



Folsom City Council Staff Report

MEETING DATE:	5/26/2026
AGENDA SECTION:	Consent Calendar
ITEM TITLE:	Resolution No. 11621 – A Resolution Authorizing the City Manager to Execute an Amendment to the Agreement (Contract No. 173-21 21-068) with Genuine Parts Company DBA Napa Auto Parts for an Annual Cost of up to \$1,032,600 for Vendor Managed Inventory Services in the Fleet Division, 1300 Leidesdorff Street, from all Department Funds as Required for Vehicle Maintenance and Repairs
FROM:	Utilities Department

RECOMMENDATION / CITY COUNCIL ACTION

The Utilities Department recommends the City Council pass and adopt Resolution No. 11621 – A Resolution Authorizing the City Manager to Execute an Amendment to the Agreement (Contract No. 173-21 21-068) with Genuine Parts Company DBA Napa Auto Parts for an Annual Cost of up to \$1,032,600 for Vendor Managed Inventory Services in the Fleet Division, 1300 Leidesdorff Street, from all Department Funds as Required for Vehicle Maintenance and Repairs.

BACKGROUND / ISSUE

The Utilities Department's Fleet Management Division is responsible for the repair and maintenance of more than 500 vehicles and equipment assets across multiple city departments. Annually, Fleet division staff generate approximately 2,300 work orders and utilize an estimated 56,000 individual parts.

On September 14, 2021, the Folsom City Council adopted Resolution No. 10693, authorizing an agreement with Genuine Parts Company (NAPA) to operate an on-site store supporting the city's automotive parts needs.

The city entered into this agreement through a cooperative purchasing contract (No. 110520-GPC) between NAPA and Sourcewell, a national cooperative purchasing organization of which the City

of Folsom is a member. While the original Sourcewell contract has since expired, a successor contract with substantially similar terms has been executed, extending service availability through December 2028.

To ensure the continued operation of the on-site store within the Fleet division, the agreement between the city and NAPA must be amended to reflect the updated Sourcewell contract number (No. 090624-GPC).

POLICY / RULE

Section 2.36.120 of the Folsom Municipal Code states, in part, that contracts for supplies, equipment, services, and construction with an estimated value of \$77,426 or greater shall be awarded by the City Council.

Section 2.36.170 of the Folsom Municipal Code permits cooperative purchasing agreements for the procurement of any supplies, equipment, service, or construction with one or more public procurement units in accordance with an agreement entered into or between the participants.

ANALYSIS

The Vendor Managed Inventory (VMI) agreement ensures consistent, timely, and cost-effective access to parts. Under this model, a full-time Inventory Specialist is assigned on-site to procure parts for all repair activities. This centralized approach provides Fleet division mechanics with a single point of contact, eliminating the need to independently source parts from multiple vendors. To maintain uninterrupted service, NAPA provides a qualified substitute in the absence of the assigned specialist. As a result, more than 90 percent of parts orders are fulfilled within a two-hour timeframe.

The VMI agreement also eliminated the need for the city to own and manage inventory. NAPA retains ownership of parts until they are needed for a specific repair. The Inventory Specialist assigns each part to the corresponding vehicle and work order, ensuring accurate cost allocation to city departments. The specialist is responsible for tracking all inventory movement within the parts room, and all expenditures must be tied to an authorized work order.

In addition, the VMI program includes routine inventory audits and proactive adjustments to align stock levels with the city's operational needs. This approach minimizes the city's exposure to costs associated with excess, obsolete, or unused inventory. If parts are not needed by the city, NAPA is able to utilize their network of stores and vendors to circulate parts to other outlets prior to becoming obsolete and losing their value.

Efficient fleet maintenance operations rely on the timely availability of parts. Prior to implementing NAPA's integrated business solution the city employed an Inventory Clerk whose responsibilities extended beyond inventory management. Mechanics frequently had to research parts independently and drive to multiple retail locations to procure what they needed for repairs. Utilizing VMI brings the expertise and extensive network of NAPA into the city operations allowing mechanics to focus on core repair functions. Inventory is actively managed to ensure

accurate accounting and on-hand availability to best meet city needs. The Fleet division has determined that the VMI model represents the most cost-effective approach to meeting its ongoing essential parts procurement needs.

