

**INTEGRATED SUPPLY AGREEMENT**

**BY AND BETWEEN**

**GENUINE PARTS COMPANY**

**AND**

**CITY OF AURORA, ILLINOIS**

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AND  
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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 the **CITY OF AURORA**, an Illinois home rule municipal corporation in the State of Illinois (“CUSTOMER”), to be effective as of the \_\_\_ day of \_\_\_\_\_, 2025 (the “Effective Date”).

**W I T N E S S E T H**

WHEREAS, pursuant to a competitive bidding and selection process by The Cooperative Council of Governments, Inc. (hereinafter, “Cooperative Council”) and Equalis Group, LLC (hereinafter, “Equalis”), Cooperative Council, Equalis and NAPA executed contract #COG-2129B with an effective date of May 1, 2022 (hereinafter, “Equalis Contract”), attached hereto as Exhibit C, to establish a source of supply for certain auto, truck and bus parts as well as to provide Integrated Business Solutions services; and

WHEREAS, by becoming a participating member of Equalis (hereinafter, “Member”), CUSTOMER and its related entities (hereinafter, “User Agencies”) are authorized to utilize the pricing and incentives available to Equalis Members set forth in the Equalis Contract; and

WHEREAS, CUSTOMER desires to become a User Agency under such Equalis Contract and desires to receive integrated business solutions services from NAPA; and

WHEREAS, CUSTOMER and NAPA agree that the Equalis Contract is a vehicle by which CUSTOMER may contract directly with NAPA for parts and services, but that the terms and conditions of this Agreement and not the terms and conditions of the Equalis Contract shall govern the relationship of the parties; and

WHEREAS, NAPA desires to provide integrated business solutions services and 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” or “Products”) 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**

**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.
- (d) **Current NAPA Jobber Acquisition Cost** shall mean NAPA's current gold price as set forth on NAPA's Confidential Jobber Cost and Suggested Resales price list.

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

2100 E. New York Street  
Aurora, IL 60502

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.

**3. TERM.** Subject to the terms and conditions set forth below, this Agreement shall begin on the Effective Date and shall end when the Equalis Contract terminates or expires or when terminated earlier in accordance with the applicable terms and conditions stated herein. As the Equalis Contract is renewed or extended, this Agreement may be renewed or extended for a period of time equal to or shorter than the period of time the Equalis Contract is renewed or extended upon the mutual written agreement of the parties. Notwithstanding the foregoing, should the parties desire to extend this Agreement past the termination or expiration date of the Equalis Contract, the parties may do so by entering into a mutually agreed upon written amendment to this Agreement. Further, as Equalis and the Cooperative Council award new successive agreements to NAPA following expiration of the Equalis Contract, any new contract

Equalis Contract

number and/or new terms and conditions may be added with mutual agreement via a written amendment to this Agreement. Either party may terminate this Agreement at any time for its convenience by giving the other party sixty (60) days prior written notice of such termination.

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

(a) NAPA will operate the On Site Store(s) and provide the Inventory to CUSTOMER's now existing locations. NAPA 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.

(d) NAPA shall provide a profit and loss statement of the parts operations to the CUSTOMER on approximately the 25th of each month for each On Site Store.

(e) NAPA shall provide back-up emergency service during non-working hour contingencies. This overtime expense (calculated at time and one half) will be charged on a cost basis to CUSTOMER and must be pre-approved by CUSTOMER. The parties shall mutually agree upon the pre-approval process for such emergency situations. NAPA will provide a list of personnel, including telephone numbers, who will respond to emergency service requests.

(f) NAPA agrees to provide to CUSTOMER a monthly statement listing the Inventory located in the On Site Store.

**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. To the best of CUSTOMER's ability, CUSTOMER shall provide NAPA a safe work environment that is free from hostility, violence, or discrimination. NAPA reserves the right to terminate the contract

immediately should NAPA encounter a hostile, violent, discriminatory, or unsafe work environment.

(b) CUSTOMER shall use NAPA as its Primary Supplier of the Inventory under this Agreement. CUSTOMER reserves the right to purchase any item outside this Agreement where it is determined to be more economical or timely so long as the purchase of aforesaid part or parts does not result in NAPA no longer being CUSTOMER's Primary Supplier in which case NAPA may terminate this Agreement.

(c) Each On Site Store location shall be appropriately secured or otherwise maintained separate and apart from the business of CUSTOMER. There shall be no intermingling of CUSTOMER's parts or other inventory with NAPA's parts or inventory. Access to the secured On Site Store(s) shall be restricted to NAPA employees and authorized NAPA representatives only. CUSTOMER'S employees, contractors or agents shall not be permitted to enter the secured On-Site Store area unless accompanied by a NAPA employee or other authorized NAPA representative. CUSTOMER hereby assumes and shall bear any and all risk of loss or damage from any cause to the Inventory and other personal property located in the On Site Store(s), except for loss or damage arising out of the acts, errors or omissions of NAPA. NAPA shall invoice CUSTOMER for any such loss of or damage to the Inventory and/or other personal property located in the On Site Store(s), and CUSTOMER shall pay such invoiced amount to NAPA in accordance with the payment terms set forth in Section 7 below.

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

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

**6. ALTERNATIVE SUPPLIERS.** Each On Site Store may be serviced by a NAPA Owned Store or a NAPA Jobber. CUSTOMER acknowledges that whether it will be serviced by a NAPA Owned Store or a NAPA Jobber will be determined by NAPA, in its sole discretion, and that if CUSTOMER is to be serviced by a NAPA Jobber, then such NAPA Jobber must evidence its desire to abide by the terms of this Agreement by entering into an Assignment in the form of Exhibit A hereto.

**7. PAYMENT TERMS/PRICING.** NAPA shall invoice the CUSTOMER for all Inventory purchased pursuant to this Agreement and all payments will be paid in accordance with Illinois Local Government Prompt Payment Act..

All additional discounts from bulk purchases and rebates from the manufacturers are credited directly to the City of Aurora. These rebates and discounts vary by individual part.

The overall objective of CUSTOMER's pricing plan is to achieve a seven percent (7%) net profit for NAPA (the "Net Profit Target") by adjusting the pricing of two elements:

- (a) **Product Price.** The pricing of the Products to be supplied to CUSTOMER by NAPA pursuant to this Agreement shall be divided into: 1) "**NAPA Product Price**," which is the pricing of NAPA branded or NAPA cataloged supplier manufactured products; and 2) "**Non-NAPA Product Price**," which is the pricing of products which have not been manufactured by NAPA suppliers or do not exist in NAPA's proprietary catalog system but which have been acquired for CUSTOMER by NAPA pursuant to this Agreement. The pricing of NAPA Product and Non-NAPA Product shall be billed in accordance with the Pricing Plan Summary defined below.
- (b) **Operational Expenses.** 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, 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, obsolescence expense, pension funding costs, 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 B. CUSTOMER acknowledges and agrees that the costs and expenses reflected on the profit and loss statement set forth on Exhibit B 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 certain corporate allocation expenses for various line items shown on Exhibit B ("Corporate Allocation Expenses") which are calculated as a percentage of total Product sales for each month. As such, there is not a supportive invoice for such expenses other than a monthly allocation rate statement. These Corporate Allocation Expenses allow 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 Product Price	Billed to CUSTOMER at the Current NAPA Jobber Acquisition Cost plus a seven percent (7%) gross profit. The formula for NAPA Product Price for CUSTOMER is the Current NAPA Jobber Acquisition Cost divided by .93. This formula will achieve the gross profit rate set forth above. Example: Current NAPA Jobber Acquisition Cost is \$1.00. CUSTOMER's price would be $\$1.00/.93=\$1.08$
Non-NAPA Product Price	Billed to CUSTOMER at NAPA's current product acquisition cost plus a seven percent (7%) gross profit. The formula for Non-NAPA Product Price for CUSTOMER is the current product acquisition cost divided by .93. This formula will achieve the gross profit rate set forth above. Example: current product acquisition cost is \$1.00. CUSTOMER's price would be $\$1.00/.93=\$1.08$
Tires	Billed to CUSTOMER at current product acquisition cost plus a five percent (5%) gross profit. The formula for Tire Price for CUSTOMER is the current product acquisition cost divided by .95. This formula will achieve the gross profit rate set forth above. Example: current product acquisition cost is \$100.00. CUSTOMER's price would be $\$100.00/.95=\$105.26$
Oils, Lubricants and other fluids (including motor oil, hydraulic oil, grease, Antifreeze and windshield washer solvent, regardless of whether in bulk, drums, kegs, or pails)	Billed to CUSTOMER at current product acquisition cost plus a five percent (5%) gross profit. The formula for the price for Oils, Lubricants and other fluids (including motor oil, hydraulic oil, grease, Antifreeze and windshield washer solvent, regardless of whether in bulk, drums, kegs, or pails) for CUSTOMER is the current product acquisition cost divided by .95. This formula will achieve the gross profit rate set forth above. Example: Current NAPA Jobber Acquisition Cost is \$10.00. CUSTOMER's price would be $\$10.00/.95=\$10.53$
Operational Expenses	Charged to CUSTOMER at cost, with all such charges for Operational Expenses to be included in CUSTOMER's monthly billing statement. CUSTOMER will be billed at the end of each month for operational expenses on an "in arrears" basis.

