

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM: 3.31  
(ID # 23478)

**MEETING DATE:**  
Tuesday, November 28, 2023

**FROM :** PURCHASING AND FLEET SERVICES:

**SUBJECT:** PURCHASING AND FLEET SERVICES: Approve the Professional Services Agreement between the County of Riverside and Genuine Parts Company for implementation of the Napa Integrated Business Solutions automotive parts supply and management service with ongoing support and service through December 29, 2025, All Districts. [Total cost: \$2,108,000; up to \$210,800 in additional compensation, 100% FY 23/24 ISF Rates]

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Approve the Professional Services Agreement ("Agreement") between the County of Riverside and Genuine Parts Company for implementation of the Napa Integrated Business Solutions automotive parts supply and management with ongoing support and service for the total contract aggregate amount of \$2,108,000 through the current termination date of December 29, 2025;
2. Authorize the Chair of the Board to sign the Agreement on behalf of the County; and,
3. Authorize the Purchasing Agent, in accordance with Ordinance No. 459, based on the availability of fiscal funding and as approved by County Counsel to: (a) sign amendments to the agreement including modifications to the statement of work that stay within the intent of the Agreement; and (b) sign amendments to the compensation provisions that do not exceed the sum total of ten percent (10%) of the total aggregate amount of the Agreement.

**ACTION:**

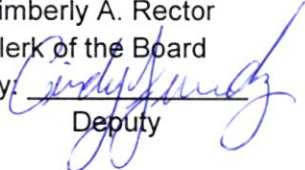
  
Sarah Franco, Assistant County Executive Officer 11/15/2023

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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Washington, seconded by Supervisor Spiegel and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington and Perez and Gutierrez  
Nays: None  
Absent: None  
Date: November 28, 2023  
xc: Purchasing

Kimberly A. Rector  
Clerk of the Board  
By:   
Deputy

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<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$ 800,400	\$ 872,000	\$2,108,333	
<b>NET COUNTY COST</b>	\$ 800,400	\$ 872,000	\$2,108,333	
<b>SOURCE OF FUNDS:</b> Fleet Services Department Budget			<b>Budget Adjustment:</b>	No
			<b>For Fiscal Year:</b> 23/24 – 24/25	

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

Fleet Services continues to look for innovative ways to reduce expenses while improving customer support and satisfaction. Fleet Services has been evaluating its operational processes for efficiencies and opportunities for greater cost savings and has identified that automotive parts management, sourcing, procurement and stockage can be augmented at a significant cost savings to Fleet Services and its customers. Fleet Services currently manages two automotive part storerooms at two locations and utilizes dozens of parts contracts in the maintenance support of over 2,300 County vehicles. The staffing and training of storekeeping personnel has been a continual challenge. Maintaining adequate staff levels to ensure that all required procurement, ordering, inventory, and parts requests are completed efficiently and on time has become cost prohibitive to provide in-house and can be augmented at a cost savings to the County.

The Purchasing and Fleet Service Department is requesting approval to enter into agreement with NAPA Integrated Business Solutions (IBS) to provide sourcing and management of fleet parts and supplies for both central fleet garages. The total cost of NAPA IBS services is anticipated not to exceed \$172,000 annually. Current supply staffing costs incurred by Purchasing and Fleet is \$310,967 annually. Augmentation of parts procurement staffing will save an estimated \$138,000 annually in supply service staffing with a net savings exceeding \$276,000 during the performance period, while improving parts availability, customer service and accountability. This agreement will not include any net new overall costs in supply services and will provide marked improvements in efficiencies and time savings realized by Fleet fiscal, procurement, and management staff since most of the processes now conducted inhouse will be provided by NAPA IBS.

Fleets current annual spend on repair parts and supplies is approximately \$700,000 annually. The Fleet cost for repair parts is estimated to remain flat while using and purchased through IBS to procure, manage, and maintain the repair parts inventory for the entire central fleet. With the current annual spend of \$700,000 in parts currently purchased annually and including the new service agreement with IBS if approved, Fleets total annual spend for parts acquisition, management and staffing will total \$872,000 each fiscal year. This will result in potential future savings of more than \$138,000 annually.



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<b>Annual Supply Service Costs</b>	<b>Existing Fleet Services Expense</b>	<b>Proposed NAPA IBS Cost</b>
<b>Existing Repair Part Expenses</b>	\$700,000	\$700,000
<b>Operations &amp; Staffing</b>	\$310,967	\$172,000
<b>Total</b>	\$1,010,967	\$872,000
<b>Net Annual Savings</b>	\$0	<b>\$138,967</b>

With limited supply staffing, onsite support can become a single point of failure when there is turnover or personnel issues. Fleet's parts management requires a minimum of two employees to perform these tasks daily. The Auditor Controllers Office (ACO) requires processes and division of duties that impact supply operations when all storeroom employees are not present. When supply staff is out on medical, vacation or training, routine tasks begin to back up and these delays have a negative operational impact. Long term absence of supply staff would lead to a significant delay in Fleet operations and invoice processing. Workload does not support the addition of a third or fourth supply employee and is not a cost-effective solution. NAPA provides dedicated parts staff whose only focus is managing the County's inventory and parts analysis. NAPA can easily scale up or down to provide the optimum number of staff required by reassigning their employees from within their large local operational network. NAPA is open and willing to hire any current parts personnel that may be displaced and are interested in joining their company.

Fleet fiscal staff are estimating that two to three hours every day are spent processing invoices from dozens of vendors and hundreds of invoices weekly. Procurement staff also spend dozens of hours multiple times each year modifying and preparing requests for quotes (RFQ) for parts contracts used by Fleet for goods and services. These processes can easily be augmented, through freeing up time for multiple divisions to focus more on core responsibilities. This additional time saved through the reduction of effort in procurement, management and fiscal staffing time will be applied towards other much needed efforts within the department. NAPA will handle payables to all vendors and suppliers and provides the County one monthly itemized bill for all parts purchases and operating expenses. This reduces hundreds of individual invoices from multiple contracts and vendors down to one monthly invoice posted against a single blanket purchase order dramatically streamlining the current processes while saving valuable time and effort.