FINANCIAL IMPACT

The total financial impact of continuing NAPA's operation of an on-site store at the corporation yard is not to exceed \$1,032,600 annually for parts and store operations, with costs allocated across all city departments. On average, the city spends about \$994,000 under this program. The cost of operating the store includes all staff costs, insurance, office equipment, and supplies, and averages \$106,000 of the total cost each year. Store operating costs are paid through the Fleet division budget which is funded by a cost allocation plan based on labor hours of fleet staff for each department's vehicles. Approximately 73% of fleet overhead, including the operating cost of the store, is funded by enterprise funds.

All automotive parts, including NAPA branded or sourced from other vendors, are provided to the city at 10% above NAPA's cost. Parts expenses are charged directly to the respective departments at the time of use and are budgeted within each department's vehicle maintenance account.

ENVIRONMENTAL REVIEW

This action is exempt from environmental review under the California Environmental Quality Act (CEQA).

ATTACHMENTS

1. Resolution No. 11621 – A Resolution Authorizing the City Manager to Execute an Amendment to the Agreement (Contract No. 173-21 21-068) with Genuine Parts Company dba Napa Auto Parts for an Annual Cost of up to \$1,032,600 for Vendor Managed Inventory Services in the Fleet Division, 1300 Leidesdorff Street, from all Department Funds as Required for Vehicle Maintenance and Repairs
2. Integrated Supply Agreement by and Between Genuine Parts Company and City of Folsom, California
3. Assignment Agreement, assigning the Agreement from Riebe's Auto Parts, LLC to Genuine Parts Company

Submitted,

Marcus Yasutake, Director
UTILITIES DEPARTMENT

Attachment 1

RESOLUTION NO. 11621

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AMENDMENT TO THE AGREEMENT (CONTRACT NO. 173-21 21-068) WITH GENUINE PARTS COMPANY DBA NAPA AUTO PARTS FOR AN ANNUAL COST OF UP TO \$1,032,600 FOR VENDOR MANAGED INVENTORY SERVICES IN THE FLEET DIVISION, 1300 LEIDESDORFF STREET, FROM ALL DEPARTMENT FUNDS AS REQUIRED FOR VEHICLE MAINTENANCE AND REPAIRS

WHEREAS, the City of Folsom requires timely and reliable access to automotive parts for the maintenance and repair of city vehicles; and

WHEREAS, the city executed an agreement with Genuine Parts Company (NAPA) to operate an onsite auto parts store; and

WHEREAS, the agreement was made through Sourcewell, which used its recognized cooperative purchasing agreement to award contract #110520-GPC to NAPA; and

WHEREAS, the Sourcewell contract #110520-GPC has expired; and

WHEREAS, Sourcewell has awarded contract #090624 to NAPA extending the availability of vendor managed inventory services; and

WHEREAS, NAPA has continued to operate the onsite store pending the execution of an amendment updating the cooperative purchasing contract number; and

WHEREAS, the Fleet Division has determined NAPA's performance under the agreement has improved productivity through reliable parts availability and inventory management; and

WHEREAS, funds are budgeted annually in all city departments for the maintenance and repair of vehicles; and

WHEREAS, the agreement will be in a form acceptable to the City Attorney:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to Execute an Amendment to the Agreement (Contract No. 173-21 21-068) with Genuine Parts Company DBA Napa Auto Parts for an Annual Cost of up to \$1,032,600 for Vendor Managed Inventory Services in the Fleet Division, 1300 Leidesdorff Street, from all Department Funds as Required for Vehicle Maintenance and Repairs.

PASSED AND ADOPTED this 26th day of May, 2026, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Justin Raithel, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

Attachment 2

INTEGRATED SUPPLY AGREEMENT

BY AND BETWEEN

GENUINE PARTS COMPANY

AND

CITY OF FOLSOM, CALIFORNIA

**INTEGRATED SUPPLY AGREEMENT
BY AND BETWEEN
GENUINE PARTS COMPANY
AND
CITY OF FOLSOM, CALIFORNIA**

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 FOLSOM, CALIFORNIA** (“CUSTOMER”), to be effective as of the 1st day of December, 2021 (the “Effective Date”).