In addition, NAPA may use any sub-contractor for the procurement of "outside" purchases or services (i.e., those parts or services not traditionally performed by NAPA), and CUSTOMER will be billed an additional charge for any such purchases so as to yield NAPA a seven percent (7%) gross profit on such purchases.

Equalis Contract

**8. INSURANCE.**

(a) CUSTOMER shall provide at its sole expense “all risks” fire and property insurance or self-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 the Agreement, at CUSTOMER’s expense, obtain and maintain in force a policy of commercial general liability insurance or self insurance in the name of CUSTOMER as insured but with NAPA named as an additional insured, if applicable, 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 per occurrence. Said policy shall be issued by a reputable insurance company authorized to transact business in the State of Illinois. 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 or self-insurance evidencing the insurance coverages above.

(b) NAPA shall maintain during the term of this Agreement workers’ 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). NAPA agrees to list CUSTOMER as an additional insured on NAPA’s general liability and automobile policies. NAPA shall provide to CUSTOMER, upon execution of this Agreement, a copy of all Certificates of Insurance evidencing the insurance coverages required in this Agreement.

(c) NAPA’s insurance shall be primary of any self-funding and/or insurance otherwise carried by the CUSTOMER for all loss or damages required to be covered by NAPA under this Agreement.

**9. NO LIENS.** 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).

**10. PERSONNEL.** NAPA and CUSTOMER shall attempt in good faith to mutually agree upon the identity of the persons that will be selected to staff the On Site Store(s). In the event that CUSTOMER for any reason wishes to remove or replace any of the NAPA personnel in the On Site Store(s), the parties will attempt to resolve CUSTOMER’s request by mutual agreement.

**11. WARRANTY/LIABILITY DISCLAIMER.** All Products supplied pursuant to this Agreement are subject to the terms of written warranties provided by the manufacturer of each Product, 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 Products 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.

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

(a) In the event that the other party fails or refuses to pay any amounts due under this Agreement and such failure continues for ten (10) days;

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

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

**13. EFFECT OF TERMINATION.** Immediately upon termination, expiration, or non-renewal of this Agreement 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, expiration, or non-renewal.

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

Nothing contained in this Section shall be deemed a waiver of, or in any other manner impair or prejudice, any other legal rights that either party may have against the other party for any breach of this Agreement. The provisions and obligations of Sections 9, 11, 13, 14, 15, 16, and 22 shall survive the termination, expiration, or non-renewal 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 each On Site Store at NAPA's On Site Store's current product acquisition cost, and CUSTOMER shall have the option to purchase all NAPA Inventory, owned by NAPA and located in each On Site Store at the Current NAPA Jobber Acquisition Cost. Upon CUSTOMER's request, NAPA shall provide CUSTOMER with a listing of all NAPA and non-NAPA Inventory owned by NAPA and located in the On Site Store(s).

**CUSTOMER INITIALS:** \_\_\_\_\_

**15. INDEMNIFICATION.**

(a) **Damage Claims.** NAPA agrees to indemnify and save harmless the City of Aurora, their agents and employees from and against all loss and expenses (including costs and attorneys' fees) by reason of liability imposed by law upon the City of Aurora for damages because of bodily injury, including death, at any time resulting therefrom sustained by any person or persons on account of damages to property, including loss of use thereof, arising out of or in consequence of NAPA's negligence or willful misconduct in performance of this work, whether such injuries to person or damage to property be due to the negligence of NAPA or NAPA's subcontractors.

(b) **Worker's Compensation Claims.** NAPA agrees to indemnify and save harmless the City of Aurora, their agents and employees from and against all loss and expenses (including costs and attorneys' fees) by reason of liability imposed by law or claims made upon the City of Aurora for damages pursuant to a joint employer principle because of bodily injury, including death at any time resulting therefrom sustained by any of NAPA's employees for which NAPA is required by law to maintain worker's compensation insurance. The indemnity in this Section 15(b) shall not apply to the extent a claim is caused by the negligence or willful misconduct of CUSTOMER or any of CUSTOMER's employees or agents, for which CUSTOMER agrees to indemnify NAPA, to the extent allowed by applicable statutory immunity laws or regulations.

**16. 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 by overnight mail through a reputable service, or by certified mail, return receipt requested, to the addresses set forth below:

As to NAPA:	Genuine Parts Company
	700 Enterprise Court

Naperville, IL 60563  
Attn: District Manager

With a copy to: 2999 Wildwood Parkway  
Atlanta, GA 30339  
Attn: General Counsel

As to CUSTOMER: **City of Aurora**  
**2100 E. New York Street**  
**Aurora, IL 60505-2131**  
**Attn: Chris Linville**  
**Telephone: (630) 256-3651**  
**Facsimile: (630) 844-3636**

With a copy to: **City of Aurora Law Department**  
**44 East Downer Place**  
**Aurora, IL 60507-2067**

**City of Aurora Purchase Department**  
**44 East Downer Place**  
**Aurora, IL 60507-2067**

Each such notice shall be deemed delivered (i) on the date of receipt if delivered by hand or overnight courier service 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 16.

**17. 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, pandemics, 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; provided that the foregoing in this Section 17 shall not apply to obligations relating to the payment of money.

(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.

**18. 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.

**19. 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.

**20. 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. Notwithstanding the same, only waivers made in writing shall be valid and enforceable.

**21. 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.

**22. LIMITATION OF LIABILITY.** WHILE NOT APPLICABLE TO BREACHES OF CONFIDENTIALITY PROVISIONS, THE PARTIES HEREBY DISCLAIM ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, PUNITIVE, OR SPECIAL DAMAGES IN ANY WAY RELATED TO THIS AGREEMENT, THEIR OTHER BUSINESS RELATIONSHIPS, OR THE TRANSACTIONS CONTEMPLATED HEREIN.

**23. 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.

**24. CHOICE OF LAW & VENUE.** This Agreement shall be construed and interpreted under the laws of the State of Illinois, without regard to conflicts of law principles thereof. The Parties agree that in the event of litigation arising from this Agreement, the exclusive venue for the adjudication of such disputes shall be the Circuit Court of the Sixteenth Judicial Circuit, Kane County.

**25. 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.

**26. 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.

**27. 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 unenforceable part shall be severed from the Agreement, and the remaining terms shall continue in full force and effect.

