

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY

Meeting Date: September 11, 2012

[] Consent [X] Regular
[] Ordinance [] Public Hearing

Department: Facilities Development & Operations

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: a Vehicle and Equipment Parts Management and Supply Agreement ("Agreement") with Genuine Parts Company d/b/a NAPA (NAPA), a Georgia corporation, qualified to do business in Florida, for onsite integrated inventory management services for the Fleet Management Division at an estimated annual cost of \$2,250,000.

Summary: Facilities Development & Operations/Fleet Management ("FDO/Fleet") operates and manages its automotive parts function in-house from its primary maintenance facility in West Palm Beach and two (2) outlying maintenance facilities located in Pahokee and in Delray Beach. As part of the FY13 budget process FDO/Fleet staff was tasked with finding ways to increase effectiveness of its operation, gain efficiencies and reduce the operating budget. FDO/Fleet has determined that outsourcing Fleet's automotive parts function would accomplish all goals. This Agreement provides for NAPA to provide a comprehensive in-house store operation to include all materials, equipment, parts and supplies required for the operation and maintenance of the County's fleet with no less than an eighty percent (80%) in-stock availability for all parts requested. The inventory will include NAPA Products as well as Non-NAPA Products, based on the requirements of the County's fleet. The Agreement contains local preference language for all Non-NAPA products purchased by FDO/Fleet. With this local preference language and the continued purchases of existing county contracts by Fire Rescue and PalmTran, this Agreement should negatively impact less than 12% of the County's total parts purchased. The Agreement also requires NAPA to purchase parts from existing competitively bid contracts held by local vendors where the cost of the part is not more than 5% greater than the equivalent NAPA product. This language will reduce or eliminate the negative impact on the 12% of the impact purchase. NAPA will provide on-going review and adjustment of inventory; access to automotive and heavy-duty replacement parts; and delivery of non-stocked parts. The Agreement provides that the County will pay NAPA: (i) 10% above both NAPA Product Costs and Non-NAPA Product Costs and (ii) for operational costs that were included within the annual budget approved by the County during its normal budget process. NAPA is to provide services in 2 phases: (i) the Start-Up Phase, which will commence upon Board approval of the Agreement and continue through September 30, 2012; and (ii) the Full-Services Phase, which will commence on October 1, 2012 and continue through the term of the Agreement. The term of the Agreement will commence upon approval by the Board and will continue through February 23, 2015. The Agreement will automatically renew for 1 additional year, unless either party notifies the other of its intent not to renew at least 60 days prior to the expiration of the initial term. The Internal Auditor is satisfied that the Agreement is internally consistent and contains adequate financial and management controls and has agreed to review FDO/Fleet's divisional PPM relating to the management of this Agreement. This Agreement is made in accordance with the Palm Beach County Purchasing Code, which authorizes the County to purchase supplies from a competitively bid proposal or contract secured by another governmental entity or government-related association, in this case the National Joint Powers Alliance Contract No. 010511-GPC. There is no Small Business Enterprise (SBE) participation in this Agreement. **(FDO/Fleet) Countywide (JM)**

Background & Policy Issues:

Background and Policy Issues begin on Page 3

Attachments:

Agreement

Recommended by: Anthony Wong 8/22/12
Department Director Date

Liamunscarlett 8/27/12
Department Director Date

Approved by: [Signature] 9/17/12
County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2013	2014	2015	2016	2016
Capital Expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Operating Costs	<u>\$2,250,000</u>	<u>\$2,250,000</u>	<u>\$2,250,000</u>	<u>\$971,500</u>	<u>-0-</u>
External Revenues	<u>(\$2,700,000)</u>	<u>(\$2,250,000)</u>	<u>(\$2,250,000)</u>	<u>(\$971,500)</u>	<u>-0-</u>
Program Income (County)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
In-Kind Match (County)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
NET FISCAL IMPACT	<u><u>(\$450,000)</u></u>	<u><u>-0-</u></u>	<u><u>-0-</u></u>	<u><u>-0-</u></u>	<u><u>-0-</u></u>

ADDITIONAL FTE
POSITIONS (Cumulative)

Is Item Included in Current Budget? Yes No

Budget Account No: Fund 5000 Department 410 Unit 7220 Object Various

Reporting Category

B. Recommended Sources of Funds/Summary of Fiscal Impact:

FDO/Fleet is an Internal Service Fund and this Agreement is fully funded from revenue received from Fleets customers.

Staff estimates there to be an estimated annual budget savings to Fleet's fund of approximately \$300,000-\$500,000; with the estimated savings already being reflected in the proposed FY 13 budget. In addition, NAPA will compensate the County for the "buy-out" of the County's existing inventory after performing a detailed audit. The audit will be overseen and reviewed by Fleet Staff as well as the Internal Auditor. After accounting for the reduced inventory purchases over the last four months and parts which cannot be integrated into NAPA's general inventory, it is estimated that approximately \$450,000 will be received as a one-time buy-out of a portion of the parts inventory. Parts currently in Fleet's inventory which cannot be purchased by NAPA will be maintained in a separate area to be managed by Fleet until such time that they are depleted.

C. Departmental Fiscal Review:

[Signature] 8-29-12

III. REVIEW COMMENTS:

A. OFMB Fiscal and/or Contract Development & Control Comments:

OFMB
Contract Dev. and Control
[Signature] 8/22/12
[Signature] 8/15/12

[Signature] 9/15/12

B. Legal Sufficiency:

[Signature] 9/7/12
Assistant County Attorney

C. Other Department Review:

Page 3
Background and Policy Issues

FDO/Fleet continually evaluates opportunities for outsourcing which increases the quality of our service, increases efficiency of our work, and can result in savings. In the last 20 years, FDO/Fleet has outsourced; 1) transmission work relating to vehicles, 2) body work, 3) towing/equipment transport, 4) glass windshield replacement, 5) fuel tank cleaning, 6) fuel system repairs, 7) vehicle washing/detailing, 8) welding/fabricating, 9) alignments on medium and heavy duty trucks, 10) original equipment manufacturers' repairs, and 11) repairs to repair shop equipment. None of these service contracts will be impacted by the recommended agreement with NAPA.

Over the past years the practice of outsourcing automotive parts functions by both the public and private sector has become more and more the accepted best management practice. Complete turnkey vendor managed parts functions, operated within an existing fleet facility, are readily available and come with a proven track record of success and increased efficiency. NAPA has approximately 250 similar contracts nationally with both private and governmental entities. Several counties and cities within the State of Florida have already converted to this method including: Hillsborough, Sarasota, St. Johns and Polk as well as cities like Lakeland, Miramar, Miami, Coral Gables and Ocala. Nationwide, the trend is also seen in cities including New York City, Boston, Chicago, Detroit and Houston.

NAPA has been supplying this service for over 25 years and is an on-site turnkey operation able to customize their service that offers many advantages. Staff spent an extensive amount of time with several Florida entities to understand their operations and learn from their experiences as some have been implementing this type of outsourcing for a number of years (ie: Hillsborough for eight years). The pricing of NAPA brand parts within this Agreement are priced at the same level they sell to their stores. NAPA's computer system will interface with FDO/Fleet's FMIS (Fleet Management Information System) to offer seamless data processing which is electronically reconciled through the existing FMIS for verification, audit and control.

This Agreement is made in accordance with the Palm Beach County Purchasing Code, which authorizes the County to purchase supplies from a competitively bid proposal or contract secured by another governmental entity or government-related association, in this case the National Joint Powers Alliance (NJPA) Contract No. 010511-GPC. FDO/Fleet chose this contract to piggyback due to its favorable terms. Several cities did conduct an RFP process, such a Sarasota County, which resulted in a NAPA contract with an 11% parts mark-up compared to the one used to establish this Agreement at 10%. Without impacting the competitive aspects of the NJPA Contract, the Agreement has several sections that required customization for PBC. One example of this is that this Agreement provides NAPA with a revocable: (i) non-exclusive license to conduct its services on the County's real property and at the Outlying Facilities; and (ii) exclusive license to conduct its services in the stockroom ("Stockroom") located in the Primary Facility. A second example is the type and responsibility for interfaces and modifications to NAPA's and County's IT applications.

The Agreement provides that the County will pay NAPA: (i) 10% above both NAPA Product Costs and Non-NAPA Product Costs and (ii) for operational costs that are included within the annual budget approved by the County during its normal budget process. NAPA has guaranteed parts pricing for: (i) Non-NAPA Products at the price paid by NAPA to the vendor for such product; and (ii) NAPA Products at the price NAPA charges for such products sold to NAPA stores in which NAPA does not have an ownership interest, less any manufacturer rebates.

By outsourcing Fleet's automotive parts function, not only will the County eliminate responsibility for excess inventory and parts obsolescence, the County will increase the quality of service/performance and realize cost savings by dramatically reducing FDO/Fleet procurement and transaction management activities. Quality of service/performance will increase as a result of a higher first time fill rate (percentage of time that a Technician can receive a parts order on first trip to the parts counter). This decreases equipment downtime and increases the productivity of the Technicians. The Division currently averages a 66% work order parts fill rate and per the contract performance standard NAPA will achieve an 80% rate after the first 6 months. Fleet also tracks Technician productivity, vehicle downtime, and percent of scheduled repairs verses non-scheduled repairs. These performance indicators will also be used to track improvements related to services provided by Fleet pre and post the NAPA contract.

Current transaction and procurement activities include the administration and processing of invoices and monthly checks associated with numerous parts vendors. Fleet averages 13 purchase orders per day or 260 per month and 8 checks/day or 160 checks/month are issued related to part purchases. Specifically, the Agreement will reduce the number of individual bids required by Fleet which will reduce FDO/Fleet's involvement with the Purchasing Department and Finance (Clerk and Comptroller). FDO/Fleet's procurement activities typically include managing (securing and verifying most current) multiple price lists, assisting the Purchasing Department in determining bid responsiveness (i.e. reference checks, insurance verification, certification verifications, verification that bidder met specifications of contract), processing and projection for bid/contract renewals, and advertising solicitations; all which will essentially be replaced with a single vendor.

Currently, there are no SBE vendors participating in any parts contracts. This Agreement will discontinue FDO/Fleet's participation in a total of 56 contracts however the number of awards made against the contract and the potential impact of such discontinuation varies as discussed below. The following is the overall breakdown of the current contracts.

Table 1
Summary of Parts Contracts

	Number of Contracts	Number of Awards ^a	Number of Companies Participating ^b	Local Companies	Non-Local Companies	Volume FDO/Fleet	Total Countywide Volume
Sole Source	23	23	20	8	12	\$ 513,782.29	\$ 673,239.93
Proprietary	21	33	29	23	6	\$ 610,145.21	\$1,133,200.80
Sub-Total						\$1,123,927.50	\$1,806,440.73
Open	12	29	19	15	4	\$ 305,502.61	\$ 823,560.52
Total	56	85	68	46	22	\$ 1,429,430.11	\$2,630,001.25

a This number represents the number of awards against the contracts.

b This number is the number of companies participating but differs from the number of vendors in Table 2 as several companies participate in multiple contracts.

Sole source contracts are contracts where there is only one part that meets the County's need and that part is available through only one source. Sole source parts purchases make up a total of 35.9% of FDO/Fleet's parts purchases. Proprietary contracts are contracts where there is only one part that meets the County's need and that part can be obtained through more than one vendor. Proprietary parts purchases make up a total of 42.7% of FDO/Fleet's parts purchases. The Agreement collectively refers to these two categories of contracts, representing a total of 78.6% of the total parts purchases by FDO/Fleet, as Non-NAPA Parts and requires NAPA to award to a Palm Beach County vendor provided that, the Local Vendor can meet all product specifications (including timeliness of delivery) and costs do not exceed 5% of the price by which NAPA can obtain the part meeting identical specifications from a non-Local Vendor. This means that effectively there should be no/minimal loss of work to vendors currently participating in contracts in these two categories.

Open Contracts are contracts where there is more than one part which meets the specification. This Agreement will replace FDO/Fleet's participation in Open Contracts (\$305,503) with the purchase of NAPA brand parts. These represent the contracts/vendors which are directly impacted by this Agreement representing 21.4% of FDO/Fleet's cumulative purchases. The following table breaks down the impact to the Open Contracts/vendors.

Table 2
FDO/Fleet Open Contract Part Purchases

Contract Type/Description	Total Number of Vendors	Local Vendor	Local Vendor Annual Volume - Fleet	Non-Local Vendor	Non-Local Vendor Annual Volume - Fleet
Hoses & fittings, fluid, power & transfer	1	1	\$30,155.56 ^a	0	\$ 0
Filters, FRAM	1	1	\$ 12,530.25	0	\$ 0
Hoses & fittings, hydraulic fluids	3	2	\$ 542.83 ^a	1	\$ 0
Motor Oil & ATF	3	1	\$ 6,278.88 ^a	2	\$ 7,668 ^a
Motor Oil, Lubricants & Fluids	5	3	\$ 52,643.52 ^a	2	\$ 5,478 ^a
Parts - trailers	1	1	\$ 15,231.70	0	\$ 0
Parts - auto aftermarket	5	5	\$ 57,287.94	0	\$ 0
Batteries- auto/marine/utility	3	2	\$ 75,302.62	1	\$ 1,449
Brake & suspension parts, heavy duty	4	4	\$ 1,591.12	0	\$ 0
Parts- auto & truck - Pahokee ^b	2	2	\$ 17,690.12	0	\$ 0
Parts, Motorcraft	1	1	\$ 21,653.08	0	\$ 0
Total	29	23	\$290,907.61	6	\$ 14,595

^a These are projected expenditures as these vendors do not have a full year of history

^b Both vendors are Glades vendors.

This \$305,503 in FDO/Fleet expenditures which are impacted represent only 11.6% of the total County parts expenditures.

At the time discussions of out-sourcing began there were four (4) filled Parts Specialist positions that would no longer be required. One Parts Specialist found outside employment, and two Parts Specialists accepted other positions within FDO. NAPA will provide the opportunity for employment to the remaining County's Parts Specialist as part of the Agreement. In addition, Human Resources Department is working with the fourth Parts Specialist to identify any other County employment opportunities.