W I T N E S S E T H

WHEREAS, pursuant to a competitive bidding and selection process by Sourcewell (f/k/a National Joint Powers Alliance) (hereinafter, “Sourcewell”), a Minnesota-based Service Cooperative created by Minnesota Legislative Statute 123A.21, Sourcewell and NAPA executed contract #110520-GPC on December 23, 2020 (hereinafter, “Sourcewell 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 Sourcewell (hereinafter, “Member”), CUSTOMER and its related entities (hereinafter, “User Agencies”) are authorized to utilize the pricing and incentives available to Sourcewell Members set forth in the Sourcewell Contract; and

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

WHEREAS, CUSTOMER and NAPA agree that the Sourcewell 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 Sourcewell 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):

Fleet Services
1300 Leidesdorff St.
Folsom, CA 95630

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 Sourcewell Contract terminates or expires or when terminated earlier in accordance with the applicable terms and conditions stated herein. As the Sourcewell 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 Sourcewell 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 Sourcewell Contract, the parties may do so by entering into a mutually agreed upon written amendment to this Agreement. Further, as Sourcewell awards new successive agreements to NAPA

Sourcewell Contract

following expiration of the Sourcewell Contract, any new 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) Subject to the terms and conditions herein, NAPA shall purchase the Inventory of CUSTOMER's fleet services department as it exists on the Effective Date of this Agreement ("CUSTOMER owned Inventory"); provided, however, that any such CUSTOMER owned Inventory purchased by NAPA hereunder must: (i) not be obsolete, (ii) be in good, clean and saleable condition, (iii) be in its original packaging, (iv) be currently needed by CUSTOMER's active fleet/equipment, (v) have been used by the CUSTOMER within the twelve (12) month period immediately prior to the Effective Date, and (vi) have an accurate value that can be proven by the CUSTOMER. Within fifteen (15) days following the Effective Date of this Agreement, NAPA and CUSTOMER shall perform an inventory of the CUSTOMER owned Inventory to establish the specific inventory to be purchased by NAPA based on the purchase conditions set forth above and the amount of consideration to be paid for such inventory ("Consideration"). The list of specific CUSTOMER owned Inventory to be purchased by

NAPA and the amount of the Consideration to be paid for such inventory shall be agreed to in writing between the parties. NAPA shall pay the Consideration to CUSTOMER in full within thirty (30) days following the date that NAPA and CUSTOMER agree to the list of inventory to be purchased and the Consideration to be paid for such inventory.

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. 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 on a monthly basis according to the pricing plan below. CUSTOMER agrees to pay the entire amount of all statements received from NAPA by the 25th day of the month following receipt of any such statement. If CUSTOMER has not paid the entire amount of all statements received from NAPA within 10 days of the 25th day of the month following receipt of such invoice, CUSTOMER shall be put on COD until such amount is paid in full. No prompt pay discount is available under this Agreement.

There are three pricing options available to CUSTOMER. Those pricing options are Pricing Option #1 (Management Fee), Pricing Option #2a (10% Gross Profit on Products/Monthly Operating Expenses), and Pricing Option #2b (Higher Gross Profit on Products/No Monthly Operating Expenses). The pricing option for *this* Agreement must be indicated by CUSTOMER initials, below.

PRICING OPTION #1 (MANAGEMENT FEE)

CUSTOMER INITIALS: _____

~~The overall objective of CUSTOMER's pricing plan is for: (i) NAPA to provide Products in accordance with the Pricing Plan Summary set forth below, (ii) NAPA to provide Outside Services in accordance with the Pricing Plan Summary set forth below, (iii) reimbursement by CUSTOMER of each On Site Store's operating expenses, and (iv) payment by CUSTOMER of the Management Fee (as defined below). By billing CUSTOMER for these four categories, NAPA's On Site Store(s) will achieve its target ten percent (10%) net profit for the Agreement (the "Net Profit Target"). These categories are defined as follows:~~

- (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) — ***Outside Services Price.*** Outside Services are those services not traditionally performed by NAPA. The pricing of Outside Services shall be billed in accordance with the Pricing Plan Summary defined below.
- (c) — ***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.
- (d) — ***Management Fee.*** CUSTOMER shall be billed a Management Fee (as defined below) on a monthly basis in accordance with the terms below.

PRICING PLAN SUMMARY

NAPA Product Price	Billed to CUSTOMER at the Current NAPA Jobber Acquisition Cost
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Non-NAPA Product Price	Billed to CUSTOMER at NAPA's current product acquisition cost
Outside Services Price	Billed to CUSTOMER at NAPA's cost
Operational Expenses	Billed to CUSTOMER in accordance with Section 7(e) above.
Management Fee	Billed to CUSTOMER in accordance with the terms below
Net Profit Target	10% net profit for the NAPA On Site Store(s) after Products, Outside Services, Operational Expenses, and Management Fee are billed to CUSTOMER.

NAPA Product shall be billed to CUSTOMER at the Current NAPA Jobber Acquisition Cost. Non NAPA Product shall be billed to CUSTOMER at NAPA's current product acquisition cost, and Outside Services shall be billed to CUSTOMER at NAPA's cost. 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. Operational Expenses will be charged to CUSTOMER in accordance with Section 7(e) above, 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.

CUSTOMER shall pay to NAPA on a monthly basis a management fee equal to ten percent (10%) of the Total Monthly Net Sales (as defined below) during the preceding month (the "Management Fee"). For purposes hereof, "Total Monthly Net Sales" means the total dollar amount of all Products (both NAPA and Non NAPA) and Outside Services sold to the CUSTOMER during the preceding month at the prices set forth in the pricing plan summary above less purchase returns.

CUSTOMER and NAPA mutually agree that CUSTOMER'S maximum annual payment obligation for all Products, Outside Services, Operational Expenses and Management Fees billed to CUSTOMER pursuant to this Section 7 shall be set at \$_____ per annum; and CUSTOMER has encumbered such amount to cover this potential liability. The parties agree to mutually work together to adjust the amount if such amount must be increased during the term of the contract. — CUSTOMER INITIALS _____

PRICING OPTION #2a (10% GROSS PROFIT ON PRODUCTS / MONTHLY OPERATING EXPENSES)

CUSTOMER INITIALS: MR

The overall objective of CUSTOMER's pricing plan is for NAPA to provide Products in accordance with the agreed upon Pricing Plan Summary set forth below and reimbursement by CUSTOMER of each On Site Store's operating expenses. By billing CUSTOMER for these two categories, NAPA's On Site Store(s) will achieve its target ten percent (10%) net profit for the Agreement (the "Net Profit Target"). These categories are defined as follows:

- (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 a 10% gross profit rate (The formula for NAPA Product Price for CUSTOMER is the Current NAPA Jobber Acquisition Cost divided by .90) 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/.90=\1.11
Non-NAPA Product Price	Billed to CUSTOMER at a 10% gross profit rate (The formula for Non-NAPA Product Price for CUSTOMER is NAPA's current product acquisition cost divided by .90) 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/.90=\1.11
Operational Expenses	Billed to CUSTOMER in accordance with Section 7(b) above.
Net Profit Target	10% net profit for the NAPA On Site Store(s) after Products and Operational Expenses are billed to CUSTOMER.

Both NAPA Product and Non-NAPA Product shall be set by NAPA to yield a gross profit of ten percent (10%). Operational Expenses will be charged to CUSTOMER in accordance with Section 7(b) above, 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.

CUSTOMER and NAPA mutually agree that CUSTOMER'S maximum annual payment obligation for all Products and Operational Expenses billed to CUSTOMER pursuant to this Section 7 shall be set at \$1,032,600 per annum; and CUSTOMER has encumbered such amount to cover this potential liability. The parties agree to mutually work together to adjust the amount if such amount must be increased during the term of the contract. CUSTOMER INITIALS ME

In addition, NAPA may use any sub-contractor for the procurement of "outside" services (i.e., those services not traditionally performed by NAPA), and CUSTOMER will be billed an additional charge for any such purchases so as to yield NAPA a ten percent (10%) gross profit on such purchases. CUSTOMER must provide pre-approval in writing of such outside service purchases. 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.

~~**PRICING OPTION #2b (HIGHER GROSS PROFIT ON PRODUCTS / NO MONTHLY OPERATING EXPENSES)**~~

~~_____ **CUSTOMER INITIALS:** _____~~

~~The overall objective of CUSTOMER's pricing plan is for NAPA to provide Products in accordance with the agreed upon Pricing Plan Summary set forth below. By billing CUSTOMER for the Products, NAPA's On Site Store(s) will achieve its target ten percent (10%) net profit for the Agreement (the "Net Profit Target"). CUSTOMER's pricing plan is comprised of the following 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 on a "9074 NAPA Pricing Profile"
Non-NAPA Product Price	Billed to CUSTOMER at a 25% gross profit rate (The formula for Non NAPA Product Price for CUSTOMER is NAPA's current product acquisition cost divided by .75) 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 / .75 = \1.33
Operational Expenses	Paid entirely by NAPA
Net Profit Target	Amounts will be refunded or charged based on the failure or achievement of an overall 10% net profit for the previous month.

NAPA Product shall be billed to CUSTOMER based on a "9074 NAPA Pricing Profile" which has been provided to CUSTOMER in connection with this Agreement. Non NAPA Product shall be billed by NAPA to yield a gross profit of twenty five percent (25%). All Operational Expenses shall be borne by NAPA.