**28. ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement of the parties hereto and no prior representation, inducement, promise or agreement, oral or written, between the parties not embodied herein shall be of any force and effect.

**29. SCOPE OF SERVICES.** The Scope of Services attached hereto as Exhibit D is hereby made part of this Agreement.

**30. AUDIT.** NAPA shall maintain such account records in connection with its performance of services for CUSTOMER as may be reasonably required by CUSTOMER. Such account records shall be kept for a period of three years following the termination of this Agreement. NAPA shall afford CUSTOMER's agents and auditors reasonable facilities and access for the examination and audit of NAPA's written records directly pertaining to its performance hereunder and shall, upon request of CUSTOMER, produce and exhibit such records.

**31. Illinois Freedom of Information Act.** NAPA acknowledges the requirements of the Illinois Freedom of Information Act (FOIA) and agrees to comply with all requests made by the CUSTOMER for public records (as that term is defined by Section 2(c) of FOIA in the undersigned's possession and to provide the requested public records to the CUSTOMER within two (2) business days of the request being made by the CUSTOMER. The undersigned agrees to indemnify and hold harmless the CUSTOMER from all claims, costs, penalty, losses and injuries (including but not limited to, attorney's fees, other professional fees, court costs and/or arbitration or other dispute resolution costs) arising out of or relating to its failure to provide the public records to the CUSTOMER under this agreement.

**[Signatures Appear on Next 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: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

CITY OF AURORA, ILLINOIS

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**  
**ASSIGNMENT**

See attached.

## ASSIGNMENT

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, GENUINE PARTS COMPANY, a Georgia corporation (hereinafter "Assignor"), hereby assigns, transfers, sets over and delivers to [JOBBER], a \_\_\_\_\_ (hereinafter "Assignee"), all of Assignor's rights, obligations and interest, including any options to renew or extend the contract term, in those certain location(s) as set forth below, as governed by the Integrated Supply Agreement dated \_\_\_\_\_ by and between Genuine Parts Company and \_\_\_\_\_ [CUSTOMER] (the "Integrated Supply Agreement").

Location(s): \_\_\_\_\_

Assignee hereby accepts the assignment of the Integrated Supply Agreement, agrees to provide the services and perform all other obligations required to be performed by "NAPA" in said Integrated Supply Agreement at the times and in the manner set forth in said Integrated Supply Agreement, and shall be bound by all other terms, covenants and conditions of said Integrated Supply Agreement with regard to the location(s) set forth above, all with the same force and effect as if Assignee were originally named as "NAPA" therein.

[CUSTOMER] hereby consents to the above assignment of the Integrated Supply Agreement on the terms set forth herein and hereby agrees to release and discharge Assignor from any further obligation or liability under the Integrated Supply Agreement and to look solely to Assignee as the responsible party under the Integrated Supply Agreement for all liabilities or obligations arising from and after the effective date of this assignment.

The parties hereto agree that the assignment as set forth herein shall be effective as of 12:01 a.m. on \_\_\_\_\_.

[Signatures appear on following page]



**IN WITNESS WHEREOF**, the undersigned have set their hands this \_\_\_\_ day  
of \_\_\_\_, 20\_\_\_\_.

ASSIGNOR:

ASSIGNEE:

GENUINE PARTS COMPANY

\_\_\_\_ [JOBBER]

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Agreed and acknowledged:

\_\_\_\_ [CUSTOMER]


By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

## EXHIBIT B

### SAMPLE PROFIT AND LOSS STATEMENT

City of Aurora							
							
Projected Expenses	NAPA Monthly Parts and Operational Projections	% To Sales	Target Year One	* Target Year Two Escalation 10%	Target Year Three Escalation 5%	Target Year Four Escalation 5%	Target Year Five Escalation 5%
Parts Purchases	100,000	100.00%	1,200,000	1,320,000	1,386,000	1,455,300	1,528,065
Cost of Goods	93,110	93.11%	1,117,320	1,229,052	1,290,505	1,355,030	1,422,781
Markup on Parts	6,890	6.89%	82,680	90,948	95,495	100,270	105,284
<b>GROSS PROFIT</b>	<b>6,890</b>	<b>6.89%</b>	<b>82,680</b>	<b>90,948</b>	<b>95,495</b>	<b>100,270</b>	<b>105,284</b>
<b>Accounting Fees</b>	<b>990</b>	<b>0.99%</b>	<b>11,880</b>	<b>13,068</b>	<b>13,721</b>	<b>14,407</b>	<b>15,128</b>
<b>PAYROLL:</b>							
Manager/Counter Salaries	12,040	12.04%	144,480	158,928	166,874	175,218	183,979
Delivery Driver Salaries	0	0.00%	-	-	-	-	-
Pension	687	0.45%	8,244	9,068	9,522	9,998	10,498
Insurance	1,274	1.27%	15,288	16,817	17,658	18,541	19,468
Workers Comp Insurance	0	0.00%	-	-	-	-	-
FICA/SECA/FUI/SUI	604	0.60%	7,248	7,973	8,371	8,790	9,230
<b>Total IBS Payroll</b>	<b>14,605</b>	<b>14.61%</b>	<b>175,260</b>	<b>192,786</b>	<b>202,425</b>	<b>212,547</b>	<b>223,174</b>
<b>Miscellaneous Expenses</b>							
Delivery Truck Insurance	395	0.40%	4,740	5,214	5,475	5,748	6,036
Delivery Maintenance/Gas	100	0.10%	1,200	1,320	1,386	1,455	1,528
Truck Payment	470	0.47%	5,640	6,204	6,514	6,840	7,182
Shelving/Cage Depreciation	-	0.00%	-	-	-	-	-
Freight & Postage	500	0.50%	6,000	6,600	6,930	7,277	7,640
General Liability Insurance	286	0.29%	3,432	3,775	3,964	4,162	4,370
Interest	-	0.00%	-	-	-	-	-
Light, Heat, Water	-	0.00%	-	-	-	-	-
Rent	-	0.00%	-	-	-	-	-
Stationary, Shipping Supplies	50	0.05%	600	660	693	728	764
Stock Loss	-	0.00%	-	-	-	-	-
Store Expenses	70	0.07%	840	924	970	1,019	1,070
Personal Property Taxes	-	0.00%	-	-	-	-	-
Telephone	-	0.00%	-	-	-	-	-
Inventory Computer	1,267	1.27%	15,204	16,724	17,561	18,439	19,361
Training	-	0.00%	-	-	-	-	-
<b>TOTAL MISC. EXP.</b>	<b>3,138</b>	<b>3.14%</b>	<b>37,656</b>	<b>41,422</b>	<b>43,493</b>	<b>45,667</b>	<b>47,951</b>
<b>TOTAL EXPENSES</b>	<b>18,733</b>	<b>18.73%</b>	<b>224,796</b>	<b>247,276</b>	<b>259,639</b>	<b>272,621</b>	<b>286,252</b>
Gross Profit Less Expenses	(11,843)	-11.84%	(142,116)	(156,328)	(164,144)	(172,351)	(180,969)
Miscellaneous Discounts	-200	-0.20%	(2,400)	(2,640)	(2,772)	(2,911)	(3,056)
<b>MGMT FEE</b>	<b>19,043</b>	<b>19.04%</b>	<b>228,516</b>	<b>251,368</b>	<b>263,936</b>	<b>277,133</b>	<b>290,989</b>
<b>NET PROFIT</b>	<b>7,000</b>	<b>7.00%</b>	<b>84,000</b>	<b>92,400</b>	<b>97,020</b>	<b>101,871</b>	<b>106,965</b>
<div> <div>Profit Guarantee</div> <div>Profit Achieved</div> </div> <div> <div>7%</div> <div>7%</div> <div>7%</div> <div>7%</div> <div>7%</div> <div>7%</div> </div>							

**EXHIBIT C**  
**EQUALIS CONTRACT**

See attached.