Vehicle and Equipment Parts Management
and
Supply Agreement

between

Palm Beach County

and

Genuine Parts Company D/B/A NAPA

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AGREEMENT

This Agreement ("Agreement") is made as of _____, by and between Palm Beach County, a political subdivision of the State of Florida ("County"), and Genuine Parts Company, a Georgia corporation, qualified to do business in the State of Florida d/b/a NAPA whose Federal Employer Identification Number is 58-0254510 ("Contractor").

WHEREAS, the County's Fleet Management Division currently operates one primary maintenance facility (the "Primary Facility") and two satellite maintenance facilities (the "Outlying Facilities") (collectively, the Primary Facility and the Outlying Facilities shall be referred to as the "Facilities"), the names and addresses of which are set forth in Exhibit A of this Agreement, at which the County services a diverse fleet of vehicles and equipment, and the County operates a supply shop at each of the Facilities that distributes replacement parts and related supplies, and the supply of parts for all Facilities is currently managed by the County's Primary Facility located at 2601 Vista Parkway, West Palm Beach, Florida 33411-5609.

WHEREAS, in order to increase the efficiency of its operations and decrease the related costs, the County desires to have Contractor: (i) assume the parts acquisition operations for all the Facilities and the Road Service Trucks; (ii) assume, manage (including distribution) and own the inventory of all parts at the County's Stockroom located at the Primary Facility; and (iii) assume, manage and own the inventory of the parts rooms at each of the Outlying Facilities and on the County's Road Service Trucks.

WHEREAS, Contractor represents that it has the necessary experience and expertise to provide the required services and further confirms that it is ready, willing, and able to perform in accordance with the terms and conditions as set forth in this Agreement.

NOW, THEREFORE, the County and Contractor agree as follows:

ARTICLE 1 **DEFINITIONS**

1.1 Definitions

The following terms shall have the meanings specified in this Article 1 when capitalized and used in this Agreement. Capitalized terms not defined in this Article 1 shall have the meanings ascribed to them elsewhere in this Agreement.

Additional Services: means those services beyond the scope of work described in Sections 2.1 through 2.16 of this Agreement and the Exhibits hereto, and all work reasonably necessary to complete the Additional Services to the standards of performance required by this Agreement. Any Additional Services requested by the County must be formalized in a written modification to this Agreement except that without invalidating the Agreement, the County, through its Director of Purchasing, reserves the right to, at any time or from time to time, issue increases or decreases to the authorized expenditure; provided that, increases of more than ten percent (10%) which have reached or exceeded two hundred thousand dollars (\$200,000) per annum must be

approved by the Board of County Commissioners. After a Board of County Commissioners approval of an increased authorized expenditure amount, the Director of Purchasing may authorize increases of up to ten percent (10%) of the increased authorized expenditure amount.

Agreement: means this vehicle and equipment parts management and supply agreement, including all exhibits attached to it and incorporated in it by reference, and all amendments, modifications or revisions made in accordance with its terms.

Agreement Year: means each Palm Beach County fiscal year, or portion thereof, during the term of this Agreement, provided that the first Agreement Year shall be the period from the Effective Date of this Agreement through September 30, 2013.

Annual Budget: means the budget for any Agreement Year, consisting of a detailed itemization of the maximum projected costs and expenses expected to be incurred for the Services, including staffing schedules for the Services for the Agreement Year, as such budget may be modified from time to time in accordance with the terms and provisions of this Agreement.

Board: means the Board of County Commissioners of Palm Beach County, Florida.

Contractor Parts: means the vehicle and equipment parts, materials, supplies, tools, and fluids (except for fuel) owned by Contractor or acquired by Contractor (whether manufactured by Contractor, any of its affiliates, or any other manufacturer) that Contractor will supply to the County to fulfill Contractor's obligations under this Agreement.

Contractor's System: means Contractor's software and related hardware consisting of the Contractor's ordering and billing system, interfaces and reconciliations to and from the FMIS System, related hardware, and Custom Software, if any.

County: means the Board and the Board acting by and through its authorized designees, agents and employees.

County Equipment: means forklifts, utility carts, phones and computer systems, together with associated hardware.

County Parts: means the vehicle and equipment parts, materials, supplies, tools, and fluids (except for fuel) owned by the County prior to the Full-Services Phase and any parts, materials, supplies, and fluids (except for fuel) acquired by the County during the term of the Agreement.

County Real Property: means the County owned real property depicted on Exhibit B.

Facilities: means the Primary Facility, including the Stockroom, and the Outlying Facilities.

FMIS System or FMIS: means the County's Fleet Management Information System for vehicle and equipment maintenance.

Glades: means the area from the Broward County line North along Canal L-36 to the Loxahatchee National Wildlife Refuge, thence North to Southern Boulevard along Canal L-40, thence West along Southern Boulevard to a North-South line 1 ½ miles West of Canal L-8, which coincides with a private agricultural road heading North from Southern Boulevard at the point where State Road 880 intersects Southern Boulevard from the South, thence North along the line of this North-South road to the boundary of the J.W. Corbett Wildlife Management Area, thence East and North along the boundary of the J. W. Corbett Wildlife Management Area to the Martin County line.

Glades Business: means a vendor or business which has a permanent place of business within the Glades and which holds a business tax receipt issued by the county that authorizes the vendor to provide goods, services, or construction services and which is issued prior to an order date. If the business is a joint venture/partnership, it is sufficient for qualification as a Glades business if at least one (1) of the joint venture partners meets the requirements set forth in this section.

Jobber Net Pricing: means the price charged by Contractor for NAPA parts sold to NAPA stores (stores that lawfully use the trade name or trademark NAPA with respect to which NAPA maintains no ownership interest) less any manufacturer rebates.

Local Vendor: means a vendor which has a permanent place of business within the County and which holds a business tax receipt issued by the county that authorizes the vendor to provide the goods, services or construction services and which is issued prior to the order date. If the business is a joint venture/partnership, it is sufficient for qualification as a Local Vendor if at least one (1) of the joint venture partners meets the requirements set forth in this section.

NAPA: means National Automotive Parts Association.

NAPA Parts: means all Parts distributed through the NAPA member distribution system.

Non-NAPA Parts: means all Parts not distributed through the NAPA member distribution system.

OEM: means a part that is only available from the original equipment manufacturer and built to their standards.

Parts: means collectively County Parts and Contractor Parts.

Road Service Trucks: means the County's current inventory of ten (10) service/lube trucks (which number may change from time to time during the term of this Agreement) each having a parts inventory located within the vehicles.

Services: means, collectively, the services, duties, and responsibilities described in Article 2 of this Agreement and any and all work necessary to complete them or carry them out fully and to the standard of performance required in this Agreement.

Service Spaces: means the exclusive use and non-exclusive use spaces licensed to the Contractor under this Agreement for conducting Services as defined in Article 2, which may be added to, deleted from, or relocated during the term of this Agreement.

Stockroom: means the exclusive use spaces in the Primary Facility, which is comprised of the areas designated as Parts Storage, Parts Office, Tank Farm and Tire Storage as depicted on Exhibit C attached hereto and made a part hereof.

Subcontractor: means any person or entity with whom the Contractor contracts to provide any part of the Services, including subcontractors of any tier, suppliers and materials providers.

1.2 Interpretation

A. All references in this Agreement to Articles, Sections, or Exhibits, unless otherwise expressed or indicated are to the Articles, Sections, or Exhibits of this Agreement.

B. Any headings preceding the text of the Articles and Sections of this Agreement, and any table of contents or marginal notes appended to it are solely for convenience or reference and do not affect the meaning, construction or effect of this Agreement.

C. Words of the masculine gender include the correlative words of the feminine gender.

D. All references to a number of days mean calendar days, unless expressly indicated otherwise.

1.3 Order of Precedence of Component Agreement Parts

Unless otherwise expressly provided in this Agreement in the event of any conflict or inconsistency between the terms set forth in Articles 1 through 8 of this Agreement, and the terms and conditions set forth in the Exhibits to this Agreement, the terms and conditions set forth in Articles 1 through 8 of this Agreement will take precedence over the terms set forth in the Exhibits.

ARTICLE 2

DUTIES AND RESPONSIBILITIES OF CONTRACTOR

2.1 Rights and Obligations of the Contractor

A. During the Contractor's performance of each phase of the Services, the County grants the Contractor: (i) a revocable, non-exclusive license to conduct the Services on the County Real Property and at the Outlying Facilities; and (ii) a revocable, exclusive license to conduct the Services in the Stockroom. Contractor shall only use the Service Spaces to perform the Services set forth herein and for no other purpose, in the Service Spaces as defined for each phase, subject to the terms of this Agreement. The Contractor

accepts from the County the licenses and the rights and assumes the duties of the Contractor provided in this Agreement.

B. This Agreement creates a license only. The Contractor acknowledges that the Contractor does not and must not claim at any time any real property interest or estate of any kind or extent whatsoever in the County Real Property or the Facilities by virtue of this license or the Contractor's use of the County Real Property or the Facilities under this Agreement. Further, the Contractor acknowledges that this license is not a license coupled with such an interest nor is it an irrevocable license.

2.2 Scope of Services

A. General

This description of the Services is intended to be general in nature and is neither a complete description of the Contractor's Services nor a limitation on the Services that Contractor will provide under this Agreement. Contractor will provide the Services in accordance with the standard of performance set forth in Section 2.7. The Services also include, but are not limited to, those described in the Exhibits to this Agreement. The Services must be provided in accordance with the time limits for performance that are stated in this Agreement.

B. Overview of Services

1. Start-Up Services and Operational Services as further outlined below and in Exhibit D

The Services are divided into two phases. The first phase consists of those Services that the Contractor must complete in preparation for the Contractor's assumption of the County's Parts supply and management operations (the "**Start-Up Services**"), including the inventory of existing County Parts and installation of the required computer system (hardware and software) necessary to manage the inventory. The second phase consists of those Services the Contractor will provide on an ongoing basis related to the supply and management of the County's vehicle and equipment parts (the "**Operational Services**"), as more fully described in this Agreement. The Operational Services will begin on October 1, 2012 ("**Full-Services Phase**") as described more fully in Sections 2.6 and 2.7. The Services required for each phase are described in greater detail hereunder.

2. Start-Up Services and Completion Date

The Contractor shall commence the Start-Up Services on the Effective Date of this Agreement and shall undertake all of the Start-Up Services described herein and on Exhibit D. The Contractor shall complete this phase of the project by September 30, 2012.

3. Operational Services and Completion Date

On October 1, 2012, Contractor shall undertake all of the Operational Services described herein and on Exhibit D.

2.3 Summary of Start-Up Services

The Start-Up Services include the following, all as more particularly described in Sections 2.4 through 2.5 of this Agreement:

A. Inventory. The Contractor must perform a physical inventory of all of the County Parts that are then located in the Stockroom, at each of the Outlying Facilities and on each of the Road Service Trucks, as described in Section 2.4.

B. Service Spaces. By executing this Agreement, the Contractor warrants that the Service Spaces are adequate in size and will be suitable for the provision of the Services during the Full-Services Phase. The County makes no warranties as to the adequacy of the Service Spaces to meet the needs of the Contractor in providing the Services. The County will not pay for any alterations in the Service Spaces.

C. Computer Network:

1. The Contractor will provide, install, configure, and test the computer workstations and related equipment and the required software, including all custom software required by this Agreement to run Contractor's System and any interfaces to and from the FMIS System. These computers will not be connected to the County's network and will not be maintained or supported by County staff. Contractor's System will be interfaced to and from FMIS. Interfaces will work as follows:

From Contractor's System to FMIS System: All Parts ordering and receiving shall be accomplished using the Contractor's ordering and billing system. Parts data will be interfaced upon demand into FMIS. It shall be the Contractor's responsibility to correct any data not properly downloaded. The interface used shall be approved by the County prior to use and must be functional for use as of the first day of the Full-Services Phase.

2. The Contractor must fully provide, install, configure and test Contractor's System as described above and have it ready for operation as determined by the County by the date on which the Full-Services Phase is required to begin.

a. The Contractor will provide computers and network for all Contractor related software used to generate Parts orders, receipting, and eventual billing to the County.

b. The County will provide and maintain computers and network for the FMIS System. The Contractor will be required to issue all Parts from inventory to work orders using the Contractor's System. Daily issues will be interfaced upon demand from the Contractor's System to the FMIS System. No Parts invoice will be paid unless it is interfaced from the Contractor's System to the FMIS System. The Contractor will procure a reconciliation program that will produce on a daily basis in electronic format a reconciliation report of all Parts transactions billed in the Contractor's invoicing system to the related transaction (issue) in FMIS. At a minimum, this reconciliation will match:

- Part Number
- Part Cost
- Part Quantity
- Work Order Number and
- Date/Time

Any invoices not reconciling will be returned to the Contractor for non-payment until all issues identified are resolved. The items should not be billed to the County until they are fully reconciled with the County's FMIS System. This reconciliation program shall be approved by the County prior to use and must be functional and approved by the County for use as of the first day of the Full-Services Phase.

D. Personnel. Contractor hereby agrees to interview the County employees of the Fleet Management Division holding the title of Parts Specialist and affected by this Agreement for positions for which they are deemed qualified by the Contractor in Contractor's discretion. Contractor's consideration of such employees for employment shall be done in accordance with Contractor's standard hiring practices. Contractor will train all personnel who are hired to perform the Services.

E. Other. Contractor will perform all other Services that may be necessary to allow Contractor to provide the Operational Services within the time frames required by this Agreement.

2.4 Inventory-Related Start-Up Services

A. Determination for Final Inventory Levels. During the Start-Up Phase, the Contractor will complete a full physical inventory of the County Parts located in the Stockroom, for each of the Outlying Facilities and on the Road Service Trucks and shall provide the County with an inventory summary report. The Contractor may only conduct inventory at such times and pursuant to such schedule as mutually agreed upon by the County and the Contractor. During the inventory, representatives of the County will be present, in such numbers as the County determines, to monitor the Contractor's performance of the inventory. The inventory summary report must, at a minimum, contain a full listing of all County Parts then contained in the Stockroom, Outlying Facilities and the Road Service Trucks by part description, part number, part quality, part cost and part location. In addition, the inventory summary report must contain a line-by-

line comparison of all discrepancies between the inventory totals as determined by the Contractor and the inventory totals contained in the County's FMIS System. The County, in its discretion, will have the right to require the Contractor, at the Contractor's expense, to recount any County Parts for which there is a discrepancy, or the County may have County personnel perform a recount. Final inventory will be determined upon mutual agreement of the parties. The Contractor will revise and resubmit the inventory summary report to reflect the final inventory levels which, upon the County's approval, will be referred to as the "Final Inventory Report". In addition, Contractor must advise the County on what parts in the County's Final Inventory Report are useable, obsolete or unneeded and shall cooperate with the County in disposing of these obsolete and unneeded parts in a manner consistent with applicable law. The Contractor shall purchase from the County all remaining useable County Parts at the average price listed in the FMIS System within thirty (30) days from the commencement of the Full-Services Phase, and such Parts may be billed back to the County as they are issued to the County. In addition, Contractor shall pay the County for such parts within said thirty (30) day period. Any County Parts purchased by Contractor must show usage in the last twelve (12) months and be new, saleable, complete, and currently needed by the County's active fleet/equipment, unless otherwise agreed to by the parties hereto.

B. Contractor's Administration of Parts. With respect to the inventory to be performed by the Contractor during the Start-Up Phase, the Contractor will become responsible for managing the inventory of and distribution to County personnel as required by this Agreement of all Parts represented in the Final Inventory Report and in the Stockroom as of October 1, 2012. Upon the commencement of the Full-Services Phase, the Contractor shall be responsible for managing the inventory of all Parts and distributing such Parts to County personnel as required by this Agreement. On the date of the commencement of the Full-Services Phase and throughout the term of the Agreement, the Contractor: (i) will assume the risk of loss for all County Parts in the Stockroom; and (ii) will be responsible for any inventory shortages and altered or damaged inventory in the Stockroom. The Contractor will be responsible for performing cycle counts in the Stockroom, at the Outlying Facilities and the Road Service Truck locations monthly or as requested by the Fleet Management Division Director or his/her designee. If the Contractor identifies any inventory shortages or altered or damaged inventory at the Outlying Facilities, or Road Service Truck locations as a Fleet Management Division issue, Contractor shall bill the County for such missing, altered or damaged inventory. In order to assist the County with monitoring inventory at the Outlying Facilities, the Contractor shall add or remove inventory only in the presence of the Fleet Management Division's location supervisor or authorized representative. The Contractor shall prepare a transmittal document itemizing inventory supplied or removed, and the Contractor shall obtain the location supervisor's signature upon delivery or removal. In order to assist the County with monitoring inventory at the Road Service Truck locations, the Contractor shall add or remove inventory only in the presence of the Fleet Management Division's Road Service Truck technician or authorized representative. The Contractor shall prepare a transmittal document itemizing inventory supplied or removed, and the Contractor shall obtain the Road Service Truck technician's signature upon delivery or removal of any inventory. Notwithstanding anything herein to

the contrary, the County shall not be responsible for any inventory issued to the Outlying Facilities or Road Service Truck locations that has not been issued in accordance with the above procedures. The Contractor is responsible for all inventory maintained at the Stockroom. All Parts shall be issued by the Contractor using an itemized part(s) receipt. The Contractor shall obtain the technician's (or authorized representative's) signature and employee identification number at the time of issue. An accounting of all Parts issued during the previous business day shall be provided to the County in electronic format during the morning of the following business day.

C. **Contractor's Expenses.** All of the services described in this Section 2.4, which occur prior to the commencement of the Full-Services Phase, will be performed at the Contractor's sole expense and will not be billed back to the County, unless such expenses are included within the approved Annual Budget.

2.5 Computer Network Start-Up Services

A. **The Parts System.** The Parts System will consist of the following:

1. The FMIS System consisting of four personal computers and related network and software to support the FMIS application. All FMIS hardware and software will be provided by, maintained by and paid for by the County. The County will provide, maintain and pay for a web server which will be used to run all interface programs.

2. Contractor's System consisting of the Contractor's ordering and billing system, interfaces and reconciliations to and from the FMIS System, related hardware, and Custom Software, if any. The Contractor must supply and maintain all computer hardware and software necessary to connect the Contractor's System that it installs at the Facilities to the Contractor's supply network. The Contractor must ensure that the Contractor's System automatically backs-up and stores all Parts-related information. The back-up of all Parts-related information must be stored in an off-site location, and such information must be stored in a manner that will allow the County or the Contractor to recover and reinstall such information expeditiously. All software and hardware related to the Contractor's business network of ordering, receiving and eventual billing of parts and supplies will be provided by and maintained by the Contractor. All of the foregoing operating expenses, including but not limited to, installation expenses, configuration expenses, maintenance expenses, upgrade expenses, licensing expenses for such systems, and interface and reconciliation programs to and from the FMIS System may be reimbursed by the County, provided that such expenses are included within the approved Annual Budget. All installations and configurations must be completed in accordance with Exhibit D.

B. **The Software.**

1. Using Contractor's System, the Contractor will issue all parts to a valid work order as identified in the FMIS System. The County will only pay for Parts that have been reconciled in FMIS to a work order. If at any time the Contractor's or the FMIS

System may be inoperable, the Contractor shall keep a manual log of all parts transactions and as soon as the software/interface operations are restored, the Contractor shall resume inputting all requisite information, including data entry of manually logged information. If deemed necessary by the County, which determination shall be made in the County's sole discretion, the County will provide at the County's sole expense a reconciliation program between the Contractor's ordering and billing system and the FMIS System. Notwithstanding the foregoing, the County shall not be obligated to incur any such costs or expenses in an amount greater than \$50,000. This reconciliation program will provide reports containing the following information at a minimum: (i) each Part transaction from the Contractor's ordering and billing system for the previous day from the Contractor's System that matches a transaction in the FMIS System (based on equipment number, Work Order number, Part number, Part quantity and Part cost) and (ii) separately identify those transactions from the previous day that do not match a related transaction in FMIS. It will be up to the Contractor to resolve all non-reconciling items. The County will pay only for those items properly reconciled through the FMIS System that have been issued from the Contractor's ordering and billing system. This reconciliation also should be run at the end of each month and submitted with the Contractor's invoice for that month.

2. The Contractor's ordering and billing system will be responsible for checking inventory at the Contractor's warehouses and supporting store(s), ordering and receiving of inventory, receipt issues, and eventual billing of issued Parts that have been properly reconciled with the FMIS System as described above.

C. Custom Software.

1. In the event that the Contractor performs any custom programming, the Contractor hereby grants the County a perpetual, irrevocable, fully paid, and royalty-free license to use such custom-designed software (the "Custom Software") during the term of this Agreement.

2. The parties acknowledge that Contractor's TAMS and TRACS computer software and systems, or any successor software and/or systems, and any modifications thereto, shall remain the sole property of Contractor. The parties further acknowledge that ownership of any software developed by or on behalf of the County, including but not limited to the interface between the Contractor's System and the FMIS System, shall remain the sole property of the County.

D. Third-party Software.

Each party shall be responsible to secure and pay for all licenses (or sublicenses) for all software, if any, that is developed by a third party and included by either party as part of such parties respective system ("Third-party Software"). Contractor's costs incurred for any licenses for Third-party Software shall be borne by the Contractor and notwithstanding anything herein to the contrary such costs shall not be reimbursed by the County.

E. Programming Language, Technical Specifications of System.

Prior to performing any programming relating to the FMIS and Contractor's System, the Contractor must contact the County, and, if necessary, the County's Department of Information Systems Services to determine the proper programming language and/or other technical details to which the Custom Software must conform. If the Contractor fails to determine the proper programming language or other pertinent technical requirements and such failure leads to the development of Custom Software that does not interface or function properly with the County's existing or planned systems, then the Contractor will re-perform, at its sole expense, all programming work or other Services that are necessary to correct the deficiency and notwithstanding anything herein to the contrary such expense shall not be reimbursed by the County.

2.6 Operational Services: Use of the Service Spaces

A. The Contractor must begin conducting its Operational Services in the Service Spaces as of the commencement of the Full-Services Phase and continue them uninterrupted after that date during all required hours of operation during the term of this Agreement, unless terminated earlier in accordance with the terms of this Agreement. The Stockroom shall be appropriately secured or otherwise maintained separate and apart from the business of the County.

B. The Service Spaces must not be used for any purposes other than those expressly permitted under this Agreement, unless the County gives its express written consent. The Contractor must comply in its use, occupancy, and operation of the Service Spaces with all federal, State of Florida, and County laws, rules, regulations, policies and procedures and ordinances, including all building, zoning and health codes including all environmental laws. The County's policies and procedures are posted at <http://pbcportal.pbcgov.org/PPM/Forms/Allitems.aspx>, which policies and procedures may, from time to time, hereafter be established or modified by County. The County will endeavor to provide Contractor with notice of any modifications to such policies and procedures.

C. The Contractor must not conduct its Operational Services in a manner that in the reasonable judgment of the County:

1. Interferes or might interfere with the reasonable use by others of areas in which the Service Spaces are located;
2. Would or would be likely to constitute a hazardous condition at the Service Spaces;
3. Would, or would be likely to, increase the premiums for insurance policies maintained by the County; or

4. Would involve any illegal purposes.

D. The Contractor will not use the Facilities or Service Spaces or other property furnished by the County for provision of parts to vehicles not owned or leased by the County.

E. All employees of the Contractor providing Services in the Service Spaces must at all times be clean, courteous, neat in appearance and helpful to the County's employees and vendors. While on duty, the Contractor's employees must wear appropriate uniforms and must be identified by County-issued Contractor Access Badge. County will issue Contractor Access Badges to all of the Contractor's employees operating out of the Service Spaces. The Contractor must not commit, nor allow, any nuisance, noise, or waste in the Service Spaces or annoy, disturb or be offensive to others in the areas in which the Service Spaces are located. The Contractor is responsible for cleanup of the Stockroom and must maintain the Stockroom in a presentable manner.

F. The Contractor will have the right of ingress to and egress from the Service Spaces for the Contractor, its officers, employees, agents, subcontractors, vendors, suppliers, and invitees, subject, however, to all statutes, ordinances, rules and regulations enacted or established by the County or any other governmental agency or authority.

G. Contractor shall not make any improvements, additions, modifications or alterations to the Service Spaces, the Facilities or the County Real Property.

H. County shall maintain the Service Spaces and any improvements constructed thereon by County in good condition and repair, normal wear and tear and casualty excepted, at its sole cost and expense. County's maintenance of the Service Spaces shall exclude routine custodial services to the Stockroom, which will be provided for by the Contractor at its sole cost and expense. Contractor shall not be obligated or required to make any repairs or conduct any other maintenance whatsoever to the Service Spaces. Notwithstanding the foregoing, any damage that is caused in any way by the Contractor, its officers, employees, agents, subcontractor's, vendors, suppliers or invitees, shall be repaired by the County at Contractor's sole cost and expense. Contractor shall reimburse County for such repairs within fifteen (15) days after receipt of an invoice from the County.

I. In addition to the Service Spaces, the Contractor shall be permitted to use County Equipment on the County Real Property solely for the prosecution of this Agreement. The County will be physically and financially responsible for the routine repair, maintenance and renewal/replacement of County Equipment when due to normal use. The County will also be responsible for the normal operating costs (electricity, phone, data and gasoline) associated with County Equipment. The Contractor will be responsible for all damage to the Facilities, County Real Property, Service Spaces and County Equipment that is caused in any way by the Contractor, its officers, employees, agents, subcontractors, vendors, suppliers, or invitees. In the event of any such damage, the County may repair such damage and/or replace any such equipment and the

Contractor shall reimburse County for all expenses incurred by County in doing so. Contractor shall reimburse the County for such expenses within fifteen (15) days after receipt of an invoice from the County.

2.7 Operational Services: Procurement, Management, Administration, and Distribution of Parts

A. Full-Services Phase. (Exhibit D)

From the commencement date of the Full-Services Phase until the end of the term of this Agreement, the Contractor shall provide all of the Services described in this Agreement. The Contractor shall perform these Services in such a way (and staff its operations adequately) so as to achieve the performance goals required by this Agreement.

B. Supply of Required Parts.

In the Full-Services Phase, the Contractor shall furnish all Parts required for the operation and maintenance of all County vehicles and equipment maintained by the County with no less than an 80% in-stock, availability at all Facilities for all Parts requested ("80% Part on Demand Rate"). The 80% Part on Demand Rate will be evaluated and measured by the County in FMIS on the work order level. The Contractor will have 6 months from the first day of the Full-Services Phase to reach the 80% Part on Demand Rate. The remaining 20% shall be procured in the most expeditious and cost effective manner as approved by the Fleet Management Division's Director or his/her designee. Contractor shall identify, establish, and manage all necessary sources of supply, place, process and track all orders with the various parts vendors, and process payment to the vendors for products purchased for use on the County's fleet. The County shall have the right to direct the Contractor to purchase Non-NAPA Parts when it is determined to be in the best interest of the County.

C. Hours of Operation.

1. During the Full-Services Phase the Contractor shall, during the same hours set forth in Exhibit A, manage, operate and provide on-site counter service at the Stockroom with parts support at the Outlying Facilities and the Road Service Truck locations to ensure 80% Part on Demand Rate availability unless otherwise instructed by the County.

2. The Contractor shall, if requested by the County, decrease, or increase the hours of operation of any or all of the Service Spaces from those hours specified in Exhibit A as applicable. Any adjustments to the Annual Budget caused by such revisions will be accomplished by amendment to this Agreement, if needed.

3. Notwithstanding anything set forth herein to the contrary, in the event of any type of emergency situation or natural disaster, including, without limitation, a hurricane or other extreme weather event, whereby the County's Emergency Operations Dispatch Center is activated for such emergency situation or natural disaster, the Contractor shall upon notice

from the County increase its hours of operation to those required of the Division of Fleet Management by the County's Emergency Operations Dispatch Center. County will reimburse Contractor for the actual direct operational costs incurred by Contractor as a result of such increased hours of operation, during the pendency of the emergency situation or natural disaster (including, without limitation, the time period(s) immediately preceding and following the actual occurrence of the emergency situation or natural disaster).

D. Inventory / Parts Supply Services.

1. From time to time, the County may designate, at its discretion, certain Parts that must be maintained at each of the Facilities and on the Road Service Trucks and set inventory levels for such Parts. The Contractor must maintain the required inventories of those Parts during the term of this Agreement. The quantity of the inventory will be subject to continuous review by the County. On a monthly basis, the County will provide a report listing all active County fleet vehicles and equipment including recent additions and removals from the County's fleet. The Contractor shall use this report to obtain and put into inventory wear items for such new equipment. It will be Contractor's responsibility to review the report in order to maintain the 80% Part on Demand Rate availability. The Contractor shall comply with any such changes at its expense within 1 month of notification of revisions.
2. During emergency situations, the County may obtain through other channels certain Parts considered critical to service and repair. After the emergency is resolved, the Contractor will hold these Parts in the Facilities and will issue them for use on County vehicles at no additional cost to the County.
3. The County may also obtain parts through outside commercial service repairs to County-owned vehicles.
4. County reserves the right to purchase any Parts which are non-work order hardware or supplies outside of this Agreement where it is determined to be more economical or timely to do so.
5. The Contractor must input to the Contractor's System all information relating to the Parts supply operations. Information on Parts issued must be transferred via interface from the Contractor's System to FMIS. The only authorized data regarding Parts issued for the County will be made via FMIS interface. Failure to comply with this provision will be considered an Event of Default.
6. If the Contractor cannot provide an item within the timeframe needed, the Contractor must promptly notify the Fleet Management Division's Director (or his/her designee) to obtain approval for making alternative arrangements to procure the item. The Contractor is responsible for shipping, delivery, packaging and handling of all Parts, except for expedited delivery charges, for which Contractor shall obtain prior approval from the County prior to incurring the same.

E. Quality of Parts to be Furnished; Warranties on Parts.

1. The Contractor will administer all warranty claims for all Parts starting as of the commencement of the Full-Services Phase. The Contractor will identify all Part warranty issues and administer all warranty claims. If the Contractor determines that failure of the Parts is not related to warranty issues, the Contractor will relay any findings to the County within a 24-hour period.

2. **Warranty of Parts.** All Parts supplied pursuant to this Agreement are subject to the terms of written warranties provided by the manufacturer of each Part, and Contractor will process all warranty claims that the County may have against a manufacturer. The manufacturer's warranty will be the sole and exclusive remedy of the County in connection with any warranty claims concerning the Parts supplied to the County pursuant to this Agreement. All other Contractor warranties, both express and implied, including implied warranties of merchantability and fitness for a particular purpose are excluded. Copies of the manufacturers' warranties are available to the County upon request. If any Part is defective or inferior, the Contractor shall at no extra charge replace the Part with a Part meeting the intended application.

3. **Quality of Parts to be Furnished.** The following is in addition to the foregoing warranties. Parts shall be new and shall meet or exceed the quality of parts furnished originally for the equipment (OEM or equivalent). At the discretion of the County, rebuilt parts may be used. However, if the original manufacturer has updated the quality of the parts for the current product, to the extent such updated quality is revealed to the aftermarket industry and updated aftermarket parts are manufactured, Contractor will attempt to procure such updated parts under the terms herein. At the request of the County, Contractor agrees to discuss the supply of any updated after-market or OEM parts with a County-preferred manufacturer. The Fleet Management Division's Director (or his/her designee) shall specifically approve new product lines or changes to existing product lines before they are introduced for use. If more than one grade of part is available that meets the requirement of this subsection, the Director of the Fleet Management Division (or his/her designee) may designate which grade will be made available for use. The County may at any time refuse any particular Part and require a specific substitute to be used. Rebuilt /remanufactured parts must conform to the manufacturer's reconditioning tolerances.

F. Procedures for Ordering and Distributing of Parts to County Personnel.

The County shall provide training on the FMIS System to the Contractor's on-site employees. The purpose of this session will be to train Contractor employees to input information into the FMIS System. No access to FMIS will be allowed without prior proper training. All training will occur in accordance with the schedule at Exhibit E.

G. Road Service Trucks.

The Contractor will advise the County on the most effective composition of Parts inventories to be maintained in the County's Road Service Trucks. The Contractor must provide all inventory for these Road Service Trucks as determined by the County. Contractor will comply with all the procedures set forth in this Agreement in distributing Parts to the County's Road Service Trucks. The Contractor will retain ownership of Parts that are inventoried on the Road Service Trucks. The Parts shall not be invoiced to the County until such time they are issued to a work order.

H. Parts Rebates.

All manufacturers' rebates received by the Contractor for Parts ordered for use by the County will be given to the County as a price reduction reflected in the cost of the Parts and shall be reflected in the price for each part issued by the Contractor. The net monthly cost of parts charged to the County shall reflect all rebates. The Contractor shall provide the County with current rebate information on all Parts issued to the County. The Contractor shall also provide the County with the Contractor's monthly invoice, a report listing rebate detail for all Parts sold to the County for that month. At a minimum, this report shall include customer name, Part number, quantity sold during the month, and total price before and after rebate and rebate percentage.

I. Core Credits.

All Parts involving cores, for example water pumps, alternators, brake shoes, etc., are to be issued to the County without core charge. The used part will be provided to the Contractor as a credit within the core account for the core on the new Part. If it is later determined that the core was bad, then the core for the new Part may be charged to the County with the approval of the Fleet Management Division's Director, or his/her designee.

2.8 Relocating/Modification/Return of the Service Spaces

At the termination or expiration for any reason of this Agreement or the Contractor's license as to any portion of the Service Spaces, the Contractor shall promptly, peaceably, quietly and in good order quit, deliver up and return the Service Spaces (or that portion as to which the license has terminated, in the case of a partial termination) in good condition and repair, ordinary wear and tear excepted. The Contractor shall remove all Contractor Parts (subject to the County's right/obligation to purchase the parts as set forth in Section 6.5) and personal property from the Service Spaces or the portions of the Service Spaces within fifteen (15) days after the date of termination (subject to Contractor's obligation to cooperate with the County in an orderly transition under Section 6.6). Any property of the Contractor not removed by the Contractor in accordance with this Section is deemed abandoned, and the County may dispose of it, without any liability to the Contractor or any other person.

2.9 Additional Services

The County may desire to add Additional Services to this Agreement. Such Additional Services may be added to this Agreement by written modification, if needed.

2.10 Right of Entry, Right of Inspection

A. County will grant Contractor the same keys, cards or code access ("Access Rights") as it does to County employees for all of Contractor's employees operating out of the Service Spaces. The access cards are and shall remain the property of the County and shall be returned to County at the expiration or termination of this Agreement. Access to the Service Spaces shall be provided to the Contractor employees and authorized Contractor representatives (for their performance of the Services) as well as County personnel; provided however, access to the Stockroom shall be restricted to Contractor employees and authorized Contractor representatives only, except as described below. By acceptance of the Access Rights, Contractor agrees to comply with the regulations, practices and policies imposed by County governing the Access Rights and to enforce compliance therewith by its employees and authorized Contractor representatives. County reserves the right to withdraw Access Rights of any individual for violation of the rules and regulations. Furthermore, County reserves the right to subject Contractor's employees and authorized representatives to fingerprint-based background checks to the extent permitted by law and to deny Access Rights to any Contractor employee or authorized representative in accordance with adopted laws, policies and procedures. Contractor shall have no recourse or claim against County for denied Access Rights.

B. County and County's agents shall have the right to enter the Stockroom for the purposes of inspection of the Stockroom, together with the improvements located thereon, and for the routine maintenance and repair of the same. During normal business hours, the Contractor shall have, at all times, an authorized representative at the Stockroom to accompany the County personnel if access to the Stockroom is needed. Upon the County's demand for access, the Contractor's authorized representative shall immediately admit County personnel in the Stockroom and shall accompany County personnel in the site visit and/or for the duration of any maintenance or repairs. During normal business hours, the County will only have access to the Stockroom through such Contractor's authorized representative. The Contractor shall have an employee on call 24 hours a day, seven days a week, to respond to demands for County access to the Stockroom in hours other than normal business hours. If the County requires access to the Stockroom at such times, it must contact such employee, who, upon demand for access, must within a reasonable time accompany County personnel in the Stockroom.

C. Notwithstanding anything in this Agreement to the contrary, in the event of any type of emergency situation, the County, County's agents and County's employees may gain immediate access to the Stockroom, unaccompanied by Contractor personnel by using the County's access cards. For purposes of this section an emergency situation

shall be a situation which creates an imminent danger to persons or property and/or an unsafe condition at the Primary Facility threatening persons or property.

D. In addition, to all other right of audit or inspections that the County may have under this Agreement, the County has the right to examine the inventory levels kept at the Stockroom at all reasonable times, and the County will have the right to perform any other reasonable examination of the Contractor's operations at all reasonable times and shall have access to the Stockroom to conduct such examinations, subject to the procedures identified above.

2.11 No Security Interest

The County does not grant the Contractor any interest in any County property under this Agreement including any security interest in any County Parts while that inventory is being administered by the Contractor. Contractor shall indemnify, defend and hold County harmless from and against any cost, expense, loss or damage as a result of any such interests.

2.12 Personnel - Adequate Staffing

The Contractor shall assign and maintain during the term of this Agreement, and any extension hereof, an adequate staff of competent personnel that are fully equipped, licensed as appropriate, available as needed, qualified and assigned exclusively to perform the Services in accordance with the Contractor's budget submittal. The Contractor shall assign to this Agreement for the term of this Agreement a person in a supervisory position who possesses "ASE" Parts highest-level certification relevant to the types of equipment maintained by the County. The level of staffing may be revised from time to time by notice in writing from the Contractor to the County and with written consent of the County. The Contractor will bear the cost of all staffing revisions unless the County requests additional staffing pursuant to a request for Additional Services under Section 2.9 above. Without limiting its remedies for default, the County may require the Contractor to increase its staffing levels at no additional cost to the County if the County determines that the Contractor is not providing the Services pursuant to the terms of this Agreement.

2.13 Budget Process

A. **Contractor's Budget.** On an annual basis, the Contractor shall develop and submit for the County's approval an Annual Budget broken down by the County's Fiscal Year which reflects all costs relating to the Contractor's operating expenses to be incurred in connection with the Contractor's provision of the Services under this Agreement. The Annual Budget shall itemize, by category of costs, the Services to be provided under this Agreement. The Contractor may not claim reimbursement for any cost or expense in any category of costs not included in the approved Annual Budget. The Contractor agrees that it will, in the year covered by the Annual Budget, perform Services and meet or exceed the requirements of this Agreement (including those set forth in Exhibit D hereof) at or less than the amount in each category of costs contained in the approved Annual Budget. Any expenses in any category of costs incurred by the

Contractor over such maximum amount in each category of costs in the Annual Budget will be borne solely by the Contractor, unless the Services required change during the term of this Agreement. For example, by way of illustration only, if the Contractor is not meeting the requirements contained in this Agreement through the staffing schedule contained in the Annual Budget, such failure will be an Event of Default under this Agreement, and any increases in work force to cure the deficiency shall be solely at the expense of the Contractor.

B. Deadlines for Submission. The Annual Budget will be due by January 8th of the year preceding the first year of the budget. For example, the submittal for the Budget for Fiscal Year(s) 2014 must be no later than January 8, 2013. Failure to provide a tentative budget by the foregoing date will constitute an Event of Default under this Agreement. The Annual Budget for fiscal year 2013 as submitted by the Contractor is Exhibit G of this Agreement.

C. County Approval. The Annual Budget will not be effective until approved by the County during its normal budget process.

D. Budget Not Approved. If the tentative Annual Budget submitted by the Contractor is not satisfactory to the County, the County and the Contractor shall negotiate a satisfactory Annual Budget within a reasonable time frame. Otherwise, this Agreement will be terminated at the end of the then current Fiscal Year.

2.14 Record Keeping and Reference Material

The Contractor shall maintain the following information to be available to the County and its agents at its request:

A. Records. The Contractor shall maintain all records including, but not limited to, Part costs, salaries, and overhead expenses. All records pertaining to charges made to the County may include copies of electronic and hard data, books, records, correspondence, instructions, manuals, receipts, vouchers, time cards, and memorandums relating to this Agreement and in accordance with Florida Statutes. Access to this information shall be strictly limited to information directly related to the Parts and Services supplied to the County herein but in no way limits access to records otherwise required by Section 8.5.

B. Reference Files and Procedures. The Contractor shall maintain or ensure access to service manuals, part manuals, service bulletins, lubrications charts, and other information necessary to procure and supply Parts to properly service and repair the County's fleet. These records become the property of the County at the expiration or termination of this Agreement.

2.15 Reporting Requirements

A. Daily Reconciliation Report. The Contractor shall submit a daily reconciliation report as described in Section 2.3 above.

B. Daily Availability Report. A separate daily report shall be submitted, which itemizes Parts issued and time required to issue those Parts from the time a request is received from the technician. At a minimum, this report should include Work Order number, Part number, Part description, date and time Part was requested, and date and time Part was received.

C. Monthly Invoice Report. A report itemizing all parts invoiced for the month shall be submitted with the monthly invoice.

D. Monthly Availability Report. A separate monthly report shall be submitted, which itemizes Parts issued and time required to issue those Parts from the time a request is received from the technician. At a minimum, this report should include Work Order number, Part number, Part description, date and time Part was requested, and date and time Part was received.

E. Annual Report. On the calendar year of the effective date of this Agreement and every other anniversary date thereafter, the Contractor must submit to the County a written annual report that summarizes the year's activity in a format agreed upon by the parties.

F. Weekly Warranty Reports. The Contractor must submit a weekly report to the County that fully describes the parts eligible and supplied, by line item and with costs assigned under the warranty provisions of this Agreement.

G. Ad Hoc Reporting. The County reserves the right to obtain additional reports as required at no additional cost which reports are reasonably capable of being produced by Contractor's System or the FMIS System.

H. All reports required under this Section are referred to collectively as "Reports."

2.16 Standard of Performance

A. The Contractor shall perform all Services required of it under this Agreement with that degree of skill, care, and diligence normally shown by a contractor performing services of a scope and purpose and magnitude comparable with the nature of the Services to be provided under this Agreement. The Contractor acknowledges that it may be entrusted with or have access to records of the County, and with respect to that information, the Contractor agrees to be held to the standard of care of a fiduciary, provided, however, that the County's only remedy for the Contractor's breach of such fiduciary duty is a breach of contract claim and not a claim for breach of fiduciary duty.

B. The Contractor shall assure that all Services that require the exercise of professional skills or judgment are accomplished by professionals qualified and competent in the applicable discipline and appropriately licensed, if required by law. The Contractor shall provide copies of any such licenses. The Contractor remains responsible

for the professional and technical accuracy of all Services and Reports furnished, whether by the Contractor or its subcontractors or others on its behalf. All Reports shall be prepared in a form and content satisfactory to the County and delivered in a timely manner consistent with the requirements of this Agreement.

C. If the Contractor fails to comply with the foregoing standards, the Contractor shall perform again, at its own expense, all Services required to be re-performed as a direct or indirect result of that failure. Any review, approval, acceptance, or payment for any of the Services by the County does not relieve the Contractor of its responsibility for the professional skill and care and technical accuracy of its Services and Reports. This provision in no way limits the County's rights against the Contractor either under this Agreement, at law or in equity.

ARTICLE 3

TERM OF PERFORMANCE

3.1 Term of Performance

The initial term of this Agreement shall commence upon the Effective Date and will continue through February 23, 2015 or until this Agreement is terminated in accordance with its terms, whichever occurs first. Upon expiration of the initial term, this Agreement shall automatically be renewed for one (1) additional year, unless either party notifies the other party in writing of its intent not to renew the Agreement at least sixty (60) days prior to the expiration of the initial term. If the term of this Agreement is extended as provided for herein then all references to the term of the Agreement shall also include such extension.

3.2 Timeliness of Performance

A. The Contractor shall provide the Services and Reports within the term and within the time limits required by this Agreement, pursuant to the provisions of Section 3.1 and elsewhere in this Agreement. **Further, the Contractor acknowledges that TIME IS OF THE ESSENCE and that the failure of the Contractor to comply with the time limits described in this Agreement may result in economic or other losses to the County which shall be deducted from any funds owed to the Contractor by the County.** Notwithstanding the forgoing, Contractor shall make 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. Contractor's employees shall make such deliveries in a manner consistent with safe and responsible driving practices.

B. Neither the Contractor nor the Contractor's agents, employees, or subcontractors are entitled to any damages from the County, nor are they entitled to be reimbursed by the County, for damages, charges, excess costs or other losses or expenses incurred by the Contractor by reason of delays or hindrances in the performance of the Services, whether or not the delays or hindrances are caused by the County.

C. Whenever performance by Contractor of any of its obligations is substantially prevented by reason of any act of God, major industrial or transportation disturbance, fire, floods, riots, acts of enemies, acts of terrorism, national emergencies or by any other cause not within the reasonable control of Contractor and not occasioned by its negligence, then such performance shall be excused and the performance of such obligations under this Agreement shall be suspended for the duration of such prevention.

ARTICLE 4
COMPENSATION

4.1 Payment Terms/Pricing

Contractor shall invoice the County for all inventory purchased pursuant to this Agreement on a monthly basis according to the pricing plan below. County agrees to pay the entire amount of all statements received from Contractor in accordance with the Local Government Prompt Payment Act, F.S., §218.70, following receipt of any such statement; provided that all costs set forth therein fall within the approved Annual Budget, all of the terms and conditions set forth in this Article 4 have been complied with, and Contractor has provided County with all supporting documentation that may be required by the County.

PRICING PLAN

NAPA Product Costs	Billed to County at Jobber Net Pricing plus 10%
Non-NAPA Product Costs	Billed to County at cost plus 10%
Operational Costs	Billed to County at cost

Product Costs. The pricing of the inventory to be supplied to County by Contractor pursuant to this Agreement. Product Costs shall be further divided into "*NAPA Product Costs*," which is the pricing of Contractor supplier manufactured products, and "*Non-NAPA Product Costs*," which is the pricing of products which have not been manufactured by Contractor suppliers but which have been acquired for the County by Contractor pursuant to this Agreement.

Operational Costs. Any and all costs and expenses incurred by the Contractor associated with the operation of the Facilities or the County Equipment used by Contractor in the operation of the Facilities, including, but not limited to, salary and benefits payable to Contractor employees at the Facilities, worker's compensation benefits and insurance, unemployment insurance, personal property insurance for the Facilities and inventory, any deductible for losses covered under

the personal property, automobile liability or general liability insurance policies of Contractor and all equipment supplied by Contractor.

Both NAPA Product Costs and Non-NAPA Product Costs shall be set by Contractor as described herein. Costs for all NAPA Parts sold to the County will be Jobber Net Pricing determined as of the date of issue and will be available to the County via the Contractor's online pricing portal. The Jobber Net Pricing reflected on the Contractor's online pricing portal will be automatically updated when prices change. Contractor will bill County for NAPA Parts at Jobber Net Pricing plus a ten percent (10%) mark up on the price listed. Costs for all Non-NAPA Parts, will be the actual price paid by the Contractor for the part. Contractor will bill County for Non-NAPA Parts at the actual price paid by Contractor plus a ten percent (10%) mark up on such price.

Operational Costs incurred by the Contractor will be charged to County at cost, with all such charges included in County's monthly billing statement. County will be billed at the end of each month for operational costs on an "in arrears" basis.

In addition, Contractor may use any subcontractor for the procurement of "outside" purchases or services (i.e. those parts or services not traditionally stocked or performed by Contractor), and County will be billed an additional charge for any such purchases at Contractor's cost plus ten percent (10%).

4.2 Budget for Services

As provided in Section 2.13, the Contractor must prepare and operate within the approved Annual Budget for its Services.

4.3 Method of Payment

Payment will be made by check after commodities/services have been received, accepted and properly invoiced as indicated in this Agreement.

4.4 Criteria for Payment

At the end of each month, the Contractor will submit an invoice that must include the purchase order number, Contractor's monthly operating statement and any reports required by the County to substantiate the costs and any expenses associated with running the parts facility for the County. No other invoices for Parts or expenses for running the County's parts operation shall be accepted or paid. Costs may not exceed the budgeted amount. The County will determine whether any rates, costs, and expenses invoiced are in accordance with the approved Annual Budget and the terms of the Agreement. The County will conduct daily and monthly checks to confirm the accuracy of the Contractor's invoicing of NAPA Parts by comparing the Jobber Net Pricing listed on the Contractor's online pricing portal to the Jobber Net Pricing reflected on the corresponding work order. All invoices for Non-NAPA Parts shall be submitted to County with evidence, which must be satisfactory to County in its reasonable discretion, of the actual price paid by Contractor for such parts. The County will also review the reconciliation and, as stated in Section 2.5 above, will pay only for those Parts which have been properly reconciled through

FMIS to a work order. Parts issued by the Contractor and subsequently returned by the County unused, must be fully credited back to the work order through FMIS immediately upon return to the Contractor.

4.5 Non-Appropriation

If no funds or insufficient funds are appropriated and budgeted in any fiscal period, the County will notify the Contractor in writing of that occurrence, and this Agreement will terminate on the earlier of the last day of the fiscal period for which sufficient appropriation was made or whenever the funds appropriated for payment under this Agreement are exhausted. Payment for work completed to the date of the notification will be made to the Contractor. No payments will be made or due to the Contractor under this Agreement beyond those amounts appropriated and budgeted by the County to fund payments under this Agreement.

4.6 Local Vendor Preference

Contractor will be required to utilize a Local Vendor for Non-NAPA Parts provided that the Local Vendor can meet all product specifications (including timeliness of delivery) and costs do not exceed 5% more than the price which Contractor can obtain the Part meeting identical specifications from a non-Local Vendor.

Contractor agrees to maintain detailed records of the costs associated with the Outlying Facility located in Pahokee, Florida for a period of six (6) months from the beginning of the Full-Services Phase. At the conclusion of the six month period, Contractor and the County will evaluate the costs to compare the effectiveness (cost and performance) of acquiring NAPA Parts and/or Non-NAPA Parts through Glades Businesses. In the event it is determined that acquisition through Glades Businesses is in the best interest of the parties hereto, than the County and the Contractor will enter into a written amendment to this Agreement specifying the terms pursuant to which acquisition through Glades Businesses would be accomplished.

ARTICLE 5 **RECORDS AND AUDITS**

5.1 Records

A. The Contractor shall deliver all documents, including but not limited to, all invoices and Reports prepared for the County under the terms of this Agreement, to the County promptly and in accordance with the time limits prescribed in this Agreement. If no time limit is specified, then such documents shall be delivered to the County upon reasonable demand therefore or upon termination or completion of the Services required under this Agreement. If the Contractor fails to make such delivery upon demand, the Contractor shall pay to the County any damages the County may sustain by reason of Contractor's failure.

B. The Contractor must maintain all records not delivered to the County or demanded by the County, for a period of five (5) years after the record is produced by the Contractor.

5.2 Audits

A. The Contractor and the Contractor's sub-contractors must furnish the County with all information that may be requested directly pertaining to the performance and cost of the Services. The Contractor must maintain records showing actual time devoted and costs incurred. The Contractor must keep books, documents, paper, records, and accounts in connection with the Services open for audit, inspection, copying, abstracting, and transcription, and the Contractor must make these records available to the County and any other interested governmental agency at reasonable times during the performance of its Services.

B. To the extent that the Contractor conducts any business operations separate and apart from the Services required under this Agreement using, for example, personnel, equipment, supplies or facilities also used in connection with this Agreement, the Contractor must maintain and make similarly available to the County detailed records supporting the Contractor's allocation to this Agreement of the costs and expenses attributable to any such shared usages.

C. The Contractor must, for a period of five (5) years following the termination of this Agreement, maintain in Palm Beach County Contractor's books, records, documents, and other evidence and shall adopt accounting procedures and practices sufficient to reflect properly all costs of whatever nature claimed to have been incurred and anticipated to be incurred for or in connection with the performance of this Agreement. This system of accounting must be in accordance with generally accepted accounting principles and practices, consistently applied throughout.

ARTICLE 6 EVENTS OF DEFAULT, REMEDIES, TERMINATION, AND SUSPENSION

6.1 Events of Default Defined

A. The following constitute Events of Default:

1. Any material misrepresentation, whether negligent or willful and whether in the inducement or in the performance, made by the Contractor to the County.

2. The Contractor's material failure to perform any of its obligations under the Agreement including the following:

a. Failure due to a reason or circumstance within the Contractor's reasonable control to perform the Services with sufficient personnel and

equipment or with sufficient material to ensure the performance of the Services;

b. Failure to perform the Services in a manner reasonably satisfactory to the County or inability to perform the Services satisfactorily as a result of insolvency, filing for bankruptcy or assignment for the benefit of creditors;

c. Failure to promptly re-perform within a reasonable time Services that were rejected as erroneous or unsatisfactory;

d. Discontinuance of the Services for reasons within the Contractor's reasonable control; or

e. Failure to comply with a material term of this Agreement, including but not limited to the provisions concerning insurance and nondiscrimination or compliance of procedures and services with the provisions concerning non-discrimination.

3. The Contractor's default under any other agreement it may presently have or may enter into with the County during the life of this Agreement. The Contractor acknowledges and agrees that in the event of a default under this Agreement, the County may also declare a default under any such other agreements.

4. Any other occurrence that is specifically identified as an Event of Default elsewhere in this Agreement.

6.2 Remedies

A. The occurrence of any Event of Default permits the County, at the County's sole option, to declare the Contractor in default. Except in extraordinary circumstances, the County will give the Contractor written notice of default in compliance with Article 7, in the form of a cure notice ("Cure Notice") providing a thirty (30) day cure period.

B. The County may give a Default Notice if the Contractor fails to affect a cure within the cure period given in a Cure Notice or if extraordinary circumstances exist. After giving a Default Notice, the County may invoke any or all of the following remedies:

1. The right to take over and complete the Services or any part of them;

2. The right to terminate this Agreement as to any or all of the Services yet to be performed effective at a time specified by the County;

3. The right of specific performance, an injunction, or any other appropriate equitable remedy;
4. The right to money damages;
5. The right to withhold all or any part of the Contractor's compensation under this Agreement; or
6. The right to deem the Contractor non-responsible in future contracts to be awarded by the County for a two-year period.

C. If the County considers it to be in the County's best interests, it may elect not to declare the Contractor in default or to terminate the Agreement. The parties acknowledge that this provision is solely for the benefit of the County and that if the County permits the Contractor to continue to provide the Services despite one or more Event of Default, the Contractor is in no way relieved of any of its responsibilities, duties or obligations under this Agreement nor does the County waive or relinquish any of its rights.

D. The remedies under the terms of the Agreement are not intended to be exclusive of any other remedies provided, but each and every such remedy is cumulative and is in addition to any other remedies, existing now or later, at law, in equity or by statute. No delay or omission to exercise any right or power accruing upon any event of default impairs any such right or power nor is it a waiver of any event of default nor acquiescence in it, and every such right and power may exercised from time to time and as often as the County deems expedient.