Sales at each On Site Store location will be reviewed after the first ninety (90) days of operation and on a month by month basis thereafter to ensure a ten percent (10%) net profit for NAPA. If monthly sales at each On Site Store, independently as opposed to in the aggregate, are producing more than a ten percent (10%) net profit for NAPA, NAPA will pay to CUSTOMER, via a refund check, the overage. Conversely, if NAPA's net profit for the preceding month is less than ten percent (10%), NAPA will bill CUSTOMER for the deficiency.

~~CUSTOMER and NAPA mutually agree that CUSTOMER'S maximum annual payment obligation for Products billed to CUSTOMER pursuant to this Section 7 shall be set at \$ _____ per annum; and CUSTOMER has encumbered such amount to cover this potential liability. The parties agree to mutually work together to adjust the amount if such amount must be increased during the term of the contract.~~
~~CUSTOMER INITIALS _____~~

~~_____ In addition, NAPA may use any sub-contractor for the procurement of "outside" services (i.e., those services not traditionally performed by NAPA), and CUSTOMER will be billed an additional charge for any such purchases so as to yield NAPA a twenty-five percent (25%) gross profit on such purchases. CUSTOMER must provide pre-approval in writing for such outside service purchases. 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.~~

8. INSURANCE.

(a) CUSTOMER shall maintain during the term of this Agreement workers' compensation insurance for its employees and general liability insurance covering its property. NAPA acknowledges that CUSTOMER may elect to self-insure such obligations.

(b) During the term of this Agreement, NAPA shall maintain and provide evidence of insurance coverage as set forth in Exhibit D, attached hereto and incorporated herein by reference, at its own cost and expense (provided that NAPA shall be permitted to pass through such costs and expenses as Operational Expenses in the event CUSTOMER selects pricing option #1 or pricing option #2a in Section 7 above). 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).

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: MR

15. INDEMNIFICATION. NAPA shall indemnify, protect, defend, save and hold CUSTOMER, its officers, employees, and agents, harmless from any and all claims or causes of action for death or injury to persons, or damage to property resulting from intentional or negligent acts, errors, or omissions of NAPA or NAPA's officers, employees, volunteers, and agents during performance of this Agreement, or from any violation of any applicable federal, state, or municipal law or ordinance, to the extent caused by the willful misconduct, negligent acts, or negligent omissions of NAPA or its employees, volunteers, or agents hereunder. It is understood that the duty of NAPA to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by CUSTOMER of insurance certificates and endorsements required under this Agreement does not relieve NAPA from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply, and shall further survive the expiration or termination of this Agreement. By execution of this Agreement, NAPA acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

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: 2999 Wildwood Parkway
Atlanta, GA 30339

Attn: General Counsel

As to CUSTOMER: Department of Public Works
50 Natoma Street
Folsom, CA 95630
Attn: Scotty Borrer-Solid Waste/Fleet Manager

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.** This Agreement shall be construed and interpreted under the laws of the State of California. Any legal action arising out of this Agreement shall be filed in and adjudicated by a state court in the County of Sacramento, State of California.

25. **ATTORNEYS' FEES.** In the event an action or proceeding is instituted by either party for the breach or enforcement of any provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees according to law.

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

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

[Signatures Appear on Next Page]

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, A Georgia Corporation:

(If a corporation, must be signed by two officers of the corporation per Corporations Code section 313.)

10/22/21
Date

58-0254510
Tax I.D. Number


Signature


Signature

Tom Skov
Print Name

JENNIFER ELLIS
Print Name

Vice President
Title

VICE PRESIDENT + CORPORATE SECRETARY
Title

CITY OF FOLSOM, A Municipal Corporation:

1/6/22
Date


Elaine Andersen, City Manager

ATTEST:

FUNDING AVAILABLE:


Christa Freemantle, City Clerk

1/6/22
Date


Stacey Tamagni, Finance Director

12/15/21
Date

ORIGINAL APPROVED AS TO CONTENT:

ORIGINAL APPROVED AS TO FORM:


Mark Rackovan,
Public Works Director

12/27/21
Date


Steven Wang, City Attorney

1/5/22
Date

NOTICE: SIGNATURE(S) ON BEHALF OF CONSULTANT MUST BE NOTARIZED.

A certificate of acknowledgment in accordance with the provisions of California Civil Code section 1189 must be attached for each person executing this agreement on behalf of consultant. This section provides, at part (b): "Any certificate of acknowledgment taken in another place shall be sufficient in this state if it is taken in accordance with the laws of the place where the acknowledgment is made."

SOURCEWELL CONTRACT

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 RIEBE'S AUTO PARTS, LLC, a Georgia limited liability company (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 December 1, 2021 by and between Genuine Parts Company and the City of Folsom, California (the "Integrated Supply Agreement").

Location(s): Fleet Services
1300 Leidesdorff St.
Folsom, CA 95630

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.

The City of Folsom, California 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 December 1, 2021.

[Signatures appear on following page]

IN WITNESS WHEREOF, the undersigned have set their hands this 1st day of December, 2021.

ASSIGNOR:

ASSIGNEE:

GENUINE PARTS COMPANY

RIEBE'S AUTO PARTS, LLC

By: 
Name: Tom Skov
Its: Vice President

By: 
Name: Bert W. Riebe
Its: owner

Agreed and acknowledged:

CITY OF FOLSOM, CALIFORNIA

By: 
Name: Elaine Andersen
Its: City Manager

Approved as to Form:

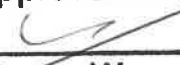
 1/5/2022
Steven Wang

EXHIBIT B

SAMPLE PROFIT AND LOSS STATEMENT

See attached.

Projection	Monthly	% to SALES	Annual	% to SALES
Customer Purchases	\$ 104,857	100.00%	\$ 1,258,284	100.00%
Cost of Goods Sold	\$ 94,371	90.00%	\$ 1,132,456	90.00%
Gross Profit	\$ 10,486	10.00%	\$ 125,828	10.00%
Accounting Fees	\$ 1,038	0.99%	\$ 12,457	0.99%
Payroll				
Manager / Counter Salaries	\$ 5,000	4.77%	\$ 60,000	4.77%
Delivery Driver Salaries	\$ -	0.00%	\$ -	0.00%
Pension / 401K	\$ 150	0.45%	\$ 1,800	0.45%
Employee Benefits / Group Insurance	\$ 1,000	0.95%	\$ 12,000	0.95%
Employee Benefits / Workers Comp.	\$ 100	0.09%	\$ 1,200	0.10%
Taxes / FICA	\$ 350	0.33%	\$ 4,200	0.33%
Total Payroll	\$ 6,600	6.29%	\$ 79,200	6.29%
Miscellaneous Expenses				
Delivery Vehicle Insurance	\$ -	0.00%	\$ -	0.00%
Delivery Vehicle Maintenance / Fuel	\$ -	0.00%	\$ -	0.00%
Delivery Vehicle Payment	\$ -	0.00%	\$ -	0.00%
Shelving Depreciation	\$ -	0.00%	\$ -	0.00%
Store Expenses	\$ 75	0.07%	\$ 900	0.07%
General Liability Insurance	\$ -	0.00%	\$ -	0.00%
TAMS/Data Processing/IT	\$ 900	0.86%	\$ 10,800	0.86%
Equipment Purchase	\$ -	0.00%	\$ -	0.00%
Freight & Postage	\$ -	0.00%	\$ -	0.00%
Stationary, Shipping Supplies	\$ -	0.00%	\$ -	0.00%
Telephone	\$ -	0.00%	\$ -	0.00%
Training	\$ -	0.00%	\$ -	0.00%
Total Misc. Expense	\$ 975	0.93%	\$ 11,700	0.93%
Total Expenses	\$ 8,613	8.21%	\$ 103,357	8.21%
Operating Income	\$ 1,873	1.79%	\$ 22,471	1.79%
Management Fee	\$ 8,613	8.21%	\$ 103,357	8.21%
Operating Income + Mgmt. Fee	\$ 10,486	10.00%	\$ 125,828	10.00%
Total Bill Including Parts Purchases	\$ 115,343		\$ 1,384,112	

EXHIBIT C

SOURCEWELL CONTRACT

A copy of the Sourcewell contract may be found at: <https://www.sourcewell-mn.gov/cooperative-purchasing/110520-gpc>.

EXHIBIT D
INSURANCE

NOTE: The word "Consultant" in this Exhibit refers to "NAPA" as the term is used in the Agreement/Contract to which this Exhibit is attached.