## Attachment A – Equalis Group Sample Administration Agreement

THIS ADMINISTRATION AGREEMENT (this "**Agreement**"), effective as of May 1, 2022 (the "**Effective Date**"), is entered into by and between NAPA Auto Parts, a Georgia corporation with its principal place of business 2999 Wildwood Parkway, Atlanta, Georgia 30339 ("**NAPA**") and Equalis Group LLC, a Delaware limited liability company with its principal place of business at 5550 Granite Parkway, Suite 298, Plano, Texas 75024 ("**Equalis**"). Throughout this Agreement, Winning Supplier and Equalis are referred to interchangeably as in the singular "**Party**" or in the plural "**Parties**."

### SECTION 1. RECITALS

A. The Cooperative Council of Governments, Inc. ("**CCOG**") serves as a lead public agency (a "**Lead Public Agency**") for Equalis Group ("**Equalis Group**"), a national cooperative purchasing organization, by publicly procuring master cooperative purchasing agreements for products and services to be made available to Equalis Group members ("**Equalis Group Member**" or "**Member**").

B. CCOG issued request for proposal ("**RFP**") #COG-2129 dated January 28, 2022, for contracting on behalf of Equalis Group Members for auto & fleet parts, equipment, supplies, inventory programs & related services ("**Products & Services**") and awarded a contract to Winning Supplier.

C. CCOG, Equalis, and Winning Supplier entered into that certain master cooperative purchasing agreement (the "**Master Agreement**") #COG-2129D effective as of Effective Date to provide Products & Services to Equalis Group Members.

D. Equalis serves as the Contract Administrator of the Master Agreement on behalf of CCOG.

E. Equalis actively promotes Master Agreements to current and prospective Equalis Group Members (collectively "**Prospective Participants**") through a range of marketing, prospecting, and sales strategies, including, but not limited to, marketing and sales collateral development, direct mail, web marketing, electronic communications, attendance at events, Winning Supplier sales representative training, and Winning Supplier field sales support (collectively, "**Equalis Services**") as more fully defined in Appendix B.

F. Any Prospective Participant who purchases Products & Services from Winning Supplier subject to the Master Agreement shall be considered a "**Program Participant**".

G. Winning Supplier desires to promote and expand its operations and increase the sales of its Products & Services to public sector, private sector, and non-profit organizations through Equalis Group.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the Parties agree to the following terms and conditions:

## SECTION 2. BUSINESS TERMS

**2.1. Defined Terms.** Any capitalized terms contained herein not defined in this Agreement shall have the same meaning as defined in the Master Agreement.

**2.2. Appendices.** Winning Supplier agrees to provide Products & Services to Program Participants as may be agreed to by the Parties in accordance with the specific terms and conditions set forth in the Master Agreement, this Agreement, the contract between Winning Supplier and the applicable Program Participant, and the appendices attached hereto and made a part of this Agreement (if one, an “**Appendix**” or more, “**Appendices**”).

- (i) **Appendix A** defines Winning Supplier’s reporting requirements.
- (ii) **Appendix B** sets forth the roles and responsibilities of the Parties.
- (iii) **Appendix C** defines the financial terms between the Parties.

**2.3. Terms in Appendices.** In all cases where the terms of this Agreement and any Appendices disagree, the terms in the Appendix shall control.

### **2.4. Publicity & Joint Marketing.**

(a) **Publicity.** A Party may only issue press releases or other public announcements with respect to this Agreement with the prior, written consent of the other Party.

(b) **Joint Marketing / Logo & Name Use.** Winning Supplier authorizes Equalis to use Winning Supplier’s trademarks, names, and logos as provided by Winning Supplier to Equalis. Equalis authorizes Winning Supplier to use Equalis’ trademarks, names, and logos as provided by Equalis to Winning Supplier. Each Party’s use of the other Party’s trademarks, names, and logos will be limited to standard communication, including correspondence, newsletters, and website material, and joint marketing efforts, including, but not limited to, utilizing the same on correspondence, collateral, agreements, websites, newsletters, or other marketing materials promoting the Products & Services pursuant to the Master Agreement and this Agreement subject to such Party’s intellectual property usage guidelines. Notwithstanding the foregoing, the Parties understand and agree that except as provided herein, neither Party shall have any right, title, or interest in the other Party’s trademarks, names, and logos and may not use the other Party’s trademarks, names or logos in a manner that will harm or reflect negatively on the other Party’s brand. Upon termination of this Agreement, each Party shall immediately cease use of the other Party’s trademarks, names, and logos.

## SECTION 3. TERMS & CONDITIONS

**3.1. Express Limitation of Equalis Liability.** With respect to any purchases of Products & Services by CCOG or any Program Participant pursuant to the Master Agreement, Equalis shall not be: (i) construed as a dealer, re-marketer, representative, partner, or agent of any type of the Winning Supplier, CCOG, or any Program Participant; (ii) obligated by, liable for, or in any way responsible for any order of Products & Services made by CCOG or any Program Participant or any employee thereof under the Master Agreement or for any payment required to be made with respect to such order for Products & Services; and (iii) obligated by, liable

for, or in any way responsible for any failure by CCOG or any Program Participant to comply with procedures or requirements of applicable law or the Master Agreement or to obtain the due authorization and approval necessary to purchase Products & Services under the Master Agreement. Equalis makes no representation or guaranty with respect to any minimum purchases by CCOG or any Program Participant, whether individually or collectively, or any employee thereof under this Agreement or the Master Agreement. The terms of this section shall survive the termination of this Agreement.

**3.2. Term & Termination.** The Term of this Agreement is the same as the Term of the Master Agreement. This Agreement shall only be terminated, and shall be terminated, if and when the Master Agreement is terminated. Upon termination of the Master Agreement for any reason, Winning Supplier shall continue making Administrative Fee and other payments, as set forth in Appendix C, to Equalis that are generated by individual Program Participant's purchase of Products & Services prior to termination of the Master Agreement.

**3.3. Audit of Winning Supplier.** Equalis, whether directly or through an independent auditor or accounting firm, shall have the right to perform audits, including inspection of books, records, and computer data relevant to Winning Supplier's provision of Products & Services to Program Participants and payment of Administrative Fees to Equalis pursuant to the Master Agreement and this Administration Agreement, to ensure that pricing, inventory, quality, process, and business controls are maintained; provided, however, that such inspections and audits will be conducted upon reasonable notice to Winning Supplier and so as not to unreasonably interfere with Winning Supplier's business or operations.

**3.4. Force Majeure.** This Agreement will be temporarily suspended during any period to the extent that either Party during that period is unable to carry out its obligations under this Agreement or the Appendices by reason of an Act of God or the public enemy, act of terrorism, pandemic or epidemic, fire, flood, labor disorder not caused by Winning Supplier, civil commotion, closing of the public highways not caused by Winning Supplier, government interference, government regulations, or any other event or occurrence beyond the reasonable control of the affected Party ("**Event of Force Majeure**"). Neither Party will have any liability to the other Party for a delay in performance nor failure to perform to the extent this Agreement or any Appendix is so temporarily suspended; provided that nothing contained herein shall apply to payment obligations with respect to obligations which have already been performed under this Agreement.

**3.5. Notices.** All notices, claims, certificates, requests, demands, and other communications required or permitted hereunder ("**Notice**") must be in writing and will be deemed given to the addresses set forth herein (a) when delivered personally to the recipient, (b) upon delivery by reputable overnight courier service (charges prepaid), or (c) upon delivery or refusal of delivery by certified or registered mail, return receipt requested, and addressed to the intended recipient. The Parties agree that day-to-day business communications, including notification of a change of address or revisions to any Appendix, may be made via electronic communication, including email.