6.3 Early Termination

A. In addition to termination pursuant to Sections 4.5 and 6.2 of this Agreement, the County may terminate this Agreement, or all or any portion of the Services to be performed under it, at any time by a notice in writing from the County to the Contractor. The County will give a notice to the Contractor in accordance with the provisions of Article 7. The effective date of termination will be the date the notice is received by the Contractor or the date stated in the notice, whichever is later. If the County elects to terminate the Agreement in full, all Services to be provided under it must cease effective thirty (30) days after the date the notice is considered received as provided under Article 7 of this Agreement (if no date is given) or upon the effective date stated in the notice.

B. After the notice is received, the Contractor must restrict its activities, and those of its sub-contractors, to winding down any reports, analyses, or other activities previously begun. Contractor must remove its property from the Service Spaces within thirty (30) days. No costs incurred after the effective date of the termination are allowed. Payment for any Services actually and satisfactorily performed before the effective date of the termination is on the same basis as set forth in Article 4. Contractor hereby waives any claims for damages from this early termination, including loss of anticipated profits, on account thereof, but as the sole right and remedy of Contractor, County only shall pay

Contractor as provided herein. The payment so made to the Contractor will be in full settlement for all Services satisfactorily performed under this Agreement.

C. If the County's election to terminate this Agreement for default pursuant to Sections 6.1 and 6.2 is determined in a court of competent jurisdiction to have been wrongful, then in that case the termination is to be deemed to be an early termination pursuant to this Section.

6.4 Suspension

A. The County may request at any time that the Contractor suspend its Services, or any part of them, by giving fifteen (15) days prior written notice to the Contractor or without prior notice in the event of emergency. No costs incurred after the effective date of such suspension are allowed. The Contractor must promptly resume its performance of the Services under the same terms and conditions as stated in this Agreement upon written notice by the County and such equitable extension of time as may be mutually agreed upon by the County and the Contractor when necessary for continuation or completion of Services. Any additional costs or expenses actually incurred by the Contractor as a result of recommencing the Services must be treated in accordance with the compensation provisions under Article 4 of this Agreement.

B. No suspension of this Agreement is permitted in the aggregate to exceed a period of 45 days within any one Agreement Year. If the total number of days of suspension exceeds 45 days, the Contractor by written notice may treat the suspension as an early termination of this Agreement pursuant to Section 6.3.

6.5 Disposition of Parts Inventory upon Expiration or Termination of Agreement

A. **Non-NAPA Parts.** Upon the expiration or termination of this Agreement, the County will buy and the Contractor will sell any Contractor Parts which are Non-NAPA Parts held by the Contractor pursuant to this Agreement at the actual price paid by Contractor for such parts; provided that such parts were either: (i) initially purchased from the County by the Contractor, pursuant to the terms set forth in Section 2.4 of this Agreement; or (ii) included within the Monthly Non-NAPA Parts Inventory Report and specifically approved by the County to be included within the County's obligation to repurchase such parts in accordance with the procedure set forth below.

Within five (5) days of the end of each month, Contractor shall submit to the County a monthly report that itemizes all Non-NAPA Parts in inventory as of the last day of each month ("Monthly Non-NAPA Parts Inventory Report"). Such Monthly Non-NAPA Parts Inventory Report shall, at a minimum, contain a full listing of all Non-NAPA Parts contained in the Stockroom, Outlying Facilities and the Road Service Trucks by part description, part number, part quantity, part cost and part location. County shall review such report and within ten (10) days of County's receipt of such report provide Contractor with its written approval of which Non-NAPA Parts may be included within County's obligation to repurchase in accordance herewith. Once County approves

specific Non-NAPA Parts included within a specific Monthly Non-NAPA Parts Inventory Report, it cannot, in a later month, reject such specific Non-NAPA Parts. Also, once Non-NAPA Parts are included within a specific Monthly Non-NAPA Parts Inventory report, the County will be obligated to re-purchase such parts at the expiration or termination of this Agreement. Contractor hereby acknowledges that County's approval of whether such Non-NAPA Parts may be included within the County's obligation to repurchase in accordance herewith may be granted or denied in the County's sole and absolute discretion. Furthermore, the parties acknowledge that Contractor's failure to submit the Monthly Non-NAPA Parts Inventory Report to the County shall not constitute a default under the terms of this Agreement, but will make Non-NAPA Parts that have yet to be approved for repurchase to be ineligible from being included within County's repurchase obligation as set forth herein.

B. NAPA Parts. Upon the expiration or termination of this Agreement County will have the option, which may be exercised in the County's sole and absolute discretion, to purchase any NAPA Parts held by the Contractor pursuant to this Agreement. If the County elects to purchase any such NAPA Parts, the Contractor will sell them to the County at the current Jobber Net Pricing as reflected on the Contractor's online pricing portal.

C. Removal of Parts. The Contractor will remove any Contractor Parts not purchased by the County from the Service Spaces without charge to the County.

6.6 Orderly Transition

Upon any expiration or termination of this Agreement, the Contractor must cooperate with the County in an orderly transition of the Parts management function to a new contractor or the County, at the County's option. Contractor must remove its property from the Service Spaces within fifteen (15) days.

ARTICLE 7 **NOTICES**

All notices, consents, approvals, and elections (collectively, "notices") to be given or delivered by or to County/Contractor shall be in writing and shall be (as elected by the party giving such notice) hand delivered by messenger, courier service, or national overnight delivery service (provided in each case a receipt is obtained), telecopied or faxed, or alternatively shall be sent by United States Certified Mail, with Return-Receipt Requested. The effective date of any notice shall be the date of delivery of the notice if by personal delivery, courier services, or national overnight delivery service, or on the date of transmission with confirmed answer back if telecopier or fax if transmitted before 5PM on a business day and on the next business day if transmitted after 5PM or on a non-business day, or if mailed, upon the date which the return receipt is signed or delivery is refused or the notice designated by the postal authorities as non-deliverable, as the case may be. The County and Contractor hereby designate the following addresses as the addresses to which notices may be delivered; and delivery to such addresses shall constitute binding notice given to such party:

If to the County at:

Director, Facilities Development & Operations
2633 Vista Parkway
West Palm Beach, FL 33411
Fax: (561) 233-0206

With a copy to:

Director, Fleet Management Division
2601 Vista Parkway
West Palm Beach, FL 33411
Fax: (561) 233-4580

County Attorney's Office
301 North Olive Avenue
West Palm Beach, FL 33401
Fax: (561) 355-3965

If to Contractor at:

Genuine Parts Company
Florida Division IBS Manager
Attn: John K. Crane
11716 North Florida Avenue
Tampa, FL 33612
Fax: (813) 932-2151

With a copy to:

Genuine Parts Company
Associate Counsel
2999 Circle 75 Parkway
Atlanta, GA 30339
Fax: (770) 956-2216

Changes in these addresses must be in writing and delivered in accordance with the provisions of this Article. Notices delivered by mail are deemed received three days after mailing in accordance with this Section. Notices delivered personally are deemed effective upon receipt. Refusal to accept delivery has the same effect as receipt.

ARTICLE 8
MISCELLANEOUS PROVISIONS

8.1 Indemnification (General Liability)

The Contractor shall indemnify, hold harmless, and defend the County and the Board of County Commissioners, their agents and employees and anyone directly or indirectly employed by either of them, from and against any and all liabilities, losses, claims, damages, demands, expenses or actions, either at law or in equity, including court costs and reasonable attorneys' fees, that may hereafter at anytime be made or brought by anyone on account of personal injury, property damage, loss of monies, or other loss, to the extent caused or incurred, as a result of any negligent, wrongful, or intentional act or omission of, or based on any act of fraud or defalcation by the Contractor, or anyone performing any act required of the Contractor in connection with performance of the Agreement. These obligations shall survive acceptance of any Services and payment by the County.

8.2 Copyright/Patent Indemnification

Contractor agrees to indemnify the County and hold it harmless from and against all claims, liability, loss, damage or expense, including attorney's fees, arising from or by reason of any actual or claimed trademark infringement or litigation with respect to the Parts supplied hereunder based on the trademarks owned by Contractor, or licensed to Contractor from NAPA. Contractor agrees to use reasonable commercial efforts to assist the County in processing any copyright or patent infringement claim against the applicable manufacturer.

8.3 Insurance Required

Before starting and through the term of the Agreement, the Contractor shall procure and maintain insurance of the types and to limits specified in Exhibit F.

8.4 Assignments and Subcontracts

A. The Contractor will not assign, delegate or otherwise transfer all or any part of its rights or obligations under this Agreement without the prior written consent of the County, which consent may be withheld in the County's sole and absolute discretion. The absence of such authorization or written consent will void the attempted assignment, delegation, or transfer, and the transactions so voided will have no effect as to the Services or this Agreement.

B. All subcontracts and all approvals of subcontractors are, regardless of their form, deemed conditioned upon performance by the subcontractor in accordance with the terms and conditions of this Agreement. If any subcontractor fails to observe or perform the terms and conditions of this Agreement to the satisfaction of the County, the County has the absolute right upon written notification to immediately rescind approval and to require the performance of this Agreement by the Contractor personally or through any other County-approved subcontractor. Under no circumstance will the County's approval

of a subcontractor relieve Contractor of any of its obligations or liabilities under this Agreement.

C. Upon entering into any agreement with a subcontractor, the Contractor shall furnish the County with a copy of that agreement. All subcontracts shall contain provisions that require the Services be performed in strict accordance with the requirements of this Agreement, provide that the subcontractors are subject to all the terms of this Agreement and are subject to the approval of the County. If the agreements do not prejudice any of the County's rights under this Agreement, such agreements may contain different provisions than are provided for in this Agreement with respect to extensions of schedule, time of completion, payments, guarantees and matters not affecting the quality of the Services.

D. The Contractor will not transfer or assign any funds or claims due or to become due under this Agreement without the prior written consent of the County. The attempted transfer or assignment of any Agreement funds, or any interest in such funds which are due or will become due to the Contractor without such prior written consent, will have no effect upon the County.

E. The County expressly reserves the right to assign or otherwise transfer all or any part of its interest under this Agreement to any successor.

8.5 Palm Beach County Office of the Inspector General

Palm Beach County has established the Office of the Inspector General, Palm Beach County Code Section 2-421, *et seq*, as may be amended. The Inspector General's authority includes but is not limited to the power to review past, present and proposed County contracts, transactions, accounts and records, to require the production of records, and audit, investigate, monitor, and inspect the activities of the contractor, its officers, agents, employees, and lobbyists in order to ensure compliance with contract specifications and detect corruption and fraud. All contractors and parties doing business with the County and receiving County funds shall fully cooperate with the Inspector General including receiving access to records relating to procurements or any resulting contract.

8.6 Applicable Law - Venue

Unless otherwise specified, all phases and provisions of this Agreement, including but not limited to interpretation, proposing, award, execution and implementation, shall be governed by the laws, rules, and regulations of the State of Florida. Venue of all disputes shall be in a state court of competent jurisdiction located in Palm Beach County, Florida.

8.7 Palm Beach County Equal Opportunity Clause

A. During the performance of this Agreement, the Contractor agrees as follows:

1. **General.** The Contractor shall not discriminate against any employee or applicant for employment because of race, sex, color, religion, national origin, age, disability, familial status, marital status, sexual orientation or gender identity or expression.
2. **Recruitment.** The Contractor will in all solicitations or advertisements for employees placed by or on behalf of the Contractor state that all qualified applicants will receive consideration for employment without regard to race, sex, color, religion, national origin, age, disability, familial status, marital status, sexual orientation or gender identity or expression.
3. **Federal Requirements.** In the event this Agreement is paid in whole or in part from any federal governmental agency or source, the specific terms, regulations, and requirements governing the disbursement of these funds shall be specified herein and become a part of this clause.

8.8 Scrutinized Companies

As provided in F.S., §287.135, by entering into this Agreement or performing any work in furtherance hereof, Contractor hereby certifies that Contractor and Contractor's affiliates, suppliers, subcontractors and consultants who will perform hereunder, have not been placed on the Scrutinized Companies With Activities in Sudan List or Scrutinized Companies With Activities in The Iran Petroleum Energy Sector List created pursuant to F.S., §215.473. If the County determines, using credible information available to the public, that a false certification has been submitted by Contractor, this Agreement may be terminated and a civil penalty equal to the greater of \$2 million or twice the amount of this Agreement shall be imposed, pursuant to F.S., §287.135.

8.9 Public Entity Crime Information Statement

A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in F.S., §287.017, for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list." Contractor represents and warrants that it is not on the convicted vendor list and shall not utilize contractors or subcontractors on the convicted vendor list.

8.10 No Third Party Rights

Nothing in this Agreement, express or implied, is intended to nor shall confer upon any person, other than the parties hereto and their respective successors and assigns, any rights or remedies under or by reason of this Agreement.

8.11 Entire Agreement

The foregoing constitutes the entire Agreement between the parties with respect to the subject matter contained herein.

8.12 Independent Contractor

The Contractor is, and shall be, in the performance of all work, services, and activities under this Agreement, an Independent Contractor and not an employee, agent, or servant of the County. All persons engaged in any of the work or services performed pursuant to this Agreement shall at all times, and in all places, be subject to the Contractor's sole direction, supervision, and control, and shall be paid directly by Contractor. The Contractor shall exercise control over the means and manner in which it and its employees perform the work, and in all respects the Contractor's relationship, and the relationship of its employees, to the County shall be that of an Independent Contractor and not as employees or agents of the County.

The Contractor does not have the power or authority to bind the County in any promise, agreement, or representation other than specifically provided for in this Agreement.

8.13 Recording

Contractor shall not record this Agreement, or any memorandum or short form thereof, without the written consent and joinder of County, which may be granted or withheld at County's sole discretion.

8.14 Waiver, Accord and Satisfaction

The consent or approval by County to or of any act by Contractor requiring County's consent or approval shall not be deemed to waive or render unnecessary County's consent to or approval of any subsequent similar act by Contractor.

8.15 Construction

No party shall be considered the author of this Agreement since the parties hereto have participated in extensive negotiations and drafting and redrafting of this document to arrive at a final agreement. Thus, the terms of this Agreement shall not be strictly construed against one party as opposed to the other party based upon who drafted it. In the event that any section, paragraph, sentence, clause, or provision hereof is held by a court of competent jurisdiction to be invalid, such shall not affect the remaining portions of this Agreement and the same shall remain in full force and effect.

