

INTEGRATED SUPPLY AGREEMENT

BY AND BETWEEN

GENUINE PARTS COMPANY

AND

CITY OF NORMAN, OKLAHOMA

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THIS INTEGRATED SUPPLY AGREEMENT (this “Agreement”) is made by and between **GENUINE PARTS COMPANY**, a Georgia corporation (d/b/a NAPA Auto Parts) (“NAPA”), and **CITY OF NORMAN, OKLAHOMA**, a Municipality (“CUSTOMER”), to be effective as of the 1st day of April, 2017 (the “Effective Date”).

W I T N E S S E T H

WHEREAS, NAPA desires to establish inventories in CUSTOMER’s locations to service the fleet parts needs of CUSTOMER and to serve as the primary supplier of automotive replacement parts and other supplies and/or equipment (the “Inventory”) to serve the needs of CUSTOMER; and

WHEREAS, CUSTOMER desires to provide space for the Inventory on the premises of CUSTOMER for use by NAPA (“On Site Store”) and agrees that NAPA will be its primary supplier of the Inventory pursuant to the terms herein.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties hereto agree as follows:

AGREEMENT

Each of the recitals set forth above is hereby incorporated into the Agreement in its entirety.

1. DEFINITIONS. For purposes of this Agreement, the following terms shall have the meanings set forth below:

(a) ***Primary Supplier*** shall mean the parts supplier that provides a minimum of ninety percent (90%) of the Inventory needs of CUSTOMER.

(b) ***NAPA Owned Store*** shall mean an auto parts store lawfully using the tradename or trademark “NAPA” which is wholly owned by NAPA.

(c) ***NAPA Jobber*** shall mean an auto parts store lawfully using the tradename or trademark “NAPA” with respect to which NAPA maintains no ownership interest.

2. CUSTOMER’S CURRENT LOCATIONS. NAPA will establish On Site Store(s) at the CUSTOMER’S following location(s):

1301 Da Vinci St.
Norman, OK 73069
Manager: Mike White, Fleet Superintendent

Additional locations of the CUSTOMER may be added to this Agreement but only by a written amendment executed and agreed to by both the CUSTOMER and NAPA. Notwithstanding the foregoing language, CUSTOMER agrees to, and hereby grants, NAPA the right of first refusal on any and all new or additional locations of CUSTOMER that are to be serviced by a similar supply entity.

3. **TERM.** The initial term of this Agreement shall be for a one (1) year period beginning on the Effective Date. Upon expiration of the initial term, CUSTOMER shall have the option to renew this Agreement for three (3) additional one (1) year periods. Should CUSTOMER desire to renew this Agreement, CUSTOMER shall deliver to NAPA written preliminary notice at least sixty (60) days prior to the expiration of the initial term or the then current renewal term (such preliminary notice will not be deemed to commit the CUSTOMER to renew). Upon receipt of the CUSTOMER's preliminary notice, NAPA shall, if desired, submit a written consent to continue operating under the terms of this Agreement for an additional one year period. NAPA acknowledges that the total duration of this Agreement shall not exceed four (4) years. Notwithstanding the foregoing, either party may terminate this Agreement at any time for its convenience by giving the other party sixty (60) days prior written notice of such termination.

4. **DUTIES AND RESPONSIBILITIES OF NAPA.** NAPA shall have the following duties and responsibilities during the term of this Agreement:

(a) NAPA will operate the On Site Store(s) and provide the Inventory to CUSTOMER's now existing location(s). NAPA shall provide all personnel required to operate the On Site Store(s).

(b) In those circumstances when delivery is required by CUSTOMER, NAPA will provide parts to CUSTOMER's locations on a daily route basis. In addition, NAPA will accelerate delivery on those items CUSTOMER requires to be delivered on an expedited basis. NAPA will make all reasonable efforts to ensure prompt delivery to the CUSTOMER's location(s) requesting part(s).

(c) NAPA shall provide all computers and reports necessary to monitor monthly expenses as they pertain to the daily operation of the On Site Store(s). NAPA shall provide computer ordering and cataloging to each On Site Store through its proprietary TAMS (Total Automotive Management System), which it cannot assign nor leave with CUSTOMER upon termination or expiration of this Agreement.

(d) NAPA shall provide a profit and loss statement of the parts operations to the CUSTOMER on approximately the 20th of each month for each On Site Store.

(e) NAPA shall provide back-up emergency service during non-working hour contingencies. The overtime expense (calculated at time and one half) will be charged on a cost basis to CUSTOMER. NAPA will provide a list of personnel, including telephone numbers, who will respond to emergency service requests.

(f) Upon the request of CUSTOMER, NAPA shall monitor and oversee any and all shop support services, including but not limited to, rag services and parts cleaning services, performed by a third party on the premises of CUSTOMER. NAPA shall not be held liable in any manner for the acts or omissions or willful misconduct of any third party performing shop support services hereunder.

(g) NAPA acknowledges and agrees that the local NAPA Store in the City of Norman, Oklahoma receives from the NAPA distribution center located in Oklahoma City, Oklahoma, on normal business days, two (2) deliveries per day. The deadline to place an order for morning delivery is 8:30 a.m. and the deadline to place an order for afternoon delivery is 1:30 p.m.

(h) Upon the request of CUSTOMER, NAPA shall arrange for a courier service to delivery ordered products to the On-Site Store(s). Should CUSTOMER elect to use a courier

service under this Agreement, NAPA will bill CUSTOMER for the costs of the courier service on a monthly basis in an amount not to exceed Three Hundred and No/100 Dollars (\$300.00) per month. The foregoing cap will be reviewed annually by CUSTOMER and NAPA and adjusted on an as needed basis upon the mutual written consent of the parties.