**3.6. Addresses for Notices.** This section may be modified at any time by either Party providing the other Party with written Notice, including via email, of a change of address or addition or deletion to the individuals who will be copied on all Notices.

a. If to **NAPA AUTO PARTS:**

NAPA Auto Parts  
Attn: Don Lachance, Government Sales  
Manager  
2999 Wildwood Parkway  
Atlanta, GA 30339

b. If to **EQUALIS:**

Equalis Group LLC  
Attn: Eric Merkle, SVP  
5550 Granite Parkway, Suite 298  
Plano, Texas 75024

**3.7. Waiver.** Other than the rights and obligations with respect to payment provided by this Agreement, waiver by either Party of or the failure of either Party hereto to enforce at any time its rights with regard to any breach or failure to comply with any provision of this Agreement by the other Party may not be construed as, or constitute, a continuing waiver of such provision, or a waiver of any other future breach of or failure to comply with the same provision or any other provision of this Agreement.

**3.8. Governing Law; Invalidity.** This Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of Ohio without regard to rules of conflict of laws. If any provision of this Agreement is declared unlawful or unenforceable by judicial determination or performance, then the remainder of this Agreement shall continue in force as if the invalidated provision did not exist. Any suits filed by either Party pursuant to this Agreement shall be brought in a court of competent jurisdiction located in Cuyahoga County, Ohio. In the event either Party initiates a suit and that suit is adjudicated by a court of competent jurisdiction, the prevailing Party shall be entitled to reasonable attorney's fees and costs from the non-prevailing Party in addition to any other relief to which the court determines the prevailing Party is entitled or awarded.

**3.9. Modification.** No release, discharge, abandonment, waiver, alteration, or modification of any of the provisions of this Agreement, or any of the Appendices incorporated herein, shall be binding upon either Party unless set forth in a writing signed by authorized representatives of the Parties.

**3.10. Assignment.** This Agreement and the rights and obligations hereunder may not be assignable by either Party hereto without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned, or delayed, provided, however, that either Party may assign its respective rights and obligations under this Agreement without the consent of the other Party in the event either Party shall hereafter effect a corporate reorganization, consolidation, merger, merge into, sale to, or a transfer of all or substantially all of its properties or assets to another entity. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by the Parties and their respective successors and assigns. Any instrument purporting to make an assignment in violation of this section shall be null and void. This Agreement may be extended to additional entities affiliated with either Party upon the agreement of the other Party. No such extension will relieve the extending Party of its rights and obligations under this Agreement.

**3.11. No Third-Party Beneficiaries; Survival of Representations.** This Agreement is made solely for the benefit of the Parties to it, and no other persons will acquire or have any right under or by virtue of this Agreement. Except as otherwise provided herein, all representations, warranties, covenants, and agreements of the Parties shall remain in full force and effect regardless of any termination of this Agreement, in whole or in part.

**3.12. Entire Agreement.** The Master Agreement and this Agreement, together with all attachments, appendices, and exhibits hereto, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior oral or written representations and agreements with regard to the same subject matter. The Parties acknowledge that this Agreement has been negotiated and incorporates their collective agreement as to the provisions to be contained herein. Therefore, no presumption will arise giving benefit of interpretation by virtue of authorship of any provision of this Agreement, and any ambiguity may not be construed for or against any Party.

**3.13. Execution in Counterparts.** This Agreement may be executed in one or more counterparts, each of which will be deemed an original. For purposes of this Agreement, a facsimile, scanned, or electronic signature will be deemed an original signature.

**3.14. Titles, Headings & Recitals.** The Preamble to this Agreement is hereby incorporated herein and made part of this Agreement. The Recitals stated within this Agreement are deemed to be a part of this Agreement. The titles and headings of the sections and paragraphs of this Agreement are inserted for convenience only and shall not constitute a part hereof or affect in any way the meaning or interpretation of this Agreement.

***[SIGNATURE PAGE TO FOLLOW]***



IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

**NAPA AUTO PARTS**

By: *Jett Kuntz*  
Jett Kuntz (Jun 21, 2022 10:10 EDT)

Name: Jett Kuntz

As: Vice President of  
Fleet/Government/IBS

Date: Jun 21, 2022

**EQUALIS GROUP LLC**

By: *Eric Merkle*

Name: Eric Merkle

As: SVP, Sourcing & Operations

Date: Jun 21, 2022

## APPENDIX A: WINNING SUPPLIER REPORTING REQUIREMENTS

This Appendix may be modified at any time with the mutual written consent of the Parties, including via email.

Winning Supplier shall electronically provide Equalis with a detailed line item monthly report showing the dollar volume of all member Products & Services sales under the contract for the previous month. Reports shall be sent via e-mail to Equalis offices at [Reporting@EqualisGroup.org](mailto:Reporting@EqualisGroup.org). Reports are due on the **fifteenth (15<sup>th</sup>)** day after the end of the previous month. It is the responsibility of Winning Supplier to collect and compile all sales under the Master Agreement from Program Participants and submit one (1) monthly report. Fields below marked as \*required indicate a required field. All other fields are preferred, but not required:

Member Data	Equalis Member ID
	Vendor Customer Number *required (or Equalis Member ID)
	Customer Name *required
	Customer Street Address *required
	Customer City *required
	Customer Zip Code *required
	Customer State *required
Distributor Data	Distributor Name
	Distributor ID
	Distributor Street Address
	Distributor City
	Distributor Zip Code
	Distributor State
Product Data	Product Category level 1
	Product Category level 2 (Where available or applicable)
	Product Category level 3 (Where available or applicable)
	Distributor Product Number
	Manufacturer Product Number
	Product Description
	Product Brand Name
	Product packaging Unit of Measure level 1
	Product packaging Unit of Measure level 2
	Product packaging Unit of Measure level 3
Spend Data	Purchase Unit of Measure
	Purchase Quantity
	Distributor Landed Cost Total \$ (without deviations)
	Distributor Landed Cost Total \$ (with mfr deviations)
	Customer Purchase Total \$ *required
	Admin Fee % *required
	Admin Fee \$ *required

## APPENDIX B: ROLES & RESPONSIBILITIES

This Appendix defines the roles and responsibilities of Equalis and Winning Supplier under this Agreement. This Appendix may be modified at any time with the mutual written consent of the Parties, including via email.

### 1. Equalis Services.

- 1.1. **Winning Supplier Sales Representative Training.** Equalis will develop, as appropriate and subject to Winning Supplier approval, various sales training materials, sales tools, and marketing collateral to promote the Master Agreement and Winning Supplier's Products & Services. Equalis, as appropriate, will i) conduct periodic sales trainings with Winning Supplier sales representatives assigned to sell Products & Services, ii) provide sales representatives with marketing collateral and sales tools to utilize with sales prospects, with particular focus on the procurement process that led to the establishment of the Master Agreement, the legal ability for sales prospects in any state to purchase Products & Services through the Master Agreement without having to conduct their own bid or RFP process, and the key differentiators in the design of this program with Winning Supplier, and iii) attend at least one Winning Supplier company-wide sales and/or leadership meeting per year.
- 1.2. **Sales Support.** Equalis will engage in Winning Supplier sales efforts as agreed by the Parties through participating in i) individual sales calls, ii) joint sales calls, iii) communications and customer service, iv) discussions and communication with sales prospects during the sales process to address questions relating to the procurement process, legal authority to purchase through the Master Agreement, and program design, v) trainings for Equalis Members' teams, vi) regular business reviews to monitor Program success, and vii) general contract administration.
- 1.3. **Marketing.** Equalis will incorporate information about the Products & Services into Equalis Group's website and general collateral materials. Equalis and Winning Supplier will jointly develop and approve marketing materials to promote Products & Services, such as website content, brochures and collateral, talking points, press releases, and correspondence. Equalis will market the Products & Services to Prospective Participants as part of Equalis' ongoing marketing activities through Equalis Group; these marketing efforts may consist of a combination of i) general marketing of all of Equalis Group's Master Agreements, including the Master Agreement and Winning Supplier's Products & Services, ii) marketing of Winning Supplier's Products & Services specifically and/or as part of a package of selected Master Agreements to targeted Prospective Participants, and iii) attending trade shows, conferences, and meetings.

### 2. Winning Supplier Roles & Responsibilities.

As a condition to Winning Supplier entering into the Master Agreement, which is available to all Public Sector Entities, Winning Supplier must make certain representations, warranties, and covenants to Equalis designed to ensure the success of the Master Agreement for all Prospective Participants, sales prospects, and Winning Supplier.

- 2.1. **Equalis Group Membership Agreement.** Winning Supplier will make available the Equalis Group Master Intergovernmental Cooperative Purchasing Agreement (whether in hard copy, electronically, or via [www.EqualisGroup.org](http://www.EqualisGroup.org)) and request any Prospective Participants subject to the Master Agreement who have not already joined Equalis Group to join Equalis Group in conjunction with

executing Winning Supplier's Customer Agreements and/or beginning to purchase Products & Services from Winning Supplier to ensure that Winning Supplier and each Program Participant are in full compliance with applicable state procurement statutes.

2.2. **Corporate Commitment.** Winning Supplier commits that i) the Master Agreement has received all necessary corporate authorizations and support of Winning Supplier's executive management, ii) the Master Agreement will be promoted to Public Sector Entities, and iii) Winning Supplier will identify an executive corporate sponsor and a separate national account manager that will be responsible for the overall management of the Master Agreement and this Agreement.

2.3. **Sales Commitment.** Winning Supplier commits to market the Master Agreement as a market strategy in the public sector and that its sales force will be trained, engaged, and committed to offering the Master Agreement to Public Sector Entities through Equalis Group in the geographies defined in the Master Agreement. Winning Supplier commits that all sales under the Master Agreement will be accurately and timely reported to Equalis. Winning Supplier also commits that its sales force will be compensated, including sales incentives, for sales to Program Participants under the Master Agreement in a consistent or better manner compared to sales to Public Sector Entities if Winning Supplier were not awarded the Master Agreement. Winning Supplier will make available to interested Prospective Participants such price lists or quotes as may be necessary for such Prospective Participants to evaluate potential purchases of Products & Services under the Master Agreement.

2.4. **Marketing Commitment.** As mutually agreeable, Winning Supplier commits to work with Equalis to develop a sales and marketing plan ("Plan") within the first ninety (90) days of the Master Agreement Effective Date. The Plan may include, but is not limited to, the following:

2.4.1. Issuing co-branded press release

2.4.2. Publishing Master Agreement details and contact information on both Equalis Group and Winning Supplier's websites

2.4.3. Scheduling and holding training on the Master Agreement for the sales teams of both Equalis Group and Winning Supplier

2.4.4. Jointly participating in national and regional conferences

2.4.5. Jointly attending national and regional Equalis Group Member networking events

2.4.6. Designing, publishing, and distributing co-branded marketing materials

2.4.7. Engaging in ongoing marketing and promotion of the Master Agreement for the entire Term of the Master Agreement (e.g., developing and presenting case studies, collateral pieces, and presentations)

## APPENDIX C: FINANCIAL TERMS

This Appendix may be modified at any time with the mutual written consent of the Parties.

### 1. Administrative Fee.

On or before the fifteenth (15<sup>th</sup>) of each month, Winning Supplier shall remit to Equalis an administrative fee payment (the “**Administrative Fee**”) of two percent (2%) of the total Winning Supplier revenue (the “**Equalis Group Spend**” or “**Spend**”) invoiced to Program Participants during the prior calendar month. “Spend” shall mean the cumulative purchases of Products & Services by Program Participants under the Master Agreement net of taxes, shipping costs, returns, and credits. All Administrative Fees not paid when due shall bear interest at a rate equal to the lesser of one- and one-half percent (1.5%) per month or the maximum rate permitted by law until paid in full.

### 2. Case-by-Case Administrative Fee Adjustments.

The Parties understand and acknowledge that Winning Supplier may have to provide aggressive deviated pricing on a case-by-case basis to win certain opportunities with Prospective Participants when those opportunities represent a sufficiently large Spend and/or are highly competitive. In such situations, Winning Supplier may request Equalis accept a reduced Administrative Fee. The Parties agree to evaluate each such situation as it arises and utilize best efforts to establish an adjusted Administrative Fee rate upon mutual written agreement (including via email) of the Parties.

# Agreement - NAPA and Equalis (Administration)

## - 2022.05.01









Final Audit Report

2022-06-21

Created:	2022-06-21
By:	David Robbins (drobbins@equalisgroup.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAATrvSqlSpATUE7RsuvqTz7HN_BQLmIHtp

## "Agreement - NAPA and Equalis (Administration) - 2022.05.01"

### History

-  Document created by David Robbins (drobbins@equalisgroup.org)  
2022-06-21 - 4:11:53 PM GMT- IP address: 23.126.70.39
-  Document emailed to Eric Merkle (emerkle@equalisgroup.org) for signature  
2022-06-21 - 4:12:53 PM GMT
-  Email viewed by Eric Merkle (emerkle@equalisgroup.org)  
2022-06-21 - 4:17:35 PM GMT- IP address: 172.224.236.21
-  Document e-signed by Eric Merkle (emerkle@equalisgroup.org)  
Signature Date: 2022-06-21 - 4:17:49 PM GMT - Time Source: server- IP address: 174.196.135.41
-  Document emailed to jett\_kuntz@genpt.com for signature  
2022-06-21 - 4:17:51 PM GMT
-  Email viewed by jett\_kuntz@genpt.com  
2022-06-21 - 4:17:56 PM GMT- IP address: 40.94.25.126
-  Document e-signed by Jett Kuntz (jett\_kuntz@genpt.com)  
Signature Date: 2022-06-21 - 10:15:39 PM GMT - Time Source: server- IP address: 67.166.250.90
-  Agreement completed.  
2022-06-21 - 10:15:39 PM GMT

## **EXHIBIT D**

### **SCOPE OF SERVICES**

NAPA Integrated Business Solutions (IBS) will manage the vehicle parts requirements for the City of Aurora. We are committed to meeting or exceeding the key objectives outlined in this scope of work. Our team will be on-site at the City of Aurora facility, providing comprehensive procurement and services to the entire City of Aurora Fleet and Facilities Maintenance Division.

#### **Quality of Parts to be furnished**

NAPA shall supply NAPA branded products or OEM products as the first choice for replacement parts but will fulfill any requests for brand preference that City of Aurora deems necessary. NAPA agrees to provide stock and non-stock O.E. equipment parts, supplies and equipment or NAPA aftermarket items in equal or higher quality. NAPA agrees to allow the City of Aurora to inspect the quality of materials, supplies, and equipment proposed to be furnished and City of Aurora reserves the right to reject any item(s) that do not meet O.E. specifications.

#### **Supply of Required Parts**

NAPA agrees to establish and maintain stocking levels based on historic usage and emergency Critical Parts identified by the City of Aurora. NAPA further agrees to work closely with the Fleet Manager to develop a mutually agreed inventory investment level to meet the City of Aurora needs.

GPC/NAPA will stock and supply to City of Aurora only product defined as "products and supplies" (i.e. grease, oil, anti-freeze, tires, wheels etc.) whose level of quality will be warranted to meet or exceed OEM quality standards. This will include OEM product when requested or required by City of Aurora as well as GPC/NAPA branded quality aftermarket products. Products supplied that are not OEM will meet or exceed all updated quality specifications. GPC/NAPA will review any new product lines or changes/updates to existing product lines with designated City of Aurora personnel for approval before any usage on the City of Aurora vehicles. Lists, descriptions, and inventories of product lines will be maintained by GPC/NAPA and available for review for the City of Aurora in strict accordance with City of Aurora requirements.

#### **The equipment necessary for the following tasks can be provided to the City of Aurora:**

- Lubrication equipment for dispensing oil and greases. GPC/NAPA has existing relationships with national, regional and local vendors as well with consulting with City of Aurora management for input to contract and install the most efficient dispensing system(s) at the most efficient cost.
- Hydraulic hose making equipment (i.e Gates or Weatherhead brands are longtime, current, effective vendors). This equipment would be provided at no charge to City of Aurora.

#### **Establishing Standards/Maintenance of Parts Inventories**

Through usage reports, consistent reorder practices, completion of the standardized Line code initiatives, and establishment of the Target Parts list, will use commercially reasonable efforts to ensure adequate inventories are available to meet the City of Aurora's current needs and evolve to meet the needs in the future with compliance to the City Performance Standards. The City of Aurora will reserve the right to purchase any item outside of this agreement when a specific brand or manufacture is required by the City of Aurora, which cannot be acquired by NAPA.

Through the years of mutually partnering with hundreds of government fleet operations, NAPA IBS has demonstrated to have access to and control over sufficient inventory to meet the on-demand requirements. We have customized a manageable 'on-site' inventory to include both NAPA & Non-NAPA branded inventory, both in part number spread and depth to continue to meet the needs of the City. By evaluating and comparing the historic usage with the current fleet requirements; NAPA IBS has historically proven to meet the service level requirements.

### **Parts Availability**

NAPA agrees to custom stock, both in part number spread, as well as depth, an inventory to fit requirements of the City of Aurora shop operation (NAPA & non-NAPA inventory). For parts stocked in the stockroom, response time would only be a matter of minutes. NAPA's goal is to provide 90% of parts and supplies on-demand over the counter at the City of Aurora Shop. On demand is defined as merchandise issued to City of Aurora by NAPA upon receipt of the request for merchandise from the City of Aurora Facilities. Merchandise is defined as parts or goods. NAPA brand is defined as any parts, goods, tools, etc. that is carried and cataloged for sales by NAPA.

### **City Right to Purchase Parts**

NAPA IBS understands and agrees that the City reserves the right to procure parts directly from any commercial vendor or shop and may elect to purchase and maintain ownership of certain specialty items.

### **Parts Distribution Method**

NAPA will use its own proprietary computer system to manage the NAPA parts room. The Total Automotive Management System (TAMS) with IBS HUB technology is in use in over 400 IBS operations. The TAMS/HUB system is designed and developed by Genuine Parts Company exclusively for the NAPA IBS locations.

The TAMS/HUB system provides a complete POS, NAPA Parts Catalog, Inventory Control & Replenishment and Reporting software solution to the NAPA employee. In addition, the TAMS system will be attached to the NAPA Wide-Area-Network providing the NAPA employee to access to the inventory in every GPC Owned NAPA Distribution Center as well as filtered Internet connectivity to outside parts vendors.

TAMS - Total Automotive Management System - Exclusive to NAPA this is a total Automotive and non-automotive inventory management system that provides a comprehensive system to inventory ANYTHING in the City of Aurora parts operation. In addition, this system has the ability to access every NAPA store in the Chicago area, the Chicago NAPA Distribution Center, 58 NAPA Distribution Centers and all NAPA supplier warehouses with one keystroke. Most parts in the NAPA system are available with same or next-day delivery - if requested.

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## **Required Documentation/Invoicing**

NAPA IBS will not issue any item(s) to any City personnel without proper work order and/or requisition or prior to properly entering all part information into the Computerized Fleet Management system. The invoice generated through NAPA's TAMS/HUB computer will have specific information on each invoice. The invoice will show part number, quantities, description of item(s) or service, price of each item or service, invoice number, date, time of transaction, P.O. or requisition number, equipment number, and receiving employee of the City. NAPA then agrees to provide a detailed receipt to the Fleet Records Clerk for each work order requisition.

NAPA will invoice the City for Parts purchased in the previous month. The invoice shall contain a complete account of all activity for the month. Additionally, the invoice shall contain the cost of all parts sold to the City, cost of transportation and special shipping for special order requests on direct charge and/or non-stock items as specified in the resulting contract. The City is not to be charged freight charges on stock parts or parts available in the local area.

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

## **Computer Hardware & Software to Manage Inventory/Inventory Management Information Systems**

GPC/NAPA shall use the same proprietary management computer system that is used in 6,000 NAPA Auto & Truck Parts Stores as well as over 400 IBS vendor managed inventory sites under contract. The TAMS (Total Automotive Management System) electronic management information system has capabilities including: Invoicing, Cataloging, Master Interchange, Inventory Control, Custom Pricing, Lost Sales Reports and numerous Inventory Information Functions (i.e. Parts on Order, Backorders, Automatic Min-Max Stocking Level Reviews, Costing, etc.).

NAPA's inventory management system TAMS/HUB does not currently integrate with the City's inventory management program, but NAPA agrees to review possible integration upon the City changing fleet software at any time. Any costs incurred in such integration shall be subject to mutual agreement between NAPA and the City.

## **Activity Reports**

NAPA will provide any daily, monthly, and quarterly reports requested that can be generated by our (HUB) computer upon request by authorized City of Aurora personnel. NAPA would like to clarify that all reports that are reasonably capable of being generated by its HUB computer system shall be provided at whatever frequency is needed by the City of Aurora. Several specialized reports have been developed for review of NAPA and non-NAPA products in inventory and we will work with the City of Aurora to develop any new reports that are required.

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As long a data streams exist to create such reports NAPA will provide a detailed statement at month end showing all invoice numbers and amounts purchased as well as a quarterly report that will demonstrate our cost saving efforts.

NAPA will make all published documentation pertinent to this operation and pursuant to this contract available within the capabilities of TAMS to authorized City personnel. The TAMS computer system maintains a complete history of all inventory transactions. There will be detailed records on part issues and credits, PO activity and stock receipt records, and all inventory activities during the scope and term of this contract. NAPA will provide any reports that are reasonably capable of being generated by Contractor's or the City management systems. Such reports will be provided on whatever frequency needed by the City.

### **Record Keeping, Reference Material, Reporting Requirements and Meetings**

GPC/NAPA can agree that all records, documents, invoices, books, catalogs, etc. will be kept on site and always available for inspection by the City of Aurora personnel. We can further agree that all such material relating to the contract would become the property of the City of Aurora upon termination or conclusion of the contract.

GPC/ NAPA agrees to provide and keep on site hard copies of all parts catalogs, service manuals/bulletins, etc. that can be supplied to us via industry sources, vendors, manufacturers, etc. GPC/NAPA can also agree that all such material relating to the contract would become the property of the City of Aurora upon termination or conclusion of the contract.

GPC/NAPA can commit to supplying all the reports required in this section, in the required time frames. We can provide a listing, descriptions and copies of examples of all the referenced reports that will be available to the City of Aurora relating to this initiative. We are also able to produce additional "customized reports" that we are currently creating for other municipal/government fleets. If requested by the City of Aurora, we will develop and customize similar reports based on the City of Aurora needs and their system abilities.

### **Web Based reporting**

IBS HUB has several standard reports that are available on demand. We can also build custom reports in Excel format that include pricing and usage.

**The following are some of the reports that IBS HUB offers.**

- Daily Status Report
- Parts on Order/Unit Status Report
- Daily Transaction Report
- Equipment Out of Service Report
- Fill Rate Report
- Cost Comparison Report
- Inventory Snapshot Report

### **Staffing**

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### **Onsite Staffing Hours: Monday to Friday, 6:30 AM to 11:30 PM.**

GPC/NAPA will provide/employ personnel at parts rooms serving the City of Aurora Fleet and Facilities Maintenance Division with the stated qualifications outlined in this section by both sourcing from a pool of current GPC/NAPA employees and recruiting other qualified personnel. GPC/NAPA has already identified experienced government IBS personnel that will be assigned to the City of Aurora Vendor Managed Inventory Program for Fleet Operations. Our goal is to have more effective employees prior to the transition of the City of Aurora parts room and provide a foundation of knowledge advancement to focus on the needs of the City of Aurora as they integrate into this specific environment.

NAPA's District Manager will have the ability to make the necessary decisions that would affect the day-to-day operations of the designated parts room within the City of Aurora facility.

- In concert with GPC/NAPA's District Manager, the City of Aurora can request background checks before a possible hiring (a practice that is already a standard part of GPC/NAPA's hiring policy for all positions).
- GPC/NAPA will adhere to adequately staff the City of Aurora parts room to meet performance standards as set forth in this contract.
- All GPC/NAPA personnel will conduct themselves in such a manner as to comply with all applicable City of Aurora parameters.
- GPC/NAPA will assign an "On-Site Manager" to manage all aspects of the daily operation of a parts room serving the City of Aurora fleet facility.

### **Onsite Delivery Vehicle**

GPC/NAPA shall furnish an onsite vehicle to the City of Aurora, designated exclusively for the collection of non-stocking items and for the retrieval of goods from vendors who do not provide delivery services. All expenses related to the vehicle, including but not limited to insurance and maintenance, shall be incorporated into the operating costs invoiced to the City, with no additional markup. The City of Aurora shall supply fuel for the onsite vehicle through its fleet fuel program to minimize acquisition costs.

### **Emergency services**

In the event of emergency or weather-related conditions, the parts rooms shall be staffed with the necessary personnel, including during 24/7 periods. Compensation for any after-hours situations shall be in accordance with State and Federal Guidelines regarding overtime compensation. The use of overtime shall be restricted to requests by the City of Aurora for after-hours or emergency situations. All other overtime requests shall require notification and approval from the appropriate City of Aurora management. A list of GPC/NAPA employees, including emergency contact information, shall be made available and posted for City of Aurora management. Contingency plans shall include the IBS District Manager and IBS Floating Manager, and GPC/NAPA shall have a plan in place for the City of Aurora to access the parts rooms. Given that the GPC/NAPA managed parts rooms will have various security measures installed to protect GPC/NAPA owned assets, an access plan shall be developed in collaboration with the City of Aurora. Such a plan shall include a process for GPC/NAPA, upon completion of a physical inventory, to seek relief from the City of Aurora for any product or equipment shortage.

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When after-hours parts room availability is required (with proper notification), GPC/NAPA personnel shall adequately staff the parts rooms to service the City of Aurora.

A current list of names and contact numbers on the emergency list will be posted, and copies kept current with key managers.

#### **Personnel Minimal Qualifications for Staff and Management**

NAPA IBS will provide sufficiently trained, knowledgeable and service-oriented personnel to operate the total parts function efficiently and effectively as detailed. All NAPA employees are required to be ASE certified parts technicians. Provisions for staffing not only during normal working hours but also during times of emergency, vacation and sick leave will be provided. NAPA will be responsible for the hiring, staffing, promoting, transferring and dismissal of any person employed in the performance of the resulting contract. NAPA will be responsible for all wages, taxes, fringe benefits and training of these employees.

GPC/NAPA understands the importance of assigning qualified personnel to manage and distribute parts and supplies to the City of Aurora Fleet Operation. We have developed specific job descriptions for our IBS personnel and all GPC/NAPA personnel must meet the requirements of these job descriptions before they are assigned to the City of Aurora IBS operation. Example: Below is the job description for the On-Site IBS store manager:

<b>TITLE:</b>	IBS Site Manager
<b>REPORTS TO:</b>	IBS District Manager
<b>TITLE:</b>	IBS-Counter Service
<b>REPORTS TO:</b>	IBS Site Manager

City of Aurora IBS parts room	
NAPA Personnel	Summary of Responsibilities:

<b>1 On-site Manager</b> <b>2 Counter Service</b>	<ul style="list-style-type: none"> <li>• Manage IBS operation to achieve inventory effectiveness</li> <li>• Responsible for day-to-day IBS warehouse operations</li> <li>• Endeavor to reduce vehicle down time by insuring a balanced and tailored inventory to the City Fleet</li> <li>• Daily stock replenishments from OEM suppliers and NAPA DC</li> <li>• Efforts to drive inventory reduction of City owned inventory</li> <li>• Seek to reduce overstock and obsolete inventory</li> <li>• Sets/adjusts min/max levels</li> <li>• Endeavors to ensure correct inventory turns</li> <li>• Facilitates vendor agreements</li> <li>• Operate TAMS and HUB Point of Sale System</li> <li>• Research and acquisition of hard-to-find parts</li> <li>• Process core defects and new part returns</li> <li>• Creates and files all necessary reports and paperwork</li> <li>• Practice asset security and loss prevention controls</li> <li>• Manages and prepares inventory audits</li> <li>• Manages special order/ backorder system (IBS HUB)</li> <li>• Assures that merchandise is received and stocked in a timely manner</li> <li>• Prepares inventory for seasonal stocking</li> <li>• Manage a clean and safe work environment</li> </ul>
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## City Personnel Management Review

GPC/NAPA agrees to allow the City to interview and agree on the parts manager.

NAPA IBS agrees to continue to involve the City in the selection of mutually acceptable on-site management staff and personnel, with the provision that we may have to make temporary substitutions until such mutually agreed management staff can be located. NAPA agrees to discuss with and/or discipline an employee for violations of a law or policy but cannot agree to discipline an employee based on the lower standard that conduct is "deemed detrimental" by the City. In the case that the City is concerned about the detrimental effects of an employee's actions, NAPA will work in good faith with the City to resolve the problem. If NAPA and the City fail to mutually resolve a personnel issue after good faith attempt to do so, NAPA and the City agrees to mediation of the dispute utilizing the services of a mediator mutually agreed to by both parties.

## Parts Operational Space

NAPA understands the City will provide adequate and secure operations and storage area to the contractor free of charge. This will include heat, electricity, water, desks, phone service, terminals and printers for the City's computer system, restroom and other such facilities and services that may be mutually agreeable.

## Contractor Facility Responsibility

GPC/NAPA agrees that the On-Site Store location shall be appropriately secured or otherwise maintained separate and apart from the business of City of Aurora.

## Access to Parts

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NAPA IBS shall exercise total control over and responsibility for the facility. No one may enter the facility without the permission of NAPA's management personnel. Should the City retain access to the general area for routine maintenance and emergency repairs on the building or the building systems, weekly inventory counts will be conducted, and any missing and/or damaged parts will be invoiced to the City pursuant to the compensation provisions set forth in Successful Proposer's response. NAPA will be granted access to the facility during non-operational hours whenever necessary to perform such activities that cannot be done during operational hours.

### **Invoicing**

NAPA will invoice the City for Parts purchased in the previous month. The invoice shall contain a complete account of all activity for the month. Additionally, the invoice shall contain the cost of all parts sold to the City, cost of transportation and special shipping for special order requests on direct charge and/or non-stock items as specified in the resulting contract. The City is not to be charged freight charges on stock parts or parts available in the local area.

### **General**

Daily stock replenishment of NAPA Branded and O.E. products will be provided by direct delivery and shipping from our O.E. suppliers and our NAPA Distribution Center located at 700 Enterprise Court, Naperville, Illinois, which carries automotive, heavy duty and industrial inventory. Hot shot or emergency type items can be ordered through our network of retail parts stores, Integrated Supply locations throughout the Midwest area and direct from NAPA branded product manufacturing facilities via our on-site TAMS computer. (Please note: The NAPA Distribution in Naperville is located 5 miles from the City of Aurora Fleet Garage.