8.16 Survival

Notwithstanding any early termination of this Agreement, Contractor shall remain obligated hereunder to perform any duty, covenant or obligation imposed upon Contractor hereunder arising prior to the date of such termination.

8.17 Effective Date of Agreement

This Agreement is expressly contingent upon the approval of the Palm Beach County Board of County Commissioners, and shall become effective only when signed by all parties and approved by the Palm Beach County Board of County Commissioners (the "Effective Date").

(Remainder of Page Intentionally Left Blank)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

ATTEST:

SHARON R. BOCK
CLERK & COMPTROLLER

By: _____
Deputy Clerk

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

By: _____
Assistant County Attorney

COUNTY:

PALM BEACH COUNTY, a political
subdivision of the State of Florida

By: _____
Shelley Vana, Chair

APPROVED AS TO TERMS AND
CONDITIONS

By: Army Wong
Department Director

CONTRACTOR

GENUINE PARTS COMPANY,
a Georgia corporation

By: Gregg Sargent
Gregg Sargent, Division Vice President

John Ames
(Witness)
JOHN AMES
(Print Witness Name)

John R. Crone
(Witness)
John R. Crone
(Print Witness Name)

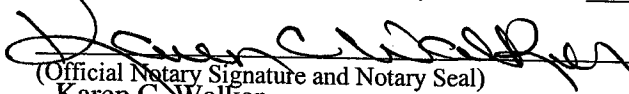
(SEAL)

STATE OF Florida
COUNTY OF Hillsborough

The foregoing instrument was acknowledged before me this
20th day of August, 2012 By Gregg Sargent, Florida Division Vice President
(Date) (Name of officer or agent, title of officer or agent)

of Genuine Parts Company d/b/a NAPA a Georgia corporation,
(Name of corporation acknowledging) (State or place of incorporation)
on behalf of the corporation, pursuant to the powers conferred upon said officer or agent by the corporation. He/she
personally appeared before me at the time of notarization, and is personally known to me or has produced
n/a
(Type of Identification) as identification and did certify to have knowledge of the matters stated
in the foregoing instrument and certified the same to be true in all respects.

Subscribed and sworn to (or affirmed) before me this 20th day of August, 2012
(Date)

 Commission Number DD967862
(Official Notary Signature and Notary Seal) Karen C. Walker
Commission Expiration Date 3/4/2014
(Name of Notary typed, printed or stamped)

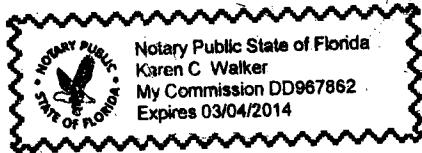


EXHIBIT A

**PALM BEACH COUNTY FLEET MAINTENANCE FACILITIES
AND HOURS OF OPERATION**

Primary Facility, including the Stockroom

Fleet Central
2601 Vista Parkway
West Palm Beach, FL 33411-5609

Monday - Friday 6:30 a.m. to 5:00 p.m., excluding County recognized holidays

Outlying Facilities

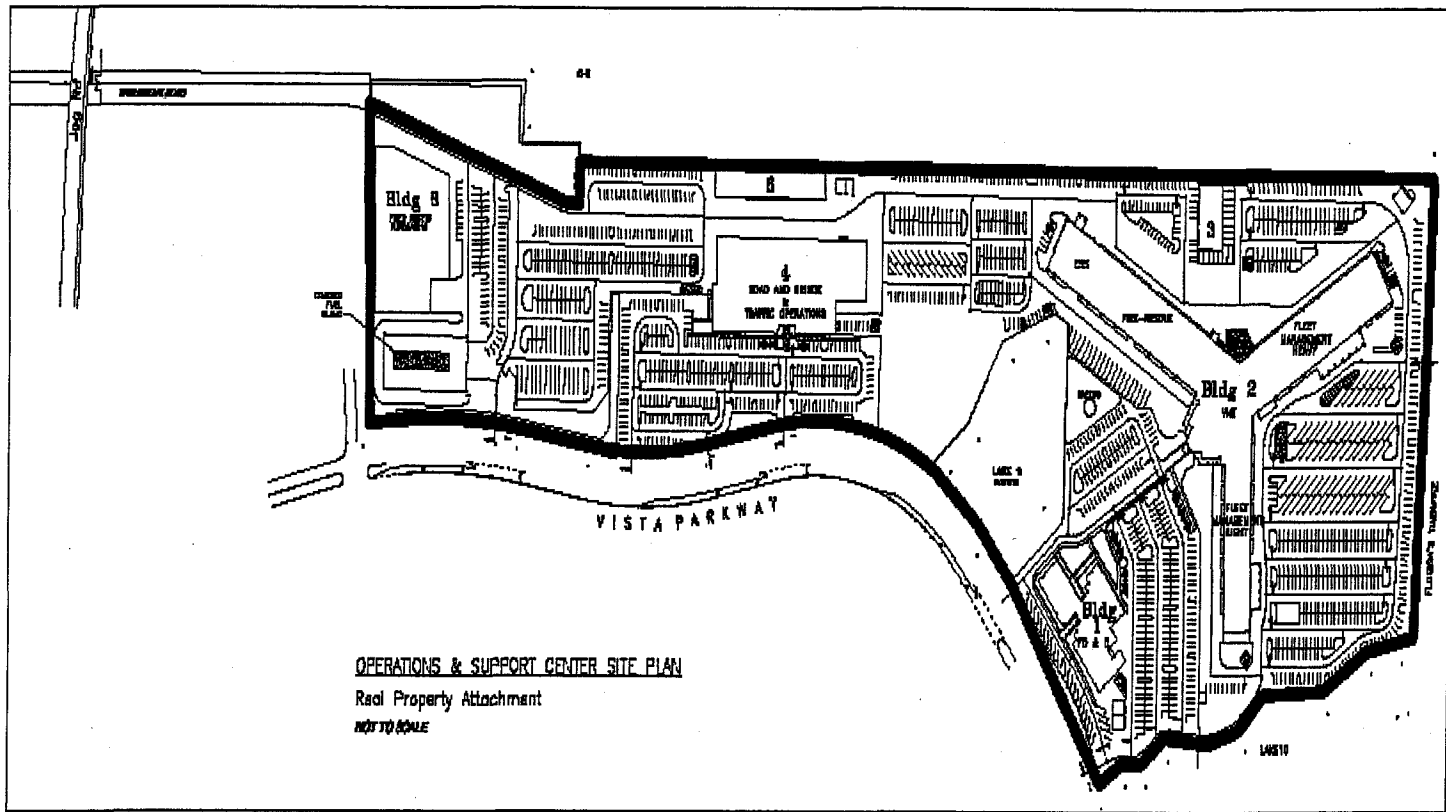
Pahokee Shop
580 State Market Road
Pahokee, FL 33476

Monday - Thursday 6:30 a.m. to 5:00 p.m., excluding County recognized holidays

South Region Shop
13026 Jog Road
Delray Beach, FL 33484

Monday - Friday 6:30 a.m. to 5:00 p.m., excluding County recognized holidays

EXHIBIT B
COUNTY REAL PROPERTY



OPERATIONS & SUPPORT CENTER SITE PLAN
Real Property Attachment
NOT TO SCALE

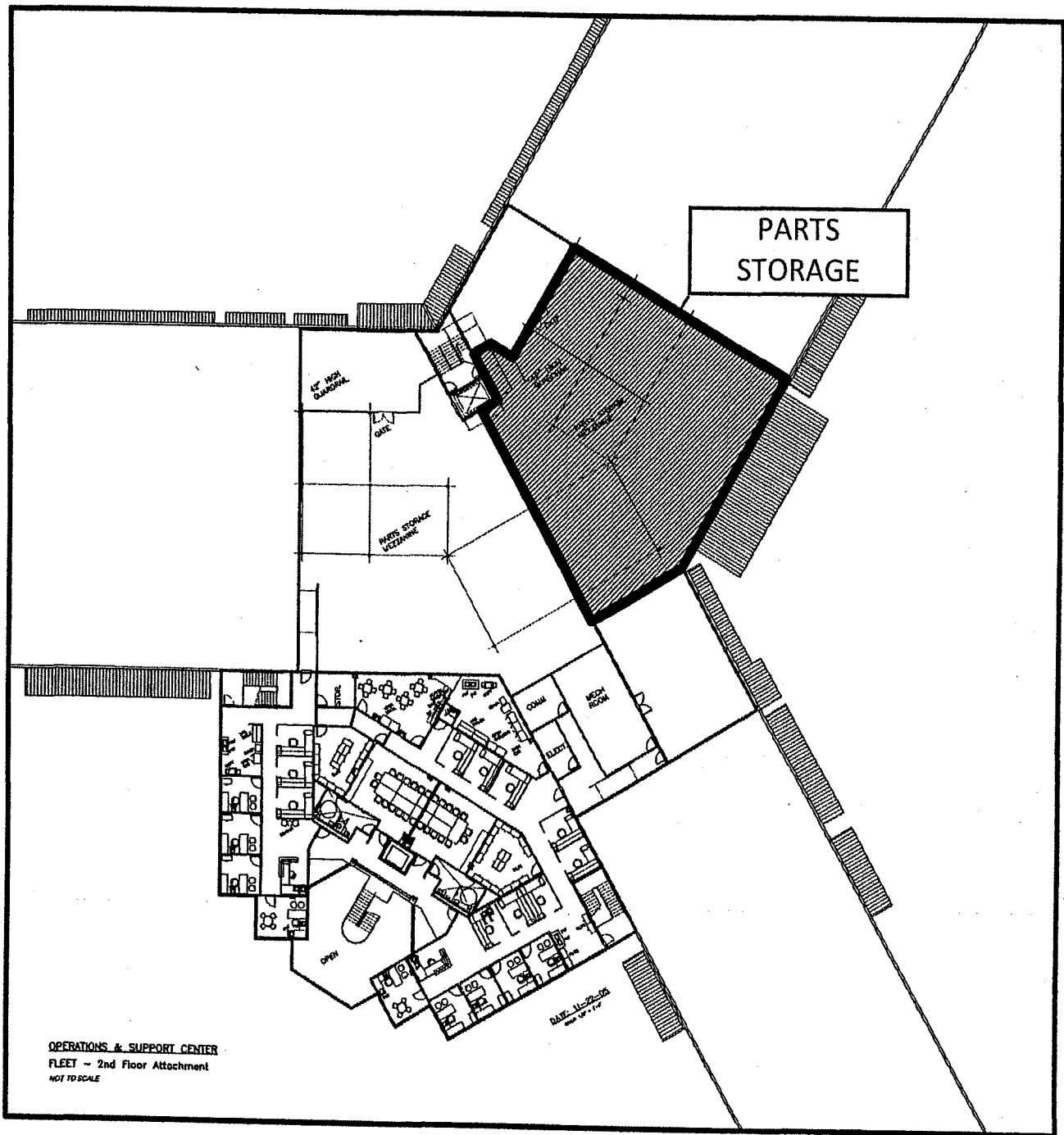


EXHIBIT D

CONTRACTOR PHASE-IN OF PARTS MANAGEMENT

1. Start-Up Phase:

- Complete physical inventory counts and reports for all County Parts.
- Installation of any Contractor owned hardware and software and successful testing of all required interfaces.
- Determine optimum stocking levels for all Facilities (as listed in Exhibit A) to include Road Service Trucks.
- Complete the staffing of the County's Stockroom to include Parts runner(s) and delivery personnel.
- Interview any County Parts Specialist employees who may want a job with the Contractor as a result of this Agreement (Subject to the approval of the County).
- Successful completion of FMIS System training for all Contractor employees working in the County's Stockroom, in accordance with Exhibit E.

2. Full-Services Phase:

- Contractor will issue check to County for payment for all County Parts at average price in FMIS System.
- Order inventory and stock all Facilities to include the Road Service Trucks.
- Manage the Parts inventory at the Stockroom, Outlying Facilities and on the Road Service Trucks.
- Completely take over the Parts operations for the County, in accordance with this Agreement.
- All required interfaces shall be installed and working in accordance with this Agreement.
- Supply all required reports.
- Receive and sign for Fleet Management Division deliveries and forwarding to proper personnel.
- Deliver Parts required by the County to each of the Outlying Facilities and to the Road Service Truck locations.

EXHIBIT E

FMIS TRAINING GUIDE

- Logging on to FMIS
- Understanding FMIS Menus and Frames
- Work Order Part Charge

* Training will take place within the Start-Up Phase.

EXHIBIT F

INSURANCE REQUIREMENTS

Contractor's Liability Insurance

The Contractor shall procure and maintain in force such insurance as will protect him from claims under Workers' Compensation laws, disability benefit laws or other similar employee benefit laws; from claims for damages because of bodily injury, occupational sickness or disease, or death of his employees including claims insured by usual personal injury liability coverage; from claims for damages because of bodily injury, sickness or disease, or death of any person other than his employees including claims insured by usual personal injury liability coverage; and from claims for injury to or destruction of tangible property including loss of use resulting therefrom, any or all of which may arise out of or result from the Contractor's operations under this Agreement, whether such operations be by himself or by any subcontractor or anyone directly or indirectly employed by any of them or for whose acts any of them may be legally liable. This insurance shall be written for not less than any limits of liability specified in this Agreement or required by law, whichever is greater, and shall include contractual liability insurance. Before starting the work, the Contractor will file with the County certificates of such insurance, acceptable to the County; these certificates shall contain a provision for cancellation as found in paragraph 4 of Section B immediately below.

Insurance Required:

A. General

Before starting and through the term of this Agreement, the Contractor shall procure and maintain insurance of the types and to the limits specified in paragraphs B. (1) through (3) below. All policies of insurance under this Agreement shall include as additional insured Palm Beach County. All policies shall provide for separation of insured's interests such that the insurance afforded applies separately to each insured against whom a claim is made or a suit is brought.

B. Coverage

The Contractor shall procure and maintain in force during the life of this Agreement the following types of insurance coverage written on standard forms and placed with insurance carriers acceptable to the County and approved by the Insurance Department of the State of Florida. The amounts and type of insurance shall conform to the following requirements:

- 1. Workers' Compensation** - The Contractor shall procure and shall maintain in force during the life of this Agreement, Workers' Compensation Insurance providing statutory benefits as required by Florida law, including those that may be required by an applicable federal statute, for all of his employees to be engaged in work on the project under this Agreement. In case any class of employee engaged in hazardous work on the project under this Agreement is not protected under the Workers' Compensation statute, the Contractor shall provide employer's liability insurance for all said employees.

2. **Commercial General Liability** - Coverage must be afforded on a form no more restrictive than the latest edition of the Commercial General Liability Policy filed by the Insurance Service office with limits of not less than those listed below and must include

General Aggregate	\$2,000,000
Products & completed operations	\$2,000,000
Personal and advertising injury	\$N/A
Each occurrence	\$2,000,000
Fire Damage (any one fire)	\$ 250,000

3. **Business Automobile Liability** - Coverage must be afforded on a form no more restrictive than the latest edition of the Business Automobile Liability Policy filed by the Insurance Service office with limits not less than those listed below and must include:

- a. **\$2,000,000** combined single limits each accident, for bodily injury and property damage liability.
- b. Owned Vehicles
- c. Hired and Non-owned Vehicles
- d. Employer Non-ownership

4. **Certificate of Insurance and Copies of Policies** - Certificates of Insurance shall be furnished to Palm Beach County evidencing the insurance coverage specified in the previous paragraphs B. 1. through 3. on a timely basis.

The required Certificates of Insurance shall list "Palm Beach County, a political subdivision of the State of Florida, its officers, agents and employees, as additional insured for the operations of the Contractor under this Agreement" (excluding the worker's compensation policy), shall name the types of policies provided, and shall refer specifically to this Agreement.

If the initial insurance expires prior to the completion of the Agreement, renewal Certificates of Insurance shall be furnished thirty (30) days prior to the date of their expiration.

The required limits for insurance may be achieved through a combination of primary and umbrella policies.

These policies will provide that: the insurer(s) waive their rights of subrogation against the Palm Beach County Board of Commissioners, their officials, employees, agents, and consultants.

Cancellation - Should any of the above described policies be cancelled or non-renewed before the stated expiration date thereof, insurer will not cancel same until at least **thirty (30)** days prior written notice has been given to the below named certificate holder.

Project Title: NAPA Contract

Reviewed, Insurance and Claims Management: Gerald Jacobs

Date: 6/9/2004

EXHIBIT G

ANNUAL BUDGET FOR FY 2013

Palmdale Beach County Budget FY 2013	Monthly	FY 2013	% To Sales	Comments
LES	\$128,422.80	\$1,541,073.60	100.00%	Parts Issued
Cost of Sales	\$116,748.00	\$1,400,976.00	90.00%	Cost of Parts
Costs Less Cost	\$11,674.80	\$140,097.60	9.09%	Mark up 10%
Management Fee	\$11,674.80	\$140,097.60	9.09%	Net Profit
VARIABLES 1% to sales fixed	\$1,298.00	\$15,576.00	1.00%	Vac. / Inv.
Wages	\$11,750.00	\$141,000.00	9.15%	Parts Staff
Delivery	\$1,750.00	\$21,000.00	1.36%	Parts Driver
empl. Benefits Pension fixed .45%	\$584.00	\$7,008.00	0.45%	Emp.Benef
empl. Benefits Ins & other	\$1,938.00	\$23,256.00	1.51%	Emp.Benef
Taxes (Not Income)	\$1,600.00	\$19,200.00	1.25%	Payroll Tax
TOTAL PAYROLL	\$18,920.00	\$227,040.00	14.73%	
Printing & Data Proc. fixed .50%	\$649.00	\$7,788.00	0.50%	Acct.
General Office fixed .50%	\$649.00	\$7,788.00	0.50%	Clerical
Delivery - Insurance	\$300.00	\$3,600.00	0.23%	Veh. Ins
Maintenance	\$1,800.00	\$21,600.00	1.40%	Fuel / Repair
Truck Depr	\$450.00	\$5,400.00	0.35%	Parts Truck
Depreciation - F. & F.	\$250.00	\$3,000.00	0.19%	Misc. Equip
Freight & Postage	\$150.00	\$1,800.00	0.12%	Freight not billed
Insurance	\$550.00	\$6,600.00	0.43%	Inv & Prop.
Stationery, Ship, Supply	\$375.00	\$4,500.00	0.29%	Supplies
Truck Loss	\$75.00	\$900.00	0.06%	Maint. Items
Travel	\$200.00	\$2,400.00	0.16%	Misc. Exp
Telephone	\$635.00	\$7,620.00	0.49%	Data / Cell
MS	\$800.00	\$9,600.00	0.62%	Computer
TOTAL MISC. EXPENSES	\$6,885.00	\$82,596.00	5.36%	
TOTAL EXPENSES	\$25,803.00	\$309,636.00	20.09%	

DISCLOSURE OF BENEFICIAL INTERESTS

TO: PALM BEACH COUNTY CHIEF OFFICER, OR HIS OR HER OFFICIALLY DESIGNATED REPRESENTATIVE

STATE OF GEORGIA
COUNTY OF COBB

BEFORE ME, the undersigned authority, this day personally appeared SCOTT SMITH, hereinafter referred to as "Affiant", who being by me first duly sworn, under oath, deposes and states as follows:

1. Affiant is the SR. VICE PRESIDENT (position - i.e. president, partner, trustee) of GENUINE PARTS COMPANY (name and type of entity - i.e. ABC Corporation, XYZ Limited Partnership), (the "Contractor") which entity is providing onsite integrated auto parts inventory management services for Palm Beach County's Fleet Management Division.

2. Affiant's address is: 2999 CIRCLE 75 PARKWAY
ATLANTA, GEORGIA 30339

3. Attached hereto, and made a part hereof, as **Exhibit "B"** is a complete listing of the names and addresses of every person or entity having a five percent (5%) or greater beneficial interest in the ~~Operator~~ Contractor and the percentage interest of each such person or entity.

4. Affiant further states that Affiant is familiar with the nature of an oath and with the penalties provided by the laws of the State of Florida for falsely swearing to statements under oath.

5. Under penalty of perjury, Affiant declares that Affiant has examined this Affidavit and to the best of Affiant's knowledge and belief it is true, correct, and complete, and will be relied upon by Palm Beach County relating to its entering into the ~~Convention Center Concession and Operating Agreement for the Facility.~~ onsite Inventory Management County

FURTHER AFFIANT SAYETH NAUGHT.
[Signature], Affiant
Print Affiant Name: Scott Smith



The foregoing instrument was sworn to, subscribed and acknowledged before me this 20th day of August, 2012, by Scott Smith who is personally known to me or who has produced _____ as identification and who did take an oath.

[Signature]
Notary Public

CERTIFICATE
(If Corporation)

The undersigned hereby certifies that the following are true and correct statements:

1. That he/she is the Secretary of GENUINE PARTS COMPANY Corporation, a corporation organized and existing in good standing under the laws of the State of GEORGIA hereinafter referred to as the "Corporation", and that the following Resolutions are true and correct copies of certain Resolutions adopted by the Board of Directors of the Corporation as of the 23rd day of APRIL, 2012, in accordance with the laws of the State of the state of incorporation of the Corporation, the Articles of Incorporation and the By-laws of the Corporation:

RESOLVED, that the Corporation shall enter into that certain Agreement between Palm Beach County, a political subdivision of the State of Florida and the Corporation, a copy of which is attached hereto, and be it

FURTHER RESOLVED, that GREEN SARGENT, the VICE PRESIDENT of the Corporation, is hereby authorized and instructed to execute such Agreement and such other instruments as may be necessary and appropriate for the Corporation to fulfill its obligations under the Agreement.

2. That the foregoing resolutions have not been modified, amended, rescinded, revoked or otherwise changed and remain in full force and effect as of the date hereof.

3. That the Corporation is in good standing under the laws of the State of Florida or its state of incorporation if other, and has qualified, if legally required, to do business in the State of Florida and has the full power and authority to enter into such Agreement.

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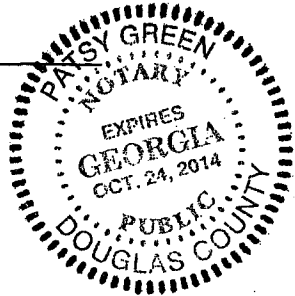
IN WITNESS WHEREOF, the undersigned has set his hand and affixed the Corporate Seal of the Corporation the 20TH day of August, 2012.

Carol Yancey
(Signature)
CAROL YANCEY
(Print Signatory's name)
Its Secretary

(CORPORATE SEAL) OR
(SEAL) (corporation not for profit)

SWORN TO AND SUBSCRIBED before me this 20TH day of August, 2012, by the Secretary of the aforesaid corporation, who is personally known to me OR who produced personally known as identification and who did take an oath.

Patsy Green
Notary Signature
Patsy Green
Print Notary Name
NOTARY PUBLIC
State of Florida at Large



My Commission Expires:



CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)
08/21/2012

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

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

PRODUCER Aon Risk Services South, Inc. fka Aon Risk Services, Inc. of Georgia 1000 Milwaukee Ave Glenview IL 60025 USA	CONTACT NAME: PHONE (A/C. No. Ext): 866-283-7122 FAX (A/C. No.): 847-953-5390		
	E-MAIL ADDRESS:		
INSURED GENUINE PARTS CO & SUBSIDIARIES - NAPA, Motion, Balkamp, Altrom, EIS, Rayloc, SP Richards, Drago Supply, Tarrant, General Tool & Supply etal 2999 Circle 75 Parkway Atlanta GA 30339 USA	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: Travelers Property Cas Co of America		25674
	INSURER B:		
	INSURER C:		
	INSURER D:		
	INSURER E:		

COVERAGES **CERTIFICATE NUMBER:** 570047301614 **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 SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION						EACH OCCURRENCE AGGREGATE
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	TC2JUB204T038112 AOS TRJUB168T307512 AZ, MA, OR, WI	01/01/2012	01/01/2013	X	WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE-EA EMPLOYEE \$1,000,000 E.L. DISEASE-POLICY LIMIT \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 A Waiver of Subrogation is granted in favor of Certificate Holder as required by written contract but limited to the operations of the Insured under said contract, with respect to the Workers' Compensation policy.

CERTIFICATE HOLDER Palm Beach County Purchasing Department Attn: Purchasing Buyer Jason Joseph 50 South Military Trail, Suite 110 West Palm Beach FL 33415-3199 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 <i>Aon Risk Services South Inc</i>
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Holder Identifier:

Certificate No : 570047301614

Attachment to ACORD Certificate for GENUINE PARTS CO & SUBSIDIARIES -

The terms, conditions and provisions noted below are hereby attached to the captioned certificate as additional description of the coverage afforded by the insurer(s). This attachment does not contain all terms, conditions, coverages or exclusions contained in the policy.

INSURED

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

INSURER
INSURER
INSURER
INSURER
INSURER

ADDITIONAL POLICIES

If a policy below does not include limit information, refer to the corresponding policy on the ACORD certificate form for policy limits.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER/ POLICY DESCRIPTION	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	WORKERS COMPENSATION						
A		N/A		TXJUB204T834212 Ohio SIR applies per policy terms & conditions	01/01/2012	01/01/2013	

Certificate No : 570047301614



CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)
08/21/2012

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

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

PRODUCER Aon Risk Services South, Inc. fka Aon Risk Services, Inc. of Georgia 1000 Milwaukee Ave Glenview IL 60025 USA	CONTACT NAME: PHONE (A/C. No. Ext): 866-283-7122 FAX (A/C. No.): 847-953-5390	
	E-MAIL ADDRESS:	
INSURED GENUINE PARTS CO & SUBSIDIARIES - NAPA, Motion, Balkamp, Altrom, EIS, Rayloc, SP Richards, Drago Supply, Tarrant, General Tool & Supply etal 2999 Circle 75 Parkway Atlanta GA 30339 USA	INSURER(S) AFFORDING COVERAGE	
	INSURER A: ACE Property & Casualty Insurance Co.	NAIC # 20699
	INSURER B: Old Republic Ins Co	NAIC # 24147
	INSURER C:	
	INSURER D:	
	INSURER E:	

COVERAGES **CERTIFICATE NUMBER:** 570047301609 **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
B	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			MWZY59322	09/01/2011	09/01/2012	EACH OCCURRENCE \$2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$5,000 PERSONAL & ADV INJURY \$2,000,000 GENERAL AGGREGATE \$3,000,000 PRODUCTS - COMP/OP AGG \$3,000,000
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS			MWTB 21382	09/01/2011	09/01/2012	COMBINED SINGLE LIMIT (Ea accident) \$5,000,000 BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$100,000			XOOG25832875 SIR applies per policy terms & conditions	09/01/2011	09/01/2012	EACH OCCURRENCE \$5,000,000 AGGREGATE \$5,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			N/A			<input type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT E.L. DISEASE-EA EMPLOYEE E.L. DISEASE-POLICY LIMIT

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 Palm Beach County, a political subdivision of the State of Florida, its officers, agents and employees are included as Additional Insured as required by written contract, but limited to the operations of the Insured under said contract, per the applicable endorsement with respect to the General Liability policy. A Waiver of Subrogation is granted in favor of Certificate Holder as required by written contract but limited to the operations of the Insured under said contract, with respect to the General Liability and Automobile Liability policies.

CERTIFICATE HOLDER Palm Beach County Purchasing Department Attn: Purchasing Buyer Jason Joseph 50 South Military Trail, Suite 110 West Palm Beach FL 33415-3199 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 <i>Aon Risk Services South Inc.</i>
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Holder Identifier :

Certificate No : 570047301609