The NAPA Integrated Business Solutions (IBS) program is a Vendor Managed Inventory solution for fleet departments looking for opportunities to transfer the energy they use managing parts to their core focus of maintaining their current fleet. Across the United States, there are over 400 onsite IBS part operations that are managing and sourcing products. Over the past twenty-five years, NAPA has developed the qualifications and specialized experience needed to become a powerful ally in private and public fleet operations. The NAPA IBS Program includes other critical services, at no additional charge including management of tool inventory, specialty part repair, recycling of batteries, lubricant ordering and waste management, as well as tire and non-Fleet supply ordering. Since NAPA IBS owns the parts there is no additional need to time consuming inventories or expenses with on shelf quantities. Purchase takes place only when

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the County's staff needs the part, which can save thousands per year in capital, obsolescence, shrinkage and security.

Fleets current automotive parts contracts when lower in price, can continue to be utilized by NAPA IBS where needed ensuring that the best price is always utilized when sourcing repair parts for Fleets customers. Any remaining inventory previously purchased by Fleet will continue to be utilized by NAPA IBS at no cost to the County or purchased by NAPA IBS if they are approved to manage our storeroom operations.

**Impact on Residents and Businesses**

There is no negative impact to private residents or private businesses. Providing cost efficient automotive repair parts on demand helps the central fleet provide maintenance and fuel support to County departments that serve the residents of Riverside County, both in times of emergency and non-emergency.

**Additional Fiscal Information**

The methodology on current FY 23/24 Board of Supervisor approved rates for parts does not change and no rate change is needed.

**Contract History and Price Reasonableness**

The proposed agreement with NAPA IBS utilizes pricing and terms and conditions from the Sourcewell cooperative agreement awarded to the vendor. Sourcewell, a purchasing organization for public sector entities, offered a competitively bid award for managed parts inventory. Fleet will be utilizing Sourcewell contract #110520-GPC that has already been awarded through a competitive bid process. Piggybacking from competitively bid governmental procurements meets the county's requirement of seeking competition and assists with expediting the implementation and acquisition of needed commodities and services. The County's maintenance operations will benefit from the reduced costs and increased efficiencies by utilizing a Sourcewell contract with Genuine Parts Company NAPA IBS for maintenance parts and inventory program services.

**ATTACHMENTS:**

- ATTACHMENT A. Expense Quote: Cost plus 10% Gross Profit On Products/Monthly Operating Expenses**
- ATTACHMENT B. Sourcewell Contract #110520-GPC**
- ATTACHMENT C. Agreement: Integrated Supply Agreement by and between Genuine Parts Company and County of Riverside, California**



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*Meghan Hahn*  
Meghan Hahn, Director of Procurement 11/14/2023

*Steven Espinoza*  
Steven Espinoza 11/16/2023

*Aaron Gettis*  
Aaron Gettis, Deputy County Counsel 11/20/2023

**INTEGRATED SUPPLY AGREEMENT**

**BY AND BETWEEN**

**GENUINE PARTS COMPANY**

**AND**

**COUNTY OF RIVERSIDE**



SOURCEWELL CONTRACT# 110520-GPC  
RIVCO CONTRACT# PUARC-06066-12/25

NOV 28 2023 3.31

**INTEGRATED SUPPLY AGREEMENT  
BY AND BETWEEN  
GENUINE PARTS COMPANY  
AND  
COUNTY OF RIVERSIDE**

**THIS INTEGRATED SUPPLY AGREEMENT** (this "Agreement") is made by and between **GENUINE PARTS COMPANY**, a Georgia corporation, d/b/a NAPA Auto Parts ("NAPA" or "CONTRACTOR") and the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California, ("CUSTOMER" or "COUNTY"), to be effective as of the date of last signature below (the "Effective Date").

**WITNESSETH**

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 B, 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's Fleet Services Department 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 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 select CUSTOMER locations to service the fleet parts needs of CUSTOMER's Fleet Services Department 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's Fleet Services Department; 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 to CUSTOMER's Fleet Services Department 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's Fleet Services Department.
- (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 Fleet Services Department location(s):

4293 Orange Street  
Riverside, CA 92501

&

25241 Cottonwood Avenue  
Moreno Valley, CA 92553

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. 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 prior to the termination or expiration date of the Sourcewell Contract. 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 Fleet Services Department'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 Fleet Services Department 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 Fleet Services Department 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.

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

(a) CUSTOMER shall provide usable space for NAPA's On Site Store(s) and the Inventory. CUSTOMER is granting NAPA a license only in accordance with the terms and conditions of the License Agreement attached hereto as Exhibit A. This Agreement shall be contingent upon NAPA executing CUSTOMER's License Agreement attached hereto as Exhibit A.

(b) CUSTOMER shall use NAPA as its Primary Supplier of the Inventory for its Fleet Services Department under this Agreement. CUSTOMER reserves the right to purchase any item outside this Agreement where it is determined to be more economical or timely so long as the purchase of aforesaid part or parts does not result in NAPA no

longer being CUSTOMER's Primary Supplier for its Fleet Services Department in which case NAPA may terminate this Agreement.

(c) CUSTOMER shall provide information regarding its Fleet Services Department's 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, including all exhibits, by entering into an agreement with NAPA. NAPA shall provide said agreement to COUNTY upon request.

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 25<sup>th</sup> 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 30 days of the 25<sup>th</sup> day of the month following receipt of such invoice, CUSTOMER shall be put on Cash on Delivery (COD) until such amount is paid in full. No prompt pay discount is available under this Agreement.

The COUNTY shall pay the CONTRACTOR for services performed, products provided and expenses incurred in accordance with the terms of the selected pricing plan below. Maximum payments by COUNTY to CONTRACTOR shall not exceed \$872,000 annually including all expenses. The COUNTY is not responsible for any fees or costs incurred above or beyond the contracted amount and shall have no obligation to purchase any specified amount of services or products.

NAPA's pricing profile shall remain firm during the term of this Agreement, and all price increases and decreases shall be passed along to CUSTOMER.

The COUNTY obligation for payment of this Agreement beyond the current fiscal year end is contingent upon and limited by the availability of COUNTY funding from which payment can be made. In the State of California, government agencies are not allowed to pay excess interest and late charges, per Government Code, Section 926.10. No legal liability on the part of the COUNTY shall arise for payment of amounts incurred beyond June 30 of each calendar year unless funds are made available for such payment, provided that the foregoing shall not limit the COUNTY's obligations set forth in Section 18 below. In the event that such funds are not forthcoming for any reason, COUNTY shall immediately notify CONTRACTOR in writing; and this Agreement shall be deemed terminated, have no further force, and effect.



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 C. CUSTOMER acknowledges and agrees that the costs and expenses reflected on the profit and loss statement set forth on Exhibit C 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 C ("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 \$872,000 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.

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.

**8. INSURANCE.** Without limiting or diminishing the CONTRACTOR's obligation to indemnify or hold the COUNTY harmless, CONTRACTOR shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage's during the term of this Agreement. As respects to the insurance section only, the COUNTY herein refers to the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents, or representatives as Additional Insureds.

**A. Workers' Compensation:**

If the CONTRACTOR has employees as defined by the State of California, the CONTRACTOR shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in favor of the County of Riverside. Policy shall name the COUNTY as Additional Insureds.

**B. Commercial General Liability:**

Commercial General Liability insurance coverage, including but not limited to, premises liability, unmodified contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of CONTRACTOR's performance of its obligations hereunder. Policy's limit of liability shall not be less than \$2,000,000 per occurrence combined single limit. Policy shall name the COUNTY as Additional Insureds.

**C. Vehicle Liability:**

If vehicles or mobile equipment is used in the performance of the obligations under this Agreement, then CONTRACTOR shall maintain liability insurance for all owned, non-owned, or hired vehicles so used in an amount not less than \$1,000,000 per occurrence combined single limit. Policy shall name the COUNTY as Additional Insureds.

**D. General Insurance Provisions - All lines:**

1) Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A M BEST rating of not less than A: VIII (A:8) unless such requirements are waived, in writing, by the COUNTY Risk Manager. If the COUNTY's Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.

2) If any such self-insured retention exceeds \$500,000 per occurrence each such retention shall have the prior consent of the COUNTY Risk Manager before the commencement of operations under this Agreement.

3) CONTRACTOR shall cause CONTRACTOR's insurance carrier(s) to furnish the County of Riverside with a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein. The



COUNTY Risk Manager may also inspect original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect at CONTRACTOR's headquarters by appointment, or request another right to review such policies. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the County of Riverside prior to any cancellation, expiration or reduction in coverage of such insurance. If CONTRACTOR's insurance carriers policies does not meet the minimum notice requirements found herein, CONTRACTOR shall cause CONTRACTOR's insurance carriers to furnish a thirty (30) day Notice of Cancellation Endorsement.

4) In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the County of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect. CONTRACTOR shall not commence operations until the COUNTY has been furnished original Certificate (s) of Insurance and certified original copies of endorsements of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier shall sign the original endorsements for each policy and the Certificate of Insurance.

5) It is understood and agreed to by the parties hereto that the CONTRACTOR's insurance shall be construed as primary insurance, and the COUNTY's insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.

6) If, during the term of this Agreement or any extension thereof, there is a material change in the scope of services; or, there is a material change in the equipment to be used in the performance of the scope of work; or, the term of this Agreement, including any extensions thereof, exceeds five (5) years; the COUNTY reserves the right to request adjustments the types of insurance and the monetary limits of liability required under this Agreement, if in the COUNTY Risk Manager's reasonable judgment, the amount or type of insurance carried by the CONTRACTOR has become inadequate, and CONTRACTOR shall in good faith consider and negotiate such requests.

7) The insurance requirements contained in this Agreement may be met with a program(s) of self-insurance acceptable to the COUNTY.

9) CONTRACTOR agrees to notify COUNTY of any claim by a third party or any incident or event of which CONTRACTOR is aware that may give rise to a claim arising from the performance of 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). NAPA 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 real or person property of COUNTY.

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.

(a) The CONTRACTOR is, for purposes relating to this Agreement, an independent contractor and shall not be deemed an employee of the COUNTY. It is expressly understood and agreed that the CONTRACTOR (including its employees, agents, and subcontractors) shall in no event be entitled to any benefits to which COUNTY employees are entitled, including but not limited to overtime, any retirement benefits, worker's compensation benefits, and injury leave or other leave benefits. There shall be no employer-employee relationship between the parties; and CONTRACTOR shall hold COUNTY harmless from any and all claims that may be made against COUNTY based upon any contention by a third party that an employer-employee relationship exists by reason of this Agreement. It is further understood and agreed by the parties that CONTRACTOR in the performance of this Agreement is subject to the control or direction of COUNTY merely as to the results to be accomplished and not as to the means and methods for accomplishing the results.

(b) CONTRACTOR warrants that it shall make its best effort to fully comply with all federal and state statutes and regulations regarding the employment of aliens and others and to ensure that employees performing work under this Agreement meet the citizenship or alien status requirement set forth in federal statutes and regulations. CONTRACTOR shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by federal or state statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, 8 U.S.C. §1324 et seq., as they currently exist and as they may be hereafter amended. CONTRACTOR shall retain all such documentation for all covered employees, for the period prescribed by the law.

(c) Ineligible Person shall be any individual or entity who: Is currently excluded, suspended, debarred or otherwise ineligible to participate in the federal health care programs; or has been convicted of a criminal offense related to the provision of health care items or services and has not been reinstated in the federal health care programs after a period of exclusion, suspension, debarment, or ineligibility.

(d) CONTRACTOR shall screen prospective Covered Individuals prior to hire or engagement. CONTRACTOR shall not hire or engage any Ineligible Person to provide services directly relative to this Agreement. CONTRACTOR shall screen all current Covered Individuals within sixty (60) days of execution of this Agreement to ensure that they have not become Ineligible Persons unless CONTRACTOR has performed such screening on same Covered Individuals under a separate agreement with COUNTY within the past six (6) months. Covered Individuals shall be required to disclose to CONTRACTOR immediately any debarment, exclusion or other event that makes the Covered Individual an Ineligible Person. CONTRACTOR shall notify COUNTY

within five (5) business days after it becomes aware if a Covered Individual providing services directly relative to this Agreement becomes debarred, excluded or otherwise becomes an Ineligible Person.

(e) CONTRACTOR acknowledges that Ineligible Persons are precluded from providing federal and state funded health care services by contract with COUNTY in the event that they are currently sanctioned or excluded by a federal or state law enforcement regulatory or licensing agency. If CONTRACTOR becomes aware that a Covered Individual has become an Ineligible Person, CONTRACTOR shall remove such individual from responsibility for, or involvement with, COUNTY business operations related to this Agreement.

(f) CONTRACTOR shall notify COUNTY within five (5) business days if a Covered Individual or entity is currently excluded, suspended or debarred, or is identified as such after being sanction screened. Such individual or entity shall be promptly removed from participating in any activity associated with this Agreement.

#### **11. NON-DISCRIMINATION**

CONTRACTOR shall not discriminate in the provision of services, allocation of benefits, accommodation in facilities, or employment of personnel on the basis of ethnic group identification, race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status or sex in the performance of this Agreement; and, to the extent they shall be found to be applicable hereto, shall comply with the provisions of the California Fair Employment and Housing Act (Gov. Code 12900 et. seq), the Federal Civil Rights Act of 1964 (P.L. 88-352), the Americans with Disabilities Act of 1990 (42 U.S.C. §12101 et seq.) and all other applicable laws or regulations.

#### **12. RECORDS AND DOCUMENTS**

CONTRACTOR shall make available, upon written request by any duly authorized Federal, State, or COUNTY agency, a copy of this Agreement and such books, documents and records as are necessary to certify the nature and extent of the CONTRACTOR's costs related to this Agreement. All such books, documents and records shall be maintained by CONTRACTOR for at least five years following termination of this Agreement and be available for audit by the COUNTY. CONTRACTOR shall provide to the COUNTY reports and information related to this Agreement as requested by COUNTY. If an audit conducted pursuant to this section results in a net overcharge, CONTRACTOR will immediately issue a check to COUNTY equal to the net overcharge amount.

#### **13. CONFIDENTIALITY**

(a) The CONTRACTOR shall not use for personal gain or make other improper use of privileged or confidential information which is acquired in connection with this Agreement. The term "privileged or confidential information" includes but is not limited to: unpublished or sensitive technological or scientific information; medical,



personnel, or security records; anticipated material requirements or pricing/purchasing actions; COUNTY information or data which is not subject to public disclosure; COUNTY operational procedures; and knowledge of selection of contractors, subcontractors or suppliers in advance of official announcement.

(b) The CONTRACTOR shall protect from unauthorized disclosure names and other identifying information concerning persons receiving services pursuant to this Agreement, except for general statistical information not identifying any person. The CONTRACTOR shall not use such information for any purpose other than carrying out the CONTRACTOR's obligations under this Agreement. The CONTRACTOR shall promptly transmit to the COUNTY all third party requests for disclosure of such information. The CONTRACTOR shall not disclose, except as otherwise specifically permitted by this Agreement or authorized in advance in writing by the COUNTY, any such information to anyone other than the COUNTY. For purposes of this paragraph, identity shall include, but not be limited to, name, identifying number, symbol, or other identifying particulars assigned to the individual, such as finger or voice print or a photograph.

**14. ADMINISTRATION/CONTRACT LIAISON**

The COUNTY Purchasing Agent, or designee, shall administer this Agreement on behalf of the COUNTY. The Purchasing Department is to serve as the liaison with CONTRACTOR in connection with this Agreement.

**15. 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.

**16. TERMINATION FOR CAUSE.** This Agreement may be terminated immediately, unless otherwise stated in this Section 16, 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 thirty (30) 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.

**17. 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 or CUSTOMER 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 or real property owned by the other party that are in such party's possession. CUSTOMER shall allow NAPA 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. All rights and obligations hereunder that by their nature are to survive the termination, expiration, or non-renewal of this Agreement for any reason, shall survive such termination, expiration, or non-renewal.

**18. 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).

**19. HOLD HARMLESS/INDEMNIFICATION.**

CONTRACTOR shall indemnify and hold harmless the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers,

Board of Supervisors, elected and appointed officials, employees, agents and representatives (individually and collectively hereinafter referred to as Indemnites) from any liability, action, claim or damage whatsoever, based or asserted upon (a) the negligence of CONTRACTOR in connection with the performance of any services of CONTRACTOR, its officers, employees, agents or representatives, including but not limited to claims for property damage, bodily injury, or death or any other element of any kind or nature arising from such negligence, (b) CONTRACTOR's breach of this Agreement or (c) any violation by CONTRACTOR of any applicable laws, rules or regulations. CONTRACTOR shall defend the Indemnites at its sole expense including all costs and fees (including, but not limited to, attorney fees, cost of investigation, defense and settlements or awards) in any claim or action based upon such acts, omissions or services. In addition in the event the COUNTY has any claims relating to any products subject to this Agreement, CONTRACTOR shall use commercially reasonable efforts to assist the COUNTY in processing any such claims against the manufacturer of the product at issue.

With respect to any action or claim subject to indemnification herein by CONTRACTOR. CONTRACTOR shall, at their sole cost, have the right to use counsel of their own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of COUNTY; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes CONTRACTOR's indemnification to Indemnites as set forth herein.

CONTRACTOR's obligation hereunder shall be satisfied when CONTRACTOR has provided to COUNTY the appropriate form of dismissal relieving COUNTY from any liability for the action or claim involved.

The specified insurance limits required in this Agreement shall in no way limit or circumscribe CONTRACTOR's obligations to indemnify and hold harmless the Indemnites herein from third party claims.

The indemnification provision set forth herein shall survive any expiration, termination, or non-renewal of this Agreement.

**20. 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: Corporate Counsel

As to CUSTOMER:            4293 Orange Street

**SOURCEWELL CONTRACT# 110520-GPC**  
**RIVCO CONTRACT# PUARC-06066-12/25**

Riverside, CA 92501  
Attn: Assistant Director of Fleet Services

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 20.

**21. FORCE MAJEURE / DAMAGE OF PREMISES.**

(a) Whenever performance by either party of any of their respective obligations 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.

(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.

**22. 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.

**23. 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.

**24. 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.

**25. 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.

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. **GENERAL**

(a) CONTRACTOR shall not delegate or assign any interest in this Agreement, whether by operation of law or otherwise, without the prior written consent of COUNTY. Any attempt to delegate or assign any interest herein shall be deemed void and of no force or effect.

(b) Any waiver by COUNTY of any breach of any one or more of the terms of this Agreement shall not be construed to be a waiver of any subsequent or other breach of the same or of any other term of this Agreement. Failure on the part of COUNTY to require exact, full, and complete compliance with any terms of this Agreement shall not be construed as in any manner changing the terms or preventing COUNTY from enforcement of the terms of this Agreement. Likewise, any waiver by CONTRACTOR of any breach of any one or more of the terms of this Agreement shall not be construed to be a waiver of any subsequent or other breach of the same or of any other term of this Agreement. Failure on the part of CONTRACTOR to require exact, full, and complete compliance with any terms of this Agreement shall not be construed as in any manner changing the terms or preventing CONTRACTOR from enforcement of the terms of this Agreement.

(c) CONTRACTOR shall not provide partial delivery or shipment of services or products unless specifically stated in the Agreement.

(d) CONTRACTOR shall not provide any services or products subject to any chattel mortgage or under a conditional sales contract or other agreement by which an interest is retained by a third party. The CONTRACTOR warrants that it has good title to all materials or products used by CONTRACTOR or provided to COUNTY pursuant to this Agreement, free from all liens, claims, or security interests.

(e) The COUNTY agrees to cooperate with the CONTRACTOR in the CONTRACTOR's performance under this Agreement, including, if stated in the Agreement, providing the CONTRACTOR with reasonable facilities and timely access to COUNTY data, information, and personnel.

(f) CONTRACTOR shall comply with all applicable Federal, State and local laws and regulations. CONTRACTOR will comply with all applicable COUNTY policies and procedures. In the event that there is a conflict between the various laws or regulations that may apply, the CONTRACTOR shall comply with the more restrictive law or regulation.

(g) CONTRACTOR shall comply with all air pollution control, water pollution, safety and health ordinances, statutes, or regulations, which apply to performance under this Agreement.



(h) CONTRACTOR shall comply with all requirements of the Occupational Safety and Health Administration (OSHA) standards and codes as set forth by the U.S. Department of Labor and the State of California (Cal/OSHA).

(i) This Agreement shall be governed by the laws of the State of California. Any legal action related to the performance or interpretation of this Agreement shall be filed only in the Superior Court of the State of California located in Riverside, California, and the parties waive any provision of law providing for a change of venue to another location. In the event any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

(j) This Agreement, including any attachments or exhibits, constitutes the entire agreement of the parties with respect to its subject matter and supersedes all prior and contemporaneous representations, proposals, discussions and communications, whether oral or in writing. The recitals set forth above are true and correct and are incorporated into this Agreement as though fully set forth herein. In the event there is a conflict between this Agreement and its exhibits, this Agreement shall govern. This Agreement may be changed or modified only by a written amendment signed by authorized representatives of both parties.

(k) CONTRACTOR shall comply with all State or other licensing requirements, including but not limited to the provisions of Chapter 9 of Division 3 of the Business and Professions Code. All licensing requirements shall be met at the time proposals are submitted to the COUNTY. CONTRACTOR warrants that it has all necessary permits, approvals, certificates, waivers and exemptions necessary for performance of this Agreement as required by the laws and regulations of the United States, the State of California, the County of Riverside and all other governmental agencies with jurisdiction, and shall maintain these throughout the term of this Agreement.

(l) The parties shall attempt to resolve any disputes amicably at the working level. If that is not successful, the dispute shall be referred to the senior management of the parties. Any dispute relating to this Agreement, which is not resolved by the parties, shall be decided by the COUNTY's Purchasing Department's Compliance Contract Officer who shall furnish the decision in writing. In the event either party disagrees with such decision, it may make any claim before a court of competent jurisdiction, who may review the decision *de novo*. The CONTRACTOR shall proceed diligently with the performance of this Agreement pending the resolution of a dispute. Prior to the filing of any legal action related to this Agreement, the parties shall be obligated to attend a mediation session in Riverside County before a neutral third party mediator. If the first session is not successful, the parties may agree upon a second mediation. The parties shall share the cost of the mediations.

(m) This Agreement may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument. Each party of this Agreement agrees to the use of electronic signatures, such as digital signatures that meet the requirements of the California Uniform Electronic Transactions Act ("CUETA") Cal. Civ. Code §§ 1633.1 to 1633.17), for executing this Agreement. The parties further agree that the electronic signatures of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect


as manual signatures. Electronic signature means an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record pursuant to the CUETA as amended from time to time. The CUETA authorizes use of an electronic signature for transactions and contracts among parties in California, including a government agency. Digital signature means an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature, and shall be reasonably relied upon by the parties. For purposes of this section, a digital signature is a type of "electronic signature" as defined in subdivision (i) of Section 1633.2 of the Civil Code.

**[Signatures Appear on Next Page]**

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Agreement.

COUNTY OF RIVERSIDE, a political subdivision of the State of California

GENUINE PARTS COMPANY, a Georgia corporation

By:   
Kevin Jeffries, Chairman  
Board of Supervisors

By: Tom Skov  
Name: Tom Skov  
Title: Division Vice President

Dated: 11/28/23

Dated: Jun 30, 2023

ATTEST:  
Kimberly Rector  
Clerk of the Board

By:   
Deputy

APPROVED AS TO FORM:  
Minh C. Tran  
County Counsel

By: Kristine k Bell-Valdez  
Kristine Bell-Valdez  
Deputy County Counsel

**EXHIBIT A**

**LICENSE AGREEMENT**

(County of Riverside and Genuine Parts Company)

**COUNTY OF RIVERSIDE**, herein called County, hereby grants to Genuine Parts Company, herein called Licensee, a License to use the property herein called "Premises", described below upon the following terms and conditions:

**1. Purpose and Scope.**

(a) County hereby authorizes Licensee to occupy the "Premises" within that certain building located at 4293 Orange Street Riverside, CA 92501 & 25241 Cottonwood Avenue Moreno Valley, CA 92553 , California, as shown on the attached Exhibit "A".

(b) It is expressly understood and agreed to by the parties hereto that by authorizing occupancy at the location described in Paragraph 1(a) herein for the purpose of providing the services and products described in that certain Integrated Supply Agreement between Licensee and County dated as of the date hereof (the "Agreement"), no estate or interest in real property is being conveyed to Licensee by County and that the right of use acquired is only an exclusive, revocable and unassignable permission and privilege to occupy in accordance with the provisions of this License.

(c) Licensee shall not perform or provide food distribution or medical/clinical operations without first obtaining written permission from County. Licensee further agrees that in the event such request is denied that Licensee shall not take any further action.

**2. Term.**

(a) The Term of this License shall be for the term of the Agreement. Upon termination, expiration or non-renewal of the Agreement, Licensee shall immediately vacate the Premises and peacefully surrender the Premises to County, devoid of all occupants or effects of any kind, in its original condition.

**3. Consideration.** Licensee shall make monthly payments payable to County of Riverside Purchasing and Fleet Services in the amount of \$1.00 per month, as rent for the "Premises". Licensee will pay any and all charges attributable to Licensee on a monthly basis, payable on the first day of the month and sent to:

COUNTY OF RIVERSIDE  
4293 Orange Street  
Riverside, CA 92501  
Attn: Assistant Director of Fleet Services

**4. Licensee's Hours of Operation/Access:**

- (a) Days of Operation: Monday through Friday
- (b) Hours of Operation: Monday-Thursday 7:00am-4:30pm and Friday 7:00am-3:30pm

**5. Maintenance.**

(a) County shall provide all necessary maintenance and repairs to "Premises" and appurtenant equipment and fixtures placed on "Premises". County shall

provide access to a restroom facility for Licensee's employees, and shall provide Licensee with a safe work environment that is free from hostility, violence, or discrimination.

(b) County shall be appropriately secure or otherwise maintain the Premises separate and apart from the business of the County. There shall be no intermingling of the County's parts or other inventory with Licensee's parts or inventory. County's access to the secured portions of the Premises shall be restricted to Licensee employees and authorized Licensee representatives only. The County's employees, contractors or agents shall not be permitted to enter the secured portions of the Premises unless accompanied by a Licensee employee or other authorized Licensee representative. County hereby assumes and shall bear any and all risk of loss or damage from any cause to the Inventory (as defined in the Agreement) and other personal property located in the Premises, except for loss or damage arising out of the acts, errors or omissions of Licensee. Licensee shall invoice County for any such loss of or damage to the Inventory and/or other personal property located in the Premises, and County shall pay such invoiced amount to Licensee in accordance with the payment terms set forth in the Agreement.

(c) County shall, at all times during the term of this License, at County's sole expense, maintain in good condition and repair (so as to prevent any damage or injury to Licensee's employees, the Inventory or other personal property located in the Premises) the roof, exterior walls, foundation, and structural portions of the Premises and all portions of the electrical and plumbing systems lying outside of the Premises but serving the Premises.

(d) Licensee or Licensee's clients, invitees, and employees shall be responsible for any damage to County-owned property and "Premises", including, but not limited to, water, plumbing, electrical and fire that are due to Licensee's negligent actions or willful misconduct.

**6. Custodial.** County shall be responsible for custodial services.

**7. Utilities.** County shall provide all utilities in connection with the operation of the "Premises", including, but limited to, water, refuse, sewer, gas, telephone, and electrical services.

**8. Signs.** Licensee shall not erect, maintain or display any signs or other forms of advertising on the "Premises" without first obtaining the written approval of the County.

**9. Inspection of Premises.** Subject to Section 5(b) hereof, County, through its duly authorized agents, shall have the right to enter the "Premises" for the purpose of inspecting, monitoring, and evaluating the obligations of Licensee hereunder and for the purpose of doing any and all things which it is obligated and has a right to do under this License.

**10. Ingress and Egress.** Licensee shall be permitted ingress and egress to and from the "Premises" only through such doors and routes as are designated by County.

**11. Compliance with Government Regulation.** Licensee shall comply with the requirements of all local, state, and federal statues, regulations, rules, ordinances and orders now in force or which may be hereafter in force, pertaining to its operation. Licensee is to secure, at no cost to the County, all necessary licenses, permits, as required



by law. The final judgment, decree, or order of a court of competent jurisdiction, or the admission of Licensee in any action or proceedings against Licensee, whether Licensee be a party thereto or not, that Licensee has violated any such statutes, regulations, rules, ordinances or orders, in the use of the licensed "Premises", shall be conclusive of that fact as between County and Licensee.

**12. Termination of License.** Licensee's License shall immediately terminate:

(a) In the event Licensee fails to perform any of its duties or obligations hereunder.

(b) In the event Licensee conducts any activity within the "Premises" not authorized by this License.

(c) In the event a petition is filed for voluntary or involuntary bankruptcy for the adjudication of Licensee as debtors.

(d) In the event that Licensee makes a general assignment of Licensee's interest hereunder, or Licensee's interest hereunder is assigned involuntarily or by operation of law, for the benefit of creditors.

(e) In the event of abandonment of the "Premises" by Licensee.

(f) Either party to this License may terminate the License without cause by giving the other party (30) days' written notice.

**13. Insurance.** Licensee shall, during the term of this License comply with the insurance requirements set forth in Section 8 of the Agreement.

**14. Hold Harmless.** Licensee shall comply with the requirements set forth in Section 19 of the Agreement.

**15. Assignment.** Licensee cannot assign, sublet, mortgage, hypothecate or otherwise transfer in any manner any of its rights, duties, or obligations hereunder to any person or entity without the written consent of County being first obtained, which consent shall be in the absolute discretion of County. In the event of any such transfer, as provided in this Paragraph, Licensee expressly understands and agrees that it shall remain liable with respect to any and all of the obligations and duties contained in this License.

**16. Toxic Materials.** During the term of the License and any extensions thereof, Licensee shall not violate any federal, state, or local law, ordinance, or regulation, relating to industrial hygiene or to the environmental condition on, under or about the licensed "Premises", including, but not limited to, soil and groundwater conditions.

Further, except with the consent or approval of the County, Licensee, its successors, assigns and sublicensees, shall not use, generate, manufacture, produce, store or dispose of on, under or about the "Premises" or transport to or from the licensed "Premises" any flammable explosives, asbestos, radioactive materials, hazardous wastes, toxic substances or related injurious materials, whether injurious by themselves or in combination with other materials (collectively, hazardous substances, hazardous materials, or toxic substances) in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq; the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq; and those substances defined as Hazardous Wastes in Section 25117 of the California Health and Safety Code or as Hazardous Substances in Section 25316 of the California Health and Safety Code; and in the regulations adopted in publications promulgated pursuant to said laws.

**17. Free From Liens.** Licensee shall pay, when due, all sums of money that may become due for any labor, services, material, supplies, or equipment, alleged to have been furnished or to be furnished to Licensee, in, upon or about the licensed "Premises", and which may be secured by a mechanic's, materialman's or other lien against the "Premises" or County's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by such lien matures or becomes due; provided, however, that if Licensee desires to contest any such lien, it may do so, but notwithstanding any such contest, if such lien shall be reduced to final enforcement thereof is not promptly stayed, or if so stayed, and said stay thereafter expires, then and in such event, Licensee shall forthwith pay and discharge said judgment.

**18. Employees and Agents of Licensee.** It is understood and agreed that all persons hired or engaged by Licensee shall be considered to be employees or agents only of Licensee and not of County.

**19. Binding on Successors.** Licensee, its assigns, and successors in interest, shall be bound by all the terms and conditions contained in this License, and all the parties thereto shall be jointly and severally liable hereunder.

**20. Waiver of Performance.** No waiver by County at any time of any of the terms and conditions of this License shall be deemed or construed as a waiver at any time thereafter of the same or of any other terms or conditions contained herein or of the strict and timely performance of such terms and conditions.

**21. Severability.** The invalidity of any provision in this License as determined by a court of competent jurisdiction shall in no way affect the validity of any other provision hereof.

**22. Venue.** Any action at law or in equity brought by either of the parties hereto for the purpose of enforcing a right or rights provided for by this License shall be tried in a court of competent jurisdiction in the County of Riverside, State of California, and the parties hereby waive all provisions of law providing for a change of venue in such proceedings to any other county.

**23. Notices.** Any notice required or desired to be served by either party upon the other shall be addressed to the respective parties as set forth below:

**COUNTY:**

County of Riverside  
Economic Development Agency  
3133 Mission Inn Avenue  
Riverside, California 92507

Riverside County  
Purchasing and Fleet Services  
3450 Fourteenth Street Ste. 420  
Riverside, CA 92501

**LICENSEE:**

Genuine Parts Company  
2999 Wildwood Parkway  
Atlanta, GA 30339  
Attn: Corporate Counsel

or to such other addresses as from time to time shall be designated by the respective parties.

**24. Permits, Licenses and Taxes.** Licensee shall secure and maintain, at its expense, all necessary permits and licenses as it may be required to obtain and/or hold, and Licensee shall pay for all fees and taxes levied or required by any authorized public entity. Licensee recognizes and understands that this License may create a possessory interest subject to property taxation and that Licensee may be subject to the payment of property taxes levied on such interest, provided that Licensee may bill County for such tax (if any) in accordance with the terms of Section 7 of the Agreement.

**25. Paragraph Headings.** The Paragraph headings herein are for the convenience of the parties only, and shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions or language of this License.

**26. County's Representative.** County hereby appoints the Assistant Director of Fleet Services as its authorized representatives to administer this License.

**27. Agent for Service of Process.** Licensee has, in accordance with applicable law, designated a natural person residing in the State of California, giving his or her name, residence and business addresses, as its agent for the purpose of services of process in any court action arising out of or based upon this License, and the delivery to

such agent of a copy of any process in any such action shall constitute valid service upon Licensee.

**28. Licenses and Permits.** In accordance with the provisions of Chapter 9 of Division 3 of the business and Professions code concerning the licensing of Contractors, all Contractors shall be licensed, if required, in accordance with the laws of this State and any Contractor not so licensed is subject to the penalties imposed by such laws. The Licensee warrants that it has all necessary permits, approvals, certificates, waivers, and exemptions necessary for the provision of services hereunder and required by the laws and regulations of the United States, State of California, the County of Riverside and all other appropriate governmental agencies, and shall maintain these throughout the term of this License.

**29. Confidentiality.** Each party shall maintain the confidentiality of all information and records pertaining to privacy and confidentiality, and comply with all other statutory laws and regulations relating to privacy and confidentiality.

**30. Entire License.** This License is intended by the parties hereto as a final expression of their understanding with respect to the subject matter hereof and as a complete and exclusive statement of the terms and conditions thereof and supersedes any and all prior and contemporaneous licenses, agreements, and understandings, oral or written, in connection therewith. The License may be changed or modified only upon the written consent of the parties hereto.