- A. During the term of this Agreement, Consultant shall maintain in full force and effect at all times during the term of the contract, at its sole cost and expense (provided that Consultant shall be permitted to pass through such costs and expenses as Operational Expenses in the event the City selects pricing option #1 or pricing option #2a in Section 7 above), policies of insurance as set forth herein:

1. General Liability:

- a. General liability insurance including, but not limited to, protection for claims of bodily injury and property damage liability, personal and advertising injury liability and product and completed operations liability.
- b. Coverage shall be at least as broad as Insurance Services Office Commercial General Liability coverage form CG 0001 (occurrence).
- c. Claims-made coverage is not acceptable.
- d. The limits of liability shall not be less than:

Each occurrence:	One Million Dollars (\$1,000,000)
Products & Completed Operations:	One Million Dollars (\$1,000,000)
Personal & Advertising Injury:	One Million Dollars (\$1,000,000)
- e. If a general aggregate limit of liability is used, the minimum general aggregate shall be twice the 'each occurrence' limit or the policy shall contain an endorsement stating that the general aggregate limit shall apply separately to the project that is the subject of the contract.
- f. If a products and completed operations aggregate limit of liability is used, the minimum products and completed operation aggregate shall be twice the 'each occurrence' limit or the policy shall contain an endorsement stating that the products and completed operations aggregate limit shall apply separately to the project which is the subject of the contract.
- g. If the Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

2. Automobile Liability:

- a. Automobile liability insurance providing protection against claims of bodily injury and property damage arising out of ownership, operation, maintenance, or use of owned, hired, and non-owned automobiles.

- b. Coverage shall be at least as broad as Insurance Services Office Automobile Liability coverage form CA 0001, symbol 1 (any auto).
 - c. The limits of liability per accident shall not be less than:

Combined Single Limit	One Million Dollars (\$1,000,000)
-----------------------	-----------------------------------
 - d. If Automobile Liability coverage, as required above, is provided by the Commercial General Liability form, the General Liability policy shall include an endorsement providing automobile liability as required above.
3. Workers' Compensation
- a. Workers' Compensation Insurance, with coverage as required by the State of California (unless the Consultant is a qualified self-insurer with the State of California), and Employer's Liability coverage.
 - b. Employer's Liability Coverage with a limit not less than \$1,000,000 per accident for bodily injury and disease.
 - c. Consultant shall sign and file with the City department responsible for this Agreement/Contract the Worker's Compensation Certificate contained in the Project Manual.
4. Other Insurance Provisions:
- a. The Consultant's General Liability and Automobile Liability policies shall contain, or be endorsed to contain, the following provisions:
 - i. The City, its officials, employees, agents and volunteers shall be covered and specifically named as additional insureds on a separate endorsement as respects liability arising out of activities performed by or on behalf of the Consultant, products and completed operations of the Consultant, premises owned, occupied, or used by the Consultant, or automobiles owned, leased, hired, or borrowed by the Consultant in a form acceptable to the City Attorney but only to the extent of Consultant's indemnity obligations set forth in this Agreement.
 - ii. The Endorsement requirement may be satisfied with express provisions in the insurance policy(ies) which identifies any person or entity required to be included as an insured under the policy. A copy of the declarations page identifying the policy number, and pertinent provisions in the policy providing additional insured coverage shall be provided to the City.
 - b. For any claims related to the project, the Consultant's General Liability and Automobile insurance coverage shall be primary insurance in their coverage of the City and its officers, officials, employees, agents, or volunteers, and any insurance or self-insurance maintained by the City, its officers, officials, employees, agents or volunteers shall be excess of the Consultant's insurance and shall not contribute with it but only to the extent of Consultant's indemnity obligations set forth in this Agreement.
 - c. Any failure to comply with reporting or other provisions of the policies on the part of the Consultant, including breaches of warranties, shall not affect coverage provided to the City, its officers, officials, employees, agents or volunteers.