(i) If CUSTOMER provides a vehicle for use with respect to operating the On-Site Store(s), NAPA employees will only use CUSTOMER vehicles to conduct approved business associated with the operations of the On-Site Store(s) per the terms of this Agreement. If using CUSTOMER vehicles, NAPA will comply with vehicle appearance standards and daily inspections as specified by the City and agreed upon by NAPA in writing. A sample vehicle inspection form is attached hereto as Exhibit C. CUSTOMER will protect, defend and indemnify NAPA, its subsidiaries, divisions and affiliated business entities, and their respective employees, agents, officers, and directors from and hold them harmless against all liability, losses, damages, costs or expenses of any nature, including without limitation, reasonable attorneys' fees, which they may at any time suffer, incur, or be required to pay resulting from or arising out of: (1) CUSTOMER's failure to properly keep, repair, and maintain in good working order any CUSTOMER owned/leased vehicle ("Vehicle") operated by NAPA's employees, agents, officers and directors (collectively, the "NAPA Employees") and/or (ii) CUSTOMER's failure to carry out the servicing and maintenance of any Vehicle operated by a NAPA Employee in accordance with the manufacturer's suggested maintenance program.

5. DUTIES AND RESPONSIBILITIES OF CUSTOMER. CUSTOMER shall have the following duties and responsibilities during the term of this Agreement:

(a) CUSTOMER shall provide, at its sole expense, usable space for NAPA's On Site Store(s) and the Inventory. CUSTOMER shall provide access to restroom facilities for NAPA employees. Further, CUSTOMER shall furnish, at its sole expense, all utilities for the On Site Store(s) including: water, sanitation, sewer, light, telephone, heat, gas, electricity, power, fuel, janitorial and all other utilities and services rendered or delivered to the On Site Store(s) whatsoever.

(b) Subject to the terms below, CUSTOMER shall use NAPA as its Primary Supplier of the Inventory under this Agreement. CUSTOMER reserves the right to purchase any item outside this Agreement where it is determined to be more economical or timely so long as the purchase of aforesaid part or parts does not result in NAPA no longer being CUSTOMER's Primary Supplier. For the avoidance of any doubt, NAPA acknowledges and agrees that CUSTOMER shall not be required to purchase from NAPA any capital expenditure assets and vehicle up-fit parts.

(c) Each On Site Store location shall be appropriately secured or otherwise maintained separate and apart from the business of CUSTOMER. There shall be no intermingling of CUSTOMER's parts or other inventory with NAPA's parts or inventory. Access to the secured On Site Store(s) shall be restricted to NAPA employees and authorized NAPA representatives only. Once per year NAPA shall utilize a third party to perform an Inventory count in the On Site Store while accompanied by NAPA. CUSTOMER'S employees, contractors or agents shall not be permitted to enter the secured On-Site Store area unless accompanied by a NAPA employee or other authorized NAPA representative.

(d) The tire area shall be shared with CUSTOMER's tire service technicians and will contain certain levels of NAPA owned inventory. CUSTOMER's tire service technicians shall

keep the tire area locked at all times if unattended. CUSTOMER will be responsible for inventory removed without documentation. CUSTOMER shall promptly reimburse NAPA for any damage to or loss of NAPA's inventory or other property to the extent such damage or loss arises from the negligent acts or omissions or intentional misconduct of CUSTOMER or its employees, technicians, officers, directors, contractors or agents.

(e) CUSTOMER shall, at all times during the term of this Agreement, at CUSTOMER'S sole expense, maintain in good condition and repair (so as to prevent any damage or injury to NAPA's employees, the Inventory or other personal property located in the On Site Store(s)) the roof, exterior walls, foundation, and structural portions of the On Site Store(s) and all portions of the electrical and plumbing systems lying outside of the On Site Store(s) but serving the On Site Store(s).

(f) CUSTOMER shall provide information regarding equipment and fleet changes to NAPA as soon as possible. Fleet changes include but are not limited to the removal of types of vehicles from the fleet and the addition of new vehicles to the fleet.

6. PAYMENT TERMS/PRICING. NAPA shall invoice the CUSTOMER for all Inventory purchased pursuant to this Agreement on a monthly basis according to the pricing plan below. CUSTOMER agrees to pay the entire undisputed amount of all invoices on statements received from NAPA by the 30th day of the month (except for February which will be the last day of the month) following receipt of any such statement. CUSTOMER shall reimburse NAPA for all costs incurred by NAPA in collecting any undisputed past due amounts owed to NAPA pursuant to this Agreement, including any attorney's fees.

The overall goal of CUSTOMER's pricing plan is for NAPA to achieve a 10% net profit on all NAPA Products with a current jobber net store acquisition cost of \$3,000 and less and Non-NAPA Products and Outside Purchases or Services with a current acquisition cost of \$3,000 and less, and a 5% net profit on all NAPA Products with a current jobber net store acquisition cost greater than \$3,000, Non-NAPA Products and Outside Purchases or Services (including sublet vehicle repairs associated with large scale damage to CUSTOMER owned/leased vehicles from natural disasters) with a current acquisition cost greater than \$3,000, and Tires (the "Net Profit Guarantee"). CUSTOMER's pricing plan is comprised of the following elements:

(a) **Product Costs.** The pricing of the Inventory to be supplied to CUSTOMER by NAPA pursuant to this Agreement. Product Costs shall be further divided into "**NAPA Product Costs**," which is the pricing of NAPA supplier manufactured products, "**Non-NAPA Product Costs**," which is the pricing of products which have not been manufactured by NAPA suppliers but which have been acquired for CUSTOMER by NAPA pursuant to this Agreement, and "**Tire Costs**" which is the pricing of tires supplied to CUSTOMER under this Agreement.

(b) **Outside Purchases or Services Costs.** Outside Purchases or Services Costs is the pricing of those parts or services not traditionally stocked or performed by NAPA.

(c) **Operational Costs.** Any and all costs and expenses associated with the operation of the On Site Store(s), including, but not limited to, vehicle gas and maintenance costs for any NAPA supplied vehicles, salary and benefits payable to NAPA employees at the On Site Store(s), worker's compensation benefits and insurance, unemployment insurance, personal property insurance for the On Site Store(s) and Inventory, any deductible for losses covered under the personal property, automobile liability, or general liability insurance policies of NAPA, all

equipment supplied by NAPA, Corporate Allocation Expenses (as defined below), inventory investment expense, pension funding costs, executive fees, accounting fees, general office expenses, and shared service expenses. An example of a profit and loss statement reflecting such costs and expenses is attached hereto as Exhibit A. CUSTOMER acknowledges and agrees that the costs and expenses reflected on the profit and loss statement set forth on Exhibit A are subject to change based on actual monthly costs, expenses or Corporate Allocation Expenses incurred relative to the operation of the On Site Store(s). To achieve economies of scale, NAPA utilizes certain headquarter and corporate personnel to assist in the performance of this Agreement. As a result, each On Site Store location is charged a corporate allocation expense (“Corporate Allocation Expense”) which is calculated as a percentage of sales for each contract year. As such, there is not a supportive invoice for such expenses other than an annual allocation rate statement. This Corporate Allocation Expense allows NAPA to have fewer employees performing routine general administrative tasks such as paper work and filing at the On Site Store(s), allowing NAPA counter personnel to focus more attention on serving the On-Site Store operations, and maximizing on-site cost efficiency.

