

**THE CITY OF CHARLOTTE/MECKLENBURG COUNTY
PROCUREMENT SERVICES DIVISION
600 EAST FOURTH STREET
CHARLOTTE, NORTH CAROLINA 28202**

**REQUEST FOR PROPOSALS NO. 269-2006-060
AUTOMOTIVE PARTS AND ACCESSORIES FOR LIGHT DUTY VEHICLES**

Charlotte-Mecklenburg Procurement Services is requesting proposals from interested organizations to provide Automotive Parts and Accessories and Related Services to serve the requirements of the City of Charlotte and other public agencies supported under this contract. This Request for Proposals is issued on behalf of the U.S. Communities Purchasing and Finance Agency through a public agency clause, allowing for use by other public agencies, i.e. counties, cities, schools, states, and non-profit entities for their own use. Therefore, respondents to this acquisition must give due consideration to the potential market.

A **Mandatory** pre-proposal conference for the purpose of reviewing the RFP and answering questions regarding the Project will be held on **April 17, 2006 at 9:00 a.m. EDST**, at the Charlotte-Mecklenburg Government Center, 600 East Fourth Street, 2nd floor conference room number 280, Charlotte, North Carolina 28202. Please bring a copy of the RFP with you at that time.

Instructions for the preparation and submission of a proposal are contained in the bid document posted on the Internet at the following address: <http://www.ips.state.nc.us> RFP #269.2006.060. To access the RFP via the Internet you must have the Adobe Acrobat Reader. Please read the RFP completely, and if you wish to respond, follow the directions for submission of a proposal. If you require a hard copy of the RFP document, or a copy in Word format, contact Karen Ruppe at 704 336-2992 or kruppe@ci.charlotte.nc.us.

Proposals are due to the Business Support Services, Procurement Services Division, 9th Floor, CMGC Building, 600 East Fourth Street, Charlotte, North Carolina 28202, no later than **May 2, 2006 at 12:00 noon EDST**. One (1) original and six (6) copies of your Proposal response should be submitted in a sealed opaque envelope or box plainly marked with the Proposal number and service description, as follows:

Request for Proposals
Attention: Karen Ruppe
Name of Company Submitting Proposal
Automotive Parts and Accessories
RFP # 269-2006-060

RFP questions must be directed to Karen Ruppe, Charlotte-Mecklenburg Procurement Services Division per the enclosed instructions in Section 2.3.

Sincerely,

John C. Trunk, C.P.M.

John C. Trunk, C.P.M.

Procurement Services Director

cc: Chris Mellis – U.S. Communities
Kevin Juhring - U.S. Communities
Evaluation Committee Members



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CHARLOTTE-MECKLENBURG, NORTH CAROLINA

ON BEHALF OF

**U.S. COMMUNITIES PURCHASING & FINANCE AGENCY
AND OTHER GOVERNMENT AGENCIES**

COMPETITIVE SOLICITATION

FOR

**AUTOMOTIVE PARTS AND ACCESSORIES FOR LIGHT
DUTY VEHICLES**

**REQUEST FOR PROPOSAL (RFP)
269-2006-060**

Section 1

Introduction and Background

1.0 LEAD PUBLIC AGENCY MASTER AGREEMENT

The City of Charlotte/Mecklenburg County, North Carolina (herein “Lead Public Agency”) on behalf of the City of Denver, Colorado, Dallas County, Texas, and all other government agencies that elect to access the Master Agreement (herein “Participating Public Agencies”) and the U.S. Communities Government Purchasing and Finance Agency (herein “U.S. Communities”) is competitively soliciting a Master Agreement for Automotive Parts and Accessories for Light Duty Vehicles and Related Services (herein “Products”).

The Supplier(s) shall establish a direct relationship with each Participating Public Agency concerning the placement of orders, issuance of the purchase order, contractual disputes, invoicing, payment and all other matters relating or referring to such Participating Public Agency’s access to the Master Agreement. The Lead Public Agency is acting as “Contracting Agent” for the Participating Public Agencies and shall not be held liable for any costs, damages or other obligations incurred by any Participating Public Agency.

The subsequent contract(s) shall be construed to be in accordance with and governed by the laws of the State in which the Participating Public (government) Agency exists. Each Participating Agency enters into a Master Intergovernmental Cooperative Purchasing Agreement (MICPA) (see Attachment A, Exhibit IV) that allows the Participating Public Agency to purchase products from the Supplier(s) in accordance with each Participating Public Agency’s purchasing policy and procedures.

1.1 GENERAL DEFINITION OF PRODUCTS

The intent is for each Proposer to submit a complete and comprehensive merchandise line in the categories listed below so that Participating Public Agencies may order a wide array of product as appropriate for their needs. The below referenced categories are example only and do not intend to limit the broad category of Automotive Parts and Accessories and Related Services that might be available from potential Proposers. Proposals should include all automotive parts and accessories within each category or any unidentified category that your company can provide.

Category 1	Alternators & Starters
Category 2	Bearings, Ball & Roller
Category 3	Batteries
Category 4	Belts, Hoses, & Clamps
Category 5	Brakes
Category 6	Caps & Thermostats
Category 7	Chemicals
Category 8	Coolant & Antifreeze
Category 9	Electrical & Ignition
Category 10	Emissions & Exhaust
Category 11	Filters
Category 12	Gaskets & Seals
Category 13	Heater & Air Conditioning
Category 14	Lamps, Lighting, & Mirrors
Category 15	Power Steering Pumps

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Category 16	Pumps, Fuel & Water
Category 17	Steering & Suspension
Category 18	Universal Joints
Category 19	Wipers
Category 20	Wheel Accessories

ALL PRODUCTS OFFERED MUST BE NEW, UNUSED, OF THE LATEST DESIGN AND TECHNOLOGY AND FROM MOST CURRENT PRODUCT LINES. This Solicitation is subject to Lead Public Agency's Instructions to Bidders, General Solicitation Terms and Conditions, and Special Provisions shown hereto as Section 2, 3 and 4 respectively.

Exception Taken by AutoZone to the General Definition of Products

Explanation for Exception:

AZ will agree to the above statement written as follows:

ALL PRODUCTS OFFERED MUST BE NEW, UNUSED OR REMANUFACTURED, OF THE LATEST DESIGN AND TECHNOLOGY AND FROM MOST CURRENT PRODUCT LINES.

1.2 OBJECTIVES

This RFP is intended to achieve the following objectives:

- 1.2.1 Provide a comprehensive competitively solicited Master Agreement offering Products and Services to participating public agencies nationwide;
- 1.2.2 Establish the Master Agreement as Supