owns the majority of the City parts inventory – over $5.5 million currently.
- Annual losses due to obsolescence and shrinkage were eliminated.

26) What is your parts fill rate, if applicable?

Another trademark of our IBS program for fleet and warehouse operations is our ability to track and report regular parts fill rates on the parts and supplies we maintain for fleet operations. In fact, we believe in fill rate requirements so much that we make it a requirement in our IBS contract. This allows us to give our operations a daily report card in fill rate activity – the real measurement of our program. By tracking every transaction and being integrated into the operation, we can provide valuable information to our fleet IBS customers on the status requests for parts.

With the wide range of fleets we service, NAPA IBS has different fill rate requirements in most contracts. The IBS standard – after initial mobilization, inventory and vendor agreements, service changes and integration is to achieve 90 percent fill rates for on-demand, standard use items within a specified fill rate timeframe based on the customer. From our experience, there will always be non-standard parts requests -- some special orders, some new product sourcing, and some special build requests -- that are not able to be filled on demand. NAPA IBS sites work with customers in the first weeks of an operation to analyze current inventory and purchase history to build and invest in a model to hit the customer's productivity goals. Within the first 120 days of operation – scope and inventory needs differ – we are usually able to deliver 80% of all parts requests on demand as we work through prior fleet data, current inventory, and vendor selection in the new project. Within the first 6-12 months of operation we target 90%+ fill rate on demand.

Signature: _____ Date: 6/7/15

City of Sacramento

Tax ID # if applicable:

Requires Council Approval: ☐ No ☒ YES **Meeting:** 2/16 & 2/23/16

☐ Real Estate ☐ Other Party Signature Needed ☐ Recording Requested

General Information

Type: Nonprofessional Services **PO Type: N/A** **Not to Exceed: $35,600,000**	**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: Bid Transaction #: **N/A**	E/SBE-DBE-M/WBE:

Department Information

Department: **Public Works**

Division: **Fleet Management**

Project Mgr: **Iseña Garcia**

Contract Services: **N/A**

Division Mgr: **Mark Stevens**

Phone Number: **808-1163**

Org Number: **15003311**

Comment: **Original Contract Amount: N/A**

Review and Signature Routing

Department	Signature or Initial	Date
Project Mgr:	JA	1/15/16
Contract Services:		

City Attorney	Signature or Initial	Date
City Attorney:	[signature]	1/19/16

☐ **Send Interoffice Mail to Iseña Garcia (12500)**

☒ **Notify for Pick Up: Isena Garcia - 808-1163**

Authorization	Signature or Initial	Date
Jerry Way Director, Public Works:		
City Mgr: Yes ☐ No ☐		

Contract Cover/Routing Form: Must Accompany ALL Contracts; however, is not part of the contract. (01-01-09)
(Under $100K - Blue)

For City Clerk Processing

Finalized:
Initial:

Date:

Imaged:
Initial:

Date:

Received:
(City Clerk Stamp Here)

PROJECT #:

PROJECT NAME: On Site Fleet Parts Inventory Program

DEPARTMENT: Public Works

DIVISION: Fleet Management

CITY OF SACRAMENTO

NONPROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is made at Sacramento, California, as of_____("Effective Date"), 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	Contractor's Bid Proposal Form
Instructions to Bidders	Workers' Compensation Certificate
Local Business Enterprise (LBE) Requirements	Certificate(s) of Insurance
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. **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. In addition, for services that constitute "public works" under California Labor Code section 1720 et seq., payment of the prevailing rate of wages is required as indicated in Exhibit A, Section 4 of this Agreement. If both prevailing wage and living wage requirements apply, CONTRACTOR shall pay the higher of the two rates.

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: Jerry Way

Title: Director, Department of Public Works
For: John F. Shirey, City Manager

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
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

58-0245510
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

Tom Skov V.P.
Print Name and Title

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: 1/14/16
Signature of Authorized Representative

Print name: Tom Skor

Title: Vice President

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.

_____ Date: 1/14/16

Signature of Authorized Representative

Print name: Tom Skov

Title: Vice President

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.

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 during the period set forth in the scope of services in Attachment 1 to Exhibit A.

4. Prevailing Wage Requirement. *[To be completed by the City Representative:]*

The services provided under this Agreement constitute "public works" under California Labor Code section 1720 *et seq.* and are either ***[check one if applicable]***:

_____ Construction work in an amount exceeding $25,000; or

_____ Alteration, demolition, repair, or maintenance work in an amount exceeding $15,000.

If either line is checked above, this Agreement is subject to the provisions of Sacramento City Code section 3.60.180 which requires, among other things, that CONTRACTOR pay not less than the prevailing rate of wages, as determined by the Director of the California Department of Industrial Relations pursuant to California Labor Code section 1773. If payment of the prevailing rate of wages if required, CONTRACTOR and every lower-tier subcontractor shall submit certified payrolls and labor compliance documentation electronically when and as required by CITY. CONTRACTOR is responsible for compliance with Sacramento City Code section 3.60.180, and shall include these requirements in every subcontract or subagreement. This Agreement is subject to compliance monitoring and enforcement by the California Department of Industrial Relations, as specified in California Labor Code section 1771.4.

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 #061015-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 parts 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 environmentally 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 l Server, 1 PC workstation and a minimum of l 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 has 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

5 ***Time of Performance***

The services described herein shall be provided through July 21, 2019, or until the National Joint Powers Alliance (NJPA) cooperative purchase agreement with CONTRACTOR, number #061015-GPC, is no longer available for use.

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 $_____35,600,000_____.

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.

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 above.

D. Requests for payment shall be sent to:

City of Sacramento
Fleet Management Division
5730 24th St., Bldg 1, Sacramento, CA 95822
Phone: (916)808-6711 / E-mail: bsmall@cityofsacramento.org

Attn: Bobbie Small

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 three (3) 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 reasonable written notice.

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

✓ Furnish the following facilities or equipment for the Agreement [*list, if applicable*]:

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. CITY shall have the right to terminate this Agreement at any time by giving a written notice of termination to CONTRACTOR. If CITY gives such notice of termination, CONTRACTOR shall immediately cease rendering Services pursuant to this Agreement. If CITY terminates this Agreement:

(1) CONTRACTOR shall, not later than five days after such notice 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. Any available insurance proceeds in excess of the specified minimum limits and coverages shall be available to the CITY.

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, arising out of

activities performed by or on behalf of CONTRACTOR, its sub-consultants, and subcontractors, products and completed operations of CONTRACTOR, its sub-consultants, and subcontractors, and premises owned, leased, or used by CONTRACTOR, its sub-consultants, and subcontractors, with limits of not less than one million dollars ($1,000,000) 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 for bodily injury, including death, of one or more persons, property damage, and personal injury, with limits of not less than one million dollars ($1,000,000) per accident. 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 Workers' Compensation policy shall include a waiver of subrogation in favor of the CITY. If no work or services will be performed on or at CITY facilities or CITY Property, the CITY Representative may waive this requirement by selecting the option below:

> Workers' Compensation waiver of subrogation in favor of the CITY is not required. _____ (CITY Representative initials)

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, its sub-consultants, and subcontractors; products and completed operations of CONTRACTOR, its sub-consultants, and subcontractors; and premises owned, leased, or used by CONTRACTOR, its sub-consultants, and subcontractors.

(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, including excess insurance, 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:VI. 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 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) For all insurance policy renewals during the term of this Agreement, CONTRACTOR shall send insurance certificates reflecting the policy renewals directly to:

City of Sacramento
c/o Ebix RCS
Reference #: (This number will be provided by EBIX after Agreement approval.)
PO Box 257
Portland, MI 48875-0257

Insurance certificates also may be faxed to (770) 325-3340, or e-mailed to: CertsOnly-Portland@ebix.com

(3) 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 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 sub-consultants and 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.[1]

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.[2]

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[1] 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.

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

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.

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
  915 I Street, Second Floor
  Sacramento, CA 95814

- 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
915 I Street, Second Floor
Sacramento, CA 95814

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) 01/14/2016

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
3565 Piedmont Rd NE,Blg1,#700
Atlanta GA 30305 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:	Old Republic Insurance Company	24147
INSURER B:	ACE Property & Casualty Insurance Co.	20699
INSURER C:	Safety National Casualty Corp	15105
INSURER D:		
INSURER E:		
INSURER F:		

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

COVERAGES **CERTIFICATE NUMBER:** 570060982455 **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	
A	X COMMERCIAL GENERAL LIABILITY			MWZY305395	09/01/2015	09/01/2016	EACH OCCURRENCE	$2,000,000
	CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$1,000,000
							MED EXP (Any one person)	$5,000
							PERSONAL & ADV INJURY	$2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$3,000,000
	X POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$3,000,000
	OTHER:							
A	AUTOMOBILE LIABILITY			MWTB 305394	09/01/2015	09/01/2016	COMBINED SINGLE LIMIT (Ea accident)	$5,000,000
	X ANY AUTO						BODILY INJURY (Per person)	
	ALL OWNED AUTOS / SCHEDULED AUTOS						BODILY INJURY (Per accident)	
	HIRED AUTOS / NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident)	
B	X UMBRELLA LIAB X OCCUR			XOOG27888719001	09/01/2015	09/01/2016	EACH OCCURRENCE	$5,000,000
	EXCESS LIAB CLAIMS-MADE						AGGREGATE	$5,000,000
	DED X RETENTION $100,000							
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			LDS4049768	01/01/2016	01/01/2017	X PER STATUTE OTH-ER	
	ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N N	N/A		AOS				
C	(Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			SP4054153 OH	01/01/2016	01/01/2017	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

Certificate No : 570060982455

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

RE: Ref. No. 106-Z377042. 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 HOLDER

City of Sacramento
c/o EBIX RCS
PO Box 257, Reference No. 106-Z377042
Portland MI 48875 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.

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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: 570060982455		
CARRIER	NAIC CODE	EFFECTIVE DATE:
See Certificate Number: 570060982455		

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

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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.

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY
CG 24 04 05 09

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Person Or Organization:
Where required by written contract
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Paragraph **8. Transfer Of Rights Of Recovery Against Others To Us** of **Section IV – Conditions:**

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

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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 01/01/2016 Policy No. LDS4049768 Endorsement No.

Insured GENUINE PARTS COMPANY Premium $ Included

Insurance Company Safety National Casualty Corporation

Countersigned By _____

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