PRICING PLAN SUMMARY

NAPA Products with a current jobber net store acquisition cost of \$3,000 and less	Billed to CUSTOMER at a 10% gross profit rate (gross profit is current jobber net store acquisition cost divided by .90)
Non-NAPA Products and Outside Purchases and Services with a current acquisition cost of \$3,000 and less	Billed to CUSTOMER at a 10% gross profit rate (gross profit is current acquisition cost divided by .90)
NAPA Products with a current jobber net store acquisition cost greater than \$3,000	Billed to CUSTOMER at a 5% gross profit rate (gross profit is current jobber net store acquisition cost divided by .95)
Non-NAPA Products and Outside Purchases and Services with a current acquisition cost greater than \$3,000	Billed to CUSTOMER at a 5% gross profit rate (gross profit is current acquisition cost divided by .95)
Tires	Billed to CUSTOMER at a 5% gross profit rate (gross profit is current acquisition cost divided by .95)
Sublet vehicle repairs associated with large scale damage to CUSTOMER owned/leased vehicles from natural disasters (For purposes hereof, large scale damage shall mean combined NAPA billed repairs from the natural disaster event exceed \$25,000)	Billed to CUSTOMER at a 5% gross profit rate (gross profit is current acquisition cost divided by .95)
Operational Costs	Billed to CUSTOMER in accordance with Section 6(c) above.

<p>Net Profit Guarantee</p>	<p>10% net profit for NAPA on all NAPA Products with a current jobber net store acquisition cost of \$3,000 and less and Non-NAPA Products and Outside Purchases or Services with a current acquisition cost of \$3,000 and less, and a 5% net profit for NAPA on NAPA Products with a current jobber net store acquisition cost greater than \$3,000, Non-NAPA Products and Outside Purchases or Services (including sublet vehicle repairs associated with large scale damage to CUSTOMER owned/leased vehicles from natural disasters) with a current acquisition cost greater than \$3,000, and Tires.</p>
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NAPA Products, Non-NAPA Products, Outside Purchases and Services (including sublet vehicle repairs associated with large scale damage to CUSTOMER owned/leased vehicles from natural disasters), and Tires shall be billed to CUSTOMER on a monthly basis in accordance with the above pricing plan summary. Operational Costs will be charged to CUSTOMER in accordance with Section 6(c) above, with all such charges for Operational Costs to be included in CUSTOMER’s monthly billing statement. CUSTOMER will be billed at the end of each month for operational costs on an “in arrears” basis.

CUSTOMER is solely responsible for improper or inappropriate instructions by CUSTOMER’s employees to NAPA regarding NAPA’s purchases of nontraditional parts or services, unless CUSTOMER provided prior written notice to NAPA of parts or services that may not be procured by NAPA in relation to this Agreement.

7. INSURANCE.

(a) CUSTOMER shall provide at its sole expense “all risks” fire and property insurance on all buildings and/or improvements in which the On Site Store(s) are located throughout the term of the Agreement. Further, CUSTOMER shall, throughout the term of this Agreement, at CUSTOMER’S expense, obtain and maintain in force a policy of commercial general liability insurance in the name of CUSTOMER as insured but with NAPA named as an additional insured, such insurance to be written on an “occurrence” basis with combined single limits for any one injury, including death, and for property of not less than \$1,000,000.00 per occurrence. Further, CUSTOMER shall, throughout the term of this Agreement, at CUSTOMER’S expense, obtain and maintain in force a policy of commercial automobile liability insurance on all of its vehicles with limits of at least \$1,000,000.00 combined single limit per accident in the name of CUSTOMER as insured but with NAPA named as an additional insured to the extent of CUSTOMER’s indemnification obligations herein. Said policies shall be issued by a reputable insurance company authorized to transact business in all states where On Site Store(s) are located. CUSTOMER shall further maintain during the term of this Agreement worker’s compensation insurance coverage in amounts required by law. CUSTOMER shall provide to NAPA, upon execution of this Agreement, a copy of all Certificates of Insurance evidencing the insurance coverages above.

(b) NAPA shall maintain during the term of this Agreement worker’s compensation insurance coverage for its employees located at the On Site Store(s) in amounts required by law. In addition, NAPA shall maintain personal property insurance during the term of this Agreement

in an amount sufficient to cover any loss or damage to the Inventory and any other personal property owned by NAPA that is located at the On Site Store(s).

(c) The insurance policies in this section required to be held by each party shall contain a waiver of subrogation against the other party.

(d) Vehicle coverage extends to any vehicles active NAPA employees may operate, either owned, leased, provided, or other possession in conjunction with fulfilling the terms of this contract.

8. NO LIENS.

(a) CUSTOMER warrants that it shall take no action, including but not limited to the granting of a security interest, or fail to take any action, which would operate or does operate in any way to encumber the Inventory of NAPA located in the On Site Store(s). CUSTOMER shall, at its own cost and expense, defend and hold harmless NAPA and its officers, directors, employees, subsidiaries and affiliates from any and all liability, costs and expenses (including attorney's fees) against any claim or encumbrance on the Inventory of NAPA located in the On Site Store(s).

(b) CUSTOMER agrees and acknowledges that Inventory that is delivered and stored on CUSTOMER's property pursuant to this Agreement is Inventory owned by NAPA.

9. PERSONNEL. NAPA and CUSTOMER shall attempt in good faith to mutually agree upon the identity of the persons that will be selected to staff the On Site Store(s). In the event that CUSTOMER for any reason wishes to remove or replace any of the NAPA personnel in the On Site Store(s), the parties will attempt to resolve CUSTOMER's request by mutual agreement. If NAPA and the CUSTOMER fail to mutually resolve a personnel issue as set forth in this Section 9, NAPA will decide the issue in its sole discretion.

NAPA shall provide advance notification of all scheduled time off, including coverage plan, and immediate notification of unscheduled time off with coverage plan.

10. WARRANTY/LIABILITY DISCLAIMER. (a) All items supplied pursuant to this Agreement are subject to the terms of written warranties provided by the manufacturer of each part, and NAPA shall use reasonable commercial efforts to assist the CUSTOMER in processing all warranty claims that the CUSTOMER may have against a manufacturer. The manufacturer's warranty will be the sole and exclusive remedy of the CUSTOMER in connection with any claims concerning the parts supplied to CUSTOMER pursuant to this Agreement. ALL OTHER WARRANTIES, BOTH EXPRESS AND IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY EXCLUDED. Copies of the manufacturers' warranties are available to CUSTOMER upon request.

For suppliers (or categories of suppliers) of Non-NAPA products that CUSTOMER instructs NAPA to utilize or consider for future purchases, NAPA is under no obligation to (and NAPA disclaims all liability in connection with) investigate product quality, management, ownership, reputation, certifications, qualifications, price competitiveness, or any other related characteristics of the products, individuals or entities at issue.

(b) To better manage warranty labor recovery efforts for CUSTOMER, NAPA has developed a Warranty Labor Recovery Worksheet to capture all related information pertinent to requesting warranty credits from suppliers. A sample Warranty Labor Recovery Worksheet is

attached to this Agreement as Exhibit D.

11. ADDITIONAL SPECIFICATIONS

a) CCG FASTER Integration testing and implementation.

- i) Background. As of the Effective Date, CCG Faster has two preconfigured integration modules available for the CUSTOMER's fleet management software.

Implementation of the first integration module (the "First Integration Module") was jointly funded between NAPA and CUSTOMER and implemented for testing. The parties acknowledge that during testing, CUSTOMER found the First Integration Module to be unexpectedly, and prohibitively, time consuming, and as such, CUSTOMER discontinued its use.

The second integration module identified by CCG Faster is an invoice import utility (the "Invoice Import Utility") that would utilize a nightly Electronic Data Import (EDI) of the daily transactions and post them to the appropriate work orders. Utilizing this option will require adjusting the monthly parts billing format, which as of the Effective Date, NAPA is working through with CUSTOMER, and customizing an EDI format to comply with the modules specifications that have been provided to CUSTOMER.

- ii) Steps and Targets. Within twelve (12) months following the Effective Date of this Agreement, NAPA and CUSTOMER will undertake the following steps:

- 1) Work collaboratively with all parties to include NAPA, CCG Faster and CUSTOMER in an attempt to finalize a scope of work signed by all parties, to include defined areas of responsibility, and timeline for deliverables, prior to the start of testing of the Invoice Import Utility.
- 2) After testing, if it is determined that the Invoice Import Utility does not meet the needs of CUSTOMER and NAPA, NAPA shall revisit the First Integration Module and attempt to revise the processes to produce results that more closely meet the CUSTOMER's expectations; provided, however, that NAPA will not be held liable in any manner should the First Integration Module not meet the CUSTOMER's expectations or be suitable for use.
- 3) Prior to any additional work being performed on the First Integration Module, a full review of any proposed process changes will be reviewed with CUSTOMER and approved as agreeable processes for the testing to proceed.

- iii) Costs and Expenses. NAPA and CUSTOMER will mutually agree on how to handle any and all cost and expenses associated with the previously mentioned integration modules prior to any expenditures or commitments being incurred by either party.

- iv) Manual Updates. NAPA agrees, in addition to STARS Reporting, to manually update on-order status for non-stock parts in CCG Faster work order notes for "P" status work orders until such a time as a new automated status reporting is available or alternate status update method is determined.

b) **TOOLROOM MANAGEMENT.** NAPA will work with CUSTOMER during the first year of the contract to explore potentially cost effective options to manage the unmanned tool crib, looking to provide increased control and tracking at a cost that can still bring a value to the fleet operation.

i) **FILL RATE PERFORMANCE-** NAPA understands the need to have parts available to operate a productive repair facility and is committed to the CUSTOMER's success. NAPA shall commit to provide the parts fill rate performance levels listed below:

85% on demand for non-consumables (vehicle /equipment repair parts)

90% of parts requirements will be available within 4 business hours

98% on demand of repair parts designated as preventative maintenance requirements. These parts will also be designated in the TAMS system for reporting purposes.

All deliveries will be made subject to safe and responsible driving practices.

c) Current fill rate performance reporting is done with STARS. This program provides daily monthly fill rate performance through manually entered order transactions based on parts issued vs parts ordered. A sample monthly fill rate performance report is attached hereto as Exhibit E. Note: reports are delivered to the NAPA IBS computers daily by email which can be forwarded to CUSTOMER.

d) **NAPA BUSINESS REVIEWS.** Regular business reviews are an integral part of measuring NAPA's performance related to its contract with a customer and the key performance indicators (KPIs) that have been established. During these reviews, which may be scheduled as frequently as the CUSTOMER reasonably desires, NAPA's on-site and regional/national management team will sit down with CUSTOMER and review every aspect of the IBS service, including:

- Financial Review (cost and savings)
- Inventory Performance
- Fill Rates
- Customer Service review
 - Customer Satisfaction Survey- Management
 - Customer Satisfaction Surveys- Technicians
- Performance on KPIs
- Follow-through on past action items
- Establishing future action items
- Wins and concerns

By fostering open communication among all parties about the above items, NAPA allows itself to be the most transparent and aligned partner NAPA can be, which lets NAPA continue to optimize its solution to benefit the needs of CUSTOMER. Business reviews are mandatory for our local management and are reviewed by headquarters management and considered in evaluating our local teams. See sample business review template as Exhibit "B".

e) **INVENTORY MANAGEMENT AND REPLENISHMENT PROCESSES.** NAPA understands that not all fleet vehicles & equipment and required service expectations are the same. Therefore, NAPA will work with the CUSTOMER to define part numbers to be included

in critical need and preventative maintenance part categories. Once defined and agreed upon by the parties in writing, NAPA will work with CUSTOMER to develop a written replenishment process plan that meets the inventory performance standards set forth herein (the "Inventory Management and Replenishment Processes"). CUSTOMER shall pay for all special or expedited shipping charges incurred under this Agreement; provided, however, that once the Inventory Management and Replenishment Processes have been agreed to in writing between the parties, CUSTOMER will not be required to pay for such special or expedited shipping charges during such times that NAPA is not adhering to such Inventory Management and Replenishment Processes.

12. TERMINATION FOR CAUSE. This Agreement may be terminated immediately, unless otherwise stated in this Section 12, by either party for cause:

(a) In the event that the other party fails or refuses to pay any amounts due under this Agreement; or

(b) In the event that there is a hostile work environment, the affected party provides written notice, and such hostile environment remains uncorrected for ten (10) days after written notice thereof; or

(c) In the event that the other party fails or refuses to perform any other obligation required under this Agreement, and such failure or refusal continues for thirty (30) days after written notice thereof; or

(d) In the event that the other party files any bankruptcy petition, has any bankruptcy petition filed against it, makes any assignment of its assets for the benefit of creditors, or admits in writing its inability to pay its debts as they become due.

13. EFFECT OF TERMINATION. Immediately upon termination of this Agreement by either party for any reason:

(a) All duties, responsibilities and other obligations of each party hereunder shall terminate, except for the payment of any amounts due and owing to NAPA at the time of termination.

(b) Each party shall immediately return to the other party all equipment, software, books, records, tools and any other personal property or information owned by the other party that are in such party's possession. CUSTOMER shall allow NAPA full and unrestricted access to enter into the On Site Store(s) and immediately remove all equipment and other items of personal property owned by NAPA without being deemed guilty of trespass or any other violation of the law. All inventory records, sales history, sales analysis and all other information generated by NAPA under this Agreement will be returned to CUSTOMER.

Nothing contained in this Section shall be deemed a waiver of, or in any other manner impair or prejudice, any other legal rights that either party may have against the other party for any breach of this Agreement. The provisions and obligations of Sections 8, 10, 13, 14, and 15 shall survive the termination of this Agreement for any reason.

14. BUY-BACK OF INVENTORY. Upon termination, expiration, or non-renewal of this Agreement, NAPA shall have the option to require CUSTOMER to purchase all non-NAPA Inventory owned by NAPA and located in the On Site Store(s) at NAPA's current acquisition cost,

and CUSTOMER shall have the option to purchase all NAPA Inventory, owned by NAPA and located in the On Site Store(s) at NAPA's current acquisition cost. Upon CUSTOMER's request, NAPA shall provide CUSTOMER with a listing of all NAPA and non-NAPA Inventories located at the On Site Store(s).

15. CONFIDENTIALITY. CUSTOMER and NAPA may, from time to time, acquire or otherwise receive confidential or proprietary information concerning the other party's products, pricing, business affairs and practices. In consideration of the confidential and proprietary nature of this information, each party agrees as follows:

(a) All confidential or proprietary knowledge and information received from the other party shall for all time and purposes be regarded by the receiving party, its employees and agents as strictly confidential and will not be disclosed to any third parties or to any of the other affiliates of the receiving party.

(b) Each party agrees to utilize any information provided by the other party only for the purposes of carrying out this Agreement and further acknowledges that it will not utilize any information provided by the other party for any other purpose including but not limited to directly or indirectly competing with the other party or otherwise assisting another person or entity in doing the same.

(c) All confidentiality obligations hereunder shall continue in full force and effect during the term of this Agreement, and after termination: (a) in the case of confidential information that constitutes a trade secret under applicable law, for as long as such confidential information remains a trade secret; or (b) in the case of any other confidential information, for a term of ten (10) years.

(d) Each party further understands that money damages will not be a sufficient remedy for a breach of this Section 15 and that, in addition to all other remedies available at law or in equity, each party shall be entitled to equitable relief, including injunction or specific performance, without proof of actual damages.

(e) In the event that the receiving party is requested or required by legal or regulatory authority to disclose confidential or proprietary information of the disclosing party, the receiving party shall promptly notify the disclosing party of such request or requirement prior to disclosure so that the disclosing party may seek an appropriate protective order. In the event that a protective order or other remedy is not obtained, receiving party agrees to furnish only that portion of the confidential or proprietary information that it reasonably determines, in consultation with its counsel, is consistent with the scope of the subpoena or demand, and to exercise reasonable efforts to obtain assurance that confidential treatment will be accorded such information.

16. MUTUAL INDEMNIFICATION. CUSTOMER shall be responsible for and shall indemnify and hold NAPA harmless from and against all damages, claims or demands that may, during the term of this Agreement, arise or be occasioned by the negligent or intentional acts of CUSTOMER or CUSTOMER'S employees. NAPA shall likewise be responsible for and shall indemnify and hold CUSTOMER harmless from and against all damages, claims or demands that may, during the term of this Agreement, arise or be occasioned by the negligent or intentional acts of NAPA or NAPA's employees.

17. QUIET ENJOYMENT. CUSTOMER represents and warrants to NAPA that NAPA shall have quiet and peaceful possession of the On Site Store(s) during the entire term of

this Agreement and CUSTOMER shall defend NAPA's right to possession against the claims of all parties.

18. NOTICES. Whenever any notice, demand or request is required or permitted hereunder, such notice, demand or request shall be hand-delivered in person or sent via facsimile, by overnight mail through a reputable service, or by certified mail, return receipt requested, to the addresses set forth below:

As to NAPA: NAPA Oklahoma City
301 East Memorial Road
Oklahoma City, OK 73114
Attn: Bruce Carter
Telephone: (405) 775-4800
Facsimile: (405) 775-4810

As to CUSTOMER: City of Norman – Public Works Fleet Division
1301 Da Vinci
Norman, OK 73069-6560
Attn: Mike White, Fleet Superintendent
Telephone: (405) 292-9709
Facsimile: (405) 292-9710

Each such notice shall be deemed delivered (i) on the date of receipt if delivered by hand, overnight courier service or if sent by facsimile, or (ii) on the date three (3) business days after depositing with the United States Postal Service if mailed by registered or certified mail. Either party may change its address specified for this notice by giving the other party at least ten (10) days written notice in accordance with this Section 18.

19. FORCE MAJEURE / DAMAGE OF PREMISES.

(a) Whenever performance by either party of any of their respective obligations (other than the obligation to make payment of money due hereunder) is substantially prevented by reason of any act of God, other industrial or transportation disturbance, fire, floods, riots, acts of enemies, national emergencies or by any other cause not within the reasonable control of such party and not occasioned by its negligence, then such performance shall be excused and the performance of such obligations under this Agreement shall be suspended for the duration of such prevention and for a reasonable time thereafter.

(b) NAPA may terminate this Agreement immediately in the event that the CUSTOMER's premises are damaged by any casualty, or such portion of the premises is condemned by any legally constituted authority, such as will make the CUSTOMER's premises unusable for the On Site Store(s) in the reasonable judgment of NAPA.

20. SUCCESSORS AND ASSIGNS. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective officers, directors, employees, successors and assigns. Notwithstanding the foregoing, the rights and obligations of either party to this Agreement may not be assigned without the prior written consent of the other party hereto, which consent shall not be unreasonably withheld.

21. **AMENDMENTS.** No amendment to this Agreement shall be binding on either party hereto unless such amendment is in writing and executed by both parties with the same formality as this Agreement is executed.

22. **NO WAIVER OF RIGHTS.** No failure of either party hereto to exercise any power given such party hereunder or to insist upon strict compliance by the other party to its obligations hereunder, and no custom or practice of the parties in variance with the terms hereof, shall constitute a waiver of either party's right to demand exact compliance with the terms hereof.

23. **LIMITATIONS ON RIGHTS OF THIRD PARTIES.** All obligations of a party under this Agreement are imposed solely and exclusively for the benefit of the parties, and no other person shall, under any circumstances, be deemed to be a beneficiary of such obligations.

24. **INDEPENDENT CONTRACTOR.** The parties hereto are independent contractors. Nothing in this Agreement shall create or shall be deemed to create any fiduciary relationship or the relationship of principal and agent, partnership, joint venturers, or any other similar or representative relationship between the parties hereto.

25. **CHOICE OF LAW.** This Agreement shall be construed and interpreted under the laws of the State of Oklahoma.

26. **COUNTERPARTS.** This Agreement may be executed in one or more counterparts and each counterpart shall, for all purposes, be deemed an original, but all such counterparts shall together constitute but one and the same instrument.

27. **SECTION HEADINGS.** Section titles or captions contained herein are inserted only as a matter of convenience for reference and in no way define, limit, extend, or describe the scope hereof or the intent of any provision hereof.

28. **SEVERABILITY.** In the event any part of this Agreement shall be finally determined by a court of law to be illegal or unenforceable for any reason, then that illegal or enforceable part shall be severed from the Agreement, and the remaining terms shall continue in full force and effect.

29. **ENTIRE AGREEMENT.** This Agreement and the bid related documents listed below and any attachments referenced in this contract, constitute the entire contract between NAPA and CUSTOMER concerning the subject matter of this Agreement. In the event of a conflict between the terms of the below referenced documents, the terms in the document with highest relative precedence shall govern. The order of precedence shall be the order of documents as listed below, with the first listed document having the highest precedence and the last listed document having the lowest precedence.

To the extent not expressly incorporated herein, this Agreement supersedes all prior proposals, contracts and understandings between the parties concerning the subject matter of this Agreement.

1. This Agreement;
2. NAPA's Final Response to the City of Norman, Oklahoma Request for Proposal for Vehicle Parts Management and Supply Services, RFP No. 1617-22, as amended, including but not limited to NAPA's List of Exceptions submitted therewith; and
3. City of Norman, Oklahoma Request for Proposal for Vehicle Parts Management and Supply Services, RFP No. 1617-22, as amended

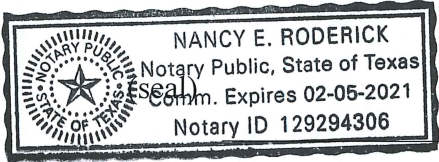
[Remainder of page intentionally left blank / Signatures appear on following page]

IN WITNESS WHEREOF, the parties hereto cause their hands and seals to be affixed by their duly-authorized representatives effective as of the date and year first above written.

GENUINE PARTS COMPANY

By: [Signature]
Name: Stu Kambury
Title: Division Vice President

SWORN TO AND SUBSCRIBED before me this 7th day of March, 2017.



[Signature]

Notary Public

CITY OF NORMAN, OKLAHOMA

By: _____
Name: Lynne Miller
Title: Mayor – City of Norman, Oklahoma

SWORN TO AND SUBSCRIBED before me this ____ day of _____, 2017.

(seal)

Notary Public

EXHIBIT A

SAMPLE PROFIT AND LOSS STATEMENT

See attached.

IBS Expense Summary

Expense Category	CURRENT MONTH	% TO SALES	Expense Short Description "All values displayed as whole dollars"
SALES	\$ 69,041	100.00%	← The total purchased this month- Not Managing Tires
Less Cost of Sales	\$ 62,158	90.03%	← NAPA's cost of the goods sold
Sales Less Cost	\$ 6,883	9.97%	← The Gross Profit, or sales minus cost
Markup on Parts	\$ 6,883	9.97%	
Less Handling Charge	\$ -	0.00%	
GROSS PROFIT	\$ 6,883	9.97%	
EXPENSES:			
Advertising		0.00%	
Sales Salaries		0.00%	
Handling Credit		0.00%	
Net Salaries		0.00%	
Travel		0.00%	
Sales - Miscellaneous		0.00%	
G. M. Travel		0.00%	
TOTAL SALES EXPENSE	\$ -	0.00%	
SALARIES - EXEC.		0.00%	
PAYROLL:			
Acctg & Data Proc.	\$ 345	0.50%	← Headquarters Fees based on .50% of Sales
General Office	\$ 518	0.75%	← Headquarters Fees based on 0.75% of Sales
Counter - J.S.	\$ 5,923	8.58%	← Payroll figure for all counterpersons combined
Stockroom Salaries		0.00%	
Handling Credit		0.00%	
Net Stockroom		0.00%	
Overtime	\$ 1,294	1.87%	← Overtime paid for period
TOTAL PAYROLL	\$ 8,080	11.70%	
Bad Debts		0.00%	
Data Proc. Eqpt. & Suppl.	\$ 925	1.34%	
Delivery Insurance	\$ 278	0.40%	← Flat Contracted Rate
Maintenance	\$ 338	0.49%	← Vehicles Expenses, normally fuel, Repairs, and Toll tag fees
Truck Depr.	\$ 400	0.58%	← Truck Depreciation, Lease Fees, Taxes and Registrations
Depreciation - F. & F.	\$ 10	0.01%	← This represents shelving and equipment depreciation expense
Empl. Benefits - Pension	\$ 311	0.45%	← Headquarters Fees based on 0.45% of Sales
Other	\$ 776	1.12%	← Group Insurance, Uniforms, Employee Center Fees
Freight & Postage	\$ (157)	-0.23%	← Freight & Postage
Frts. Allowance	\$ -	0.00%	
Insurance	\$ 134	0.19%	← General Liability Insurance, Workmans Comp
Interest	\$ -	0.00%	
Legal & Professional		0.00%	
Light, Heat, Water		0.00%	
Moving		0.00%	
Rent	\$ 42	0.06%	← Rental & Leasehold Charges, Insurance for assets
Stationery, Ship, Suppl.		0.00%	
Stock Loss	\$ -	0.00%	
Store	\$ 90	0.13%	← Miscellaneous store expenses
Taxes (Not Income)	\$ 789	1.14%	← Taxes: Payroll, Sales and use, Personal Property (Inv)
Telephone	\$ 275	0.40%	← Phone/Modem lines, DSL Support, Joel access fees
Travel (Not Sales)		0.00%	
TAMS	\$ 200	0.29%	← Computers (Lease or Depreciation), support fees
Training	\$ -	0.00%	← Fee for training material, uniforms, etc.
TOTAL MISC. EXPENSES	\$ 4,411	6.39%	
Executive Fees	\$ -	0.00%	
TOTAL EXPENSES	\$ 12,491	18.09%	
Operating Income	\$ (5,608)	-8.12%	← Sum of gross profit minus total expenses
Misc. Inc; Cash Disc. (Net)	\$ -	0.00%	
Other	\$ 12,022	17.41%	← Net Expense Invoice
PROFIT BEFORE TAXES	\$ 6,414	9.29%	10% Net
	\$ 490		Billed to Sanitation for Saturday overtime
Total including Sanitation billing	\$ 6,904	10.00%	

EXHIBIT B

BUSINESS REVIEW TEMPLATE

See attached.



BUSINESS REVIEWS

MEETING INFORMATION

Title or Purpose					
Date and Time					
Location					
Facilitator					
Invitees and Titles <i>**bold all attendees</i>					
Invitees and Titles <i>**bold all attendees</i>					

MEETING AGENDA

1. Performance Review (Fill Rate, Profit, Inventory, KPIs)	4. Product and Vendor Opportunities
2. Financial/Purchasing Review	5. Issues, Concerns and Key Monthly Wins Review
3. Cost Savings	6. New Action Items

PERFORMANCE REVIEW ITEMS

MEASURE	GOAL	ACTUAL	DIFFERENCE	PLAN OF ACTION
Monthly Fill Rate				
Monthly Net Profit				
Inventory				
Customer Survey				
Avg. Vehicles Down				

FINANCIAL/PURCHASING REVIEW

P&L Review		
Monthly Billing		





BUSINESS REVIEWS

COST SAVINGS	VALUE
Parts Procurement	
Direct Ship Discounts	
Manufacturer Rebates	
Manufacturer Promotions	
Inventory Investment/Value of Capital Warranty Recoveries	
Transactional Savings	
TOTAL	

PRODUCT & VENDOR OPPORTUNITIES	
NEW OPPORTUNITY	DESCRIPTION

ISSUES AND CONCERNS/OPEN DISCUSSION NOTES

KEY MONTHLY WINS REVIEW

NEW ACTION ITEM REVIEW AND UPDATE		
NEW ACTION ITEM	RESPONSIBLE PARTY	PROJECTED TIMELINE



EXHIBIT C

SAMPLE VEHICLE INSPECTION FORM

See attached.

VEHICLE / EQUIPMENT DISCREPANCY AND MAINTENANCE REPORT

	DISCREPANCY	DATE DISCOVERED	TIME	ODOMETER	SIGNATURE	COMPILED WITH DATE
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						

SAMPLE

IF ITEMS HAVE NOT BEEN REPLACED OR REPAIRED BY THE END OF THE MONTH THE DISCREPANCY MUST BE TRANSCRIBED TO THE NEXT MONTHS REPORT LOG.

EQUIPMENT, INSPECTION AND USE: No motor vehicle shall be driven unless the driver is satisfied that the listed parts and accessories on this form are in good working order along with those required by state and federal inspection prior to use. Any broken items requiring repair (NOT imposing a safety hazard) need documented and fixed as soon as possible. Emergency repairs (That are a SAFETY HAZARD) are required to be reported to supervision immediately and the vehicle shall not be driven or operated.

MATERIALS, INSPECTION AND USE: Each unit has been equipped and supplied with the listed items on this form as pertaining to the function of that unit. Each employee shall inspect the vehicle they are in to insure it is adequately stocked to provide maximum safety and efficiency in the performance of their duties. If items are missing or depleted every effort should be made to bring the stock back to a proper level.

SAFE LOADING: (General) No person shall drive a motor vehicle nor shall a supervisor require or permit a person to drive a motor vehicle UNLESS: The vehicles cargo is properly distributed, adequately secured and an overloaded condition does not exist.

DAILY VEHICLE INSPECTION REPORT	
1	SERVICE BREAK, INCLUDING TRAILER CONNECTION
2	PARKING (HAND) BRAKE
3	STEERING MECHANISM INCLUDING HORN
4	LIGHTING DEVICES AND REFLECTORS
5	TIRES AND RIMS
6	WINDSHIELD WIPERS AND MIRRORS
7	COUPLING DEVICES
8	EMERGENCY EQUIPMENT (FIRE EXTINGUISHER & CONES)
9	ENGINE OIL LEVEL
10	ENGINE COOLANT LEVEL
11	HYDRULIC FLUID LEVEL
12	BODY DAMAGE
13	GAUGES
14	HORN
TOOL INVENTORY LIST/AS APPLICABLE	
15	PICK OR MANHOLE HOOK
16	TIGER TAIL
17	DEBRIS BASKET AND EMPTY BUCKETS
18	ROOT CUTTER AND BLADES
19	CLAM SHELL AND FORK
20	HAND TOOLS, GREASE GUN AND FLASH LIGHT
21	METAL DETECTOR
22	PUNCH ROD, SHOVELS AND SAFETY CONES
23	SAFETY, FENCE AND YARD ROLLERS
24	DISINFECTANT AND SPRAYER
25	VARIOUS NOZZLES (WART HOG, OBSTRUCTION, GRENADE)
26	MARKING PAINT AND TRACER DYE
27	HYDRANT WRENCH
28	RADIOS (HANDHELD AND MOTOROLA CP110 RADIO)
29	SAFETY VEST, GLASSES, GLOVES AND HARDHAT
30	HEARING PROTECTION
31	SEWER ATLAS AND CLIP BOARDS
32	OBSTRUCTION REPORTS
33	DAILY WORK REPORTS
34	OVERFLOW REPORTS
35	VAPO ROOT LIST

OPERATOR'S INSPECTION GUIDE AND TROUBLE DOCUMENTION REPORT			MONTH / YEAR
VEHICLE NUMBER	LOCATION	ODOMETER READING	
		Beginning	Ending
OPERATOR'S INSPECTION GUIDE AND TROUBLE DOCUMENTION REPORT			
DAY	SHIFT/SIGNATURE	DAY	SHIFT/SIGNATURE
1		11	
2		12	
3		13	
4		14	
5		15	
6		16	
7		17	
8		18	
9		19	
10		20	
		21	
		22	
		23	
		24	
		25	
		26	
		27	
		28	
		29	
		30	
		31	

SAMPLE

EXHIBIT D

SAMPLE WARRANTY LABOR RECOVERY WORKSHEET

See attached.



Integrated Business Solutions
POWERED BY

WARRANTY LABOR RECOVERY WORKSHEET

UNIT # _____

WORK ORDER # _____

SUPPLIER		CONTACT	
PHONE # / FAX#		PURCHASE ORDER	
YR / MAKE / MODEL		DATE PURCHASED	
VIN #		DATE INSTALLED	
PART NUMBER	PART DESCRIPTION	QTY	TYPE OF FAILURE

DATE REQUESTED:

PROVIDE DETAILS:

Repair invoices attached	YES / NO	Credit Requested		Credit Received	

RESOLUTION;

CLAIM RESOLVED	YES / NO	DATE:	TOTAL RECOVERED:
SHOP SUPERVISOR:		NAPA IBS MANAGER:	

EXHIBIT E

SAMPLE MONTHLY FILL RATE PERFORMANCE REPORT


See attached.

SAVINGS TRACKING AND REPORTING SYSTEM (STARS)

STARS REPORT #3 : PARTS ON ORDER/UNIT STATUS REPORT

Provides details on fleet availability and status of open items on work orders and special orders. Includes details of all open parts requests by the customer and aging information on open parts orders. This allows us to identify if parts orders remain open past the expected delivery date and which vehicles are down because they are waiting on a parts order.

Parts on Order / Units Status Report, 1/21/16



This report lists the **1** in order by Work Order, Unit Number **2** providing pertinent details about the orders, such as quantities, vendor, ETA and order status **3**

Work Order Number	Unit Number	Unit	Employee	Technician					
4110-2016-3634	32670	1993 CLARK Gpx-30	Maxwell, Brian	Heidi, Paul					
Notes: 88533 SENT OUT FOR REPAIR									
Product Line	Part Number	Part Description	Quantity	Vendor	Order Date	Expected Due Date	Revised Due Date	Weekday Age	Order Status
PPR	REPAIR HYD CYL	REPAIR HYD TILT CYL CLARK	1	RUMPKIE HYDRAULICS	12/31/16	01/15/16		15	Part on Order
4110-2016-214	X0252	UNKNOWN N/A	Maxwell, Brian	Klayer, John					
Notes: 1162 WING PLATES HAVE TO CUSTOM FAB									
Product Line	Part Number	Part Description	Quantity	Vendor	Order Date	Expected Due Date	Revised Due Date	Weekday Age	Order Status
PCF	WIND PLATE	FABRICATE WIND PLATES	100	SEAM PRODUCTS	01/21/16	02/02/16		0	Part on Order
4110-2016-234	50952	2015 International 7400 SFA 4x2	Maxwell, Brian	Klayer, John					
Notes: 89969 special order									
Product Line	Part Number	Part Description	Quantity	Vendor	Order Date	Expected Due Date	Revised Due Date	Weekday Age	Order Status
63P	14983-A	OLEIFOLL LEVEL LIFT CHAIN	1	MAFFENBARGER TRUCK EQUIPMENT	01/20/16	01/29/16		1	Part on Order
4110-2016-50	45732	2014 HONDA WX10	Maxwell, Brian	Towe, Anthony					
Notes: 89183									
Product Line	Part Number	Part Description	Quantity	Vendor	Order Date	Expected Due Date	Revised Due Date	Weekday Age	Order Status
PSM	78103Y6911	SUCCHON PLATE HONDA	1	BUD HERBERT	01/09/16	01/14/16		11	Part on Order
4110-2016-85	53645	2005 TORO 4100-D	Maxwell, Brian	Schmidt, Carl / Ron					
Notes: 89630									
Product Line	Part Number	Part Description	Quantity	Vendor	Order Date	Expected Due Date	Revised Due Date	Weekday Age	Order Status
4T0	89-9773	FILTER BASE TORO	1	CENTURY EQUIPMENT	01/09/16	01/09/16		9	Part on Order
4T0	86-9777	FILTER DRAIN TORO	1	CENTURY EQUIPMENT	01/09/16	01/09/16		9	Part on Order

- 1** Open work order number.
- 2** Down unit details.
- 3** IBS employee and customer technician names.
- 4** Part on order details.
- 5** Vendor information.
- 6** Order status and timing information.



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Savings Tracking and Reporting System (STARS) |