**31. Approval.** This License shall not be binding or consummated until its executed by the authorized representatives of both parties.

**COUNTY OF RIVERSIDE**, a political subdivision of the State of California

By:   
Kevin Jeffries, Chairman  
Board of Supervisors

Dated: 11/28/23

ATTEST:  
Kimberly Rector  
Clerk of the Board

By:   
Deputy

**GENUINE PARTS COMPANY**, a Georgia corporation

By: Tom Skov  
Name: Tom Skov  
Title: Division Vice President

Dated: Jun 30, 2023

APPROVED AS TO FORM:  
Minh C. Tran  
County Counsel

By: Kristine Bell-Valdez  
Deputy County Counsel

**EXHIBIT B**

**SOURCEWELL CONTRACT**

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



Signature:   
 Email: kbvaldez@rivco.org

Signature: Tom Skov  
 Tom Skov (Jun 30, 2023 17:03 PDT)  
 Email: tom\_skov@genpt.com

**EXHIBIT C  
 SAMPLE PROFIT AND LOSS STATEMENT**

COST + 10% PLUS OPERATING EXPENSES - ONSITE			
Projected Expenses	NAPA Monthly Parts and Operational Projections	Year One	
Parts Purchases	\$ 50,000	\$ 600,000	Estimated Parts Purchases
Cost of Goods	\$ 45,000	\$ 540,000	This is Cost of Goods
<b>GROSS PROFIT</b>	<b>\$ 5,000</b>	<b>\$ 60,000</b>	<b>Total Gross Margin Applied to Purchases</b>
<b>Accounting Fees</b>	<b>\$ 495</b>	<b>\$ 5,940</b>	<b>Standard Accounting &amp; Data Processing Fee Set @ 0.99% of Monthly Purchases - This Fee Funds the HQ Accounting Team.</b>
<b>PAYROLL:</b>			
Manager/Counter Salaries	\$ 8,239	\$ 98,868	Payroll for 1 Manager, 1 Counter Person
Delivery Driver Salaries	\$ -	\$ -	No Additional Delivery Driver Needed
Pension	\$ 304	\$ 3,648	This Funds the Pension & 401K of the NAPA Employee's
Insurance	\$ 903	\$ 10,836	Employee Benefits - Group Benefits Insurance
Workers Comp Insurance	\$ 285	\$ 3,180	Employee Benefits - Workers Comp Insurance
FICA/SECA/FUI/SUI	\$ 1,380	\$ 16,560	Federal Payroll Taxes for Employee's @ this Location
<b>Total IBS Payroll</b>	<b>\$ 11,091</b>	<b>\$ 133,092</b>	<b>Summary of Total Payroll Expenses for this Location</b>
<b>Miscellaneous Expenses</b>			
Delivery Truck Insurance	\$ 318	\$ 3,816	Delivery Vehicle Insurance
Delivery Maintenance/Gas	\$ 461	\$ 5,532	Delivery Vehicle Maintenance / Fuel Expense
Truck Payment	\$ 516	\$ 6,192	Delivery Vehicle Payment
Shelving/Cage Depreciation	\$ 56	\$ 672	Shelving - Amortized Monthly Payment for Shelving, Receiving Cages, Counters, Etc. Over Life of Contract
Freight & Postage	\$ 100	\$ 1,200	Freight Charges - Approved Freight Charges for Delivered Merchandise not Sourced Locally
General Liability Insurance	\$ 100	\$ 1,200	Coverage for General Liability Insurance of Property & Equipment
Interest	\$ -	\$ -	
Light, Heat, Water	\$ -	\$ -	
Rent	\$ -	\$ -	
Stationary, Shipping Supplies	\$ 40	\$ 480	Stationary / Shipping Supplies
Stock Loss	\$ -	\$ -	
Store Expenses	\$ 80	\$ 960	Misc. Store Expenses (Fax Machine, Fax Paper, Printer Ribbons etc.)
Equipment Purchases	\$ -	\$ -	
Personal Property Taxes	\$ -	\$ -	
Telephone	\$ -	\$ -	
Inventory Computer	\$ 1,050	\$ 12,600	Management Computer, Software, & Support - TAMSHUB Computer Cost, Customer Support, Cataloging, and WAN Fees
Training	\$ 14	\$ 168	
<b>TOTAL MISC. EXP.</b>	<b>\$ 2,735</b>	<b>\$ 32,820</b>	
<b>TOTAL EXPENSES</b>	<b>\$ 14,321</b>	<b>\$ 171,852</b>	

**SOURCEWELL CONTRACT# 110520-GPC  
 RIVCO CONTRACT# PUARC-06066-12/25**










# NAPA Agreement 1234464-IM (Clean)

Final Audit Report

2023-07-01

Created:	2023-06-30
By:	Sean Reed (sjreed@rivco.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAABahT_B0d2xYOmL7GRupWwLuJ6O4VFz6y

## "NAPA Agreement 1234464-IM (Clean)" History

-  Document created by Sean Reed (sjreed@rivco.org)  
2023-06-30 - 3:12:01 PM GMT
-  Document emailed to Kristine Valdez (kbvaldez@rivco.org) for signature  
2023-06-30 - 3:13:48 PM GMT
-  Email viewed by Kristine Valdez (kbvaldez@rivco.org)  
2023-06-30 - 11:06:24 PM GMT
-  Document e-signed by Kristine Valdez (kbvaldez@rivco.org)  
Signature Date: 2023-06-30 - 11:09:23 PM GMT - Time Source: server
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2023-06-30 - 11:09:25 PM GMT
-  Email viewed by tom\_skov@genpt.com  
2023-07-01 - 0:02:47 AM GMT
-  Signer tom\_skov@genpt.com entered name at signing as Tom Skov  
2023-07-01 - 0:03:29 AM GMT
-  Document e-signed by Tom Skov (tom\_skov@genpt.com)  
Signature Date: 2023-07-01 - 0:03:31 AM GMT - Time Source: server
-  Agreement completed.  
2023-07-01 - 0:03:31 AM GMT