- d. The Consultant's Workers Compensation and Employer's Liability policies shall contain an endorsement that waives any rights of subrogation against the City, its officers, officials, employees, agents, and volunteers.
 - e. Consultant will endeavor to provide at least thirty (30) days written notice to the City prior to any cancellation, suspension, reduction in coverage or limits, or material change to the insurance policies required above. Ten days prior written notice by certified mail shall be given to the City in the event of cancellation due to nonpayment of premium.
5. Acceptability of Insurers: Insurance is to be placed with insurers with a **Bests' rating of no less than A:VII**.
6. The Consultant shall furnish the City with Certificates of Insurance and endorsements or insurance binders, signed by a person authorized by the insurer to bind coverage on its behalf, evidencing the coverage required by this section.
7. The Consultant shall report, by telephone to the Project Manager within 24 business hours, and also report in writing to the City within 48 business hours, after Consultant or any Subcontractors or agents have knowledge of, any accident or occurrence involving death of or serious injury to any person or persons, or damage in excess of Ten Thousand Dollars (\$10,000) to property of the City or others, arising out of any work done by or on behalf of the Consultant as part of the contract.
8. Such report shall contain:
- a. the date and time of the occurrence,
 - b. the names and addresses of all persons involved, and
 - c. a description of the accident or occurrence and the nature and extent of the injury or damage.
9. If the Consultant fails to procure or maintain insurance as required by this section and such failure is not cured within ten (10) days following receipt of written notice thereof, or fails to furnish the City with proof of such insurance, the City, at its discretion, may procure any or all such insurance. Premiums for such insurance procured by the City shall be deducted and retained from any sums due the Consultant under the contract.
10. Failure of the City to obtain such insurance shall in no way relieve the Consultant from any of its responsibilities under the contract.
11. The making of progress payments to the Consultant shall not be construed as relieving the Consultant or its Subcontractors of responsibility for loss or direct physical loss, damage, or destruction occurring prior to final acceptance by the City.
12. The failure of the City to enforce in a timely manner any of the provisions of this section shall not act as a waiver to enforcement of any of these provisions at any time during the term of the contract.
13. In the event Consultant carries Excess Liability Coverage, the Excess Liability Coverage shall apply to any and all claims related to the project on a primary and non-contributory basis, and the City's insurance or self-insurance coverage shall be excess to the Consultant's Excess Liability Coverage.

Attachment 3

ASSIGNMENT AGREEMENT

~~February~~ ^{April} THIS ASSIGNMENT AGREEMENT (this "Assignment Agreement") is made this 4th day of ~~February~~, 2022, by and among Riebe's Auto Parts, LLC, a Georgia limited liability company (hereinafter "Assignor"), Genuine Parts Company, a Georgia corporation (hereinafter "Assignee") and the City of Folsom, California (hereinafter "City").

WHEREAS, Assignor and City are parties to that certain Integrated Supply Agreement, dated December 1, 2021 (the "Agreement"); and

WHEREAS, Assignor now desires to assign the Agreement to Assignee and Assignee desires to accept such assignment and City desires to provide its consent to the same subject to the terms and conditions set forth below.

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:

1. Assignment and Acceptance. Assignor hereby assigns, transfers, sets over and delivers to Assignee all of Assignor's rights, obligations and interest in and to the Agreement, including any options to renew or extend the contract term. Assignee hereby accepts the assignment of the Agreement, agrees to provide the services and perform all other obligations required to be performed by Assignor in said Agreement at the times and in the manner set forth in said Agreement, and shall be bound by all other terms, covenants and conditions of said Agreement.
2. City Consent. City hereby consents to the above assignment of the Agreement on the terms and conditions set forth herein.
3. Governing Law. This Assignment Agreement shall be construed and interpreted under the laws of the State of California, without giving effect to the provisions thereof, relating to conflicts of law.
4. Counterparts. This Assignment 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.

[Signatures 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 first set forth above.

ASSIGNOR:

Riebe's Auto Parts, LLC

By: [Signature]

Name: Jeff Hove

Title: District Manager

ASSIGNEE:

Genuine Parts Company

By: [Signature]

Name: Tom Skov

Title: Vice President

CITY:

~~City of Folsom~~

By: [Signature]

Name: [Signature]

Title: [Signature]

Signed in counter part

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed.

CONTRACTOR:

(If a corporation, must be signed by two officers of the corporation per Corporations Code section 313.)

Date

Tax I.D. Number

Signature

Signature

Signed in counterpart

Print Name

Print Name

Title

Title

CITY OF FOLSOM, A Municipal Corporation:

Date

4/4/22

Elaine Andersen, City Manager

ATTEST:

FUNDING AVAILABLE:

Christa Freemantle
Christa Freemantle, City Clerk

4/4/22

Date

Stacey Tamagni
Stacey Tamagni, Finance Director

3/31/22

Date

ORIGINAL APPROVED AS TO CONTENT:

ORIGINAL APPROVED AS TO FORM:

Mark Rackovan
Mark Rackovan, Public Works Director

3/23/2022

Date

Steven Wang
Steven Wang, City Attorney

4/1/2022

Date

NOTICE: SIGNATURE(S) ON BEHALF OF CONSULTANT MUST BE NOTARIZED.

A certificate of acknowledgment in accordance with the provisions of California Civil Code section 1189 must be attached for each person executing this agreement on behalf of consultant. This section provides, at part (b): "Any certificate of acknowledgment taken in another place shall be sufficient in this state if it is taken in accordance with the laws of the place where the acknowledgment is made."

CONTRACT NAME

Folsom File No. 173-21 21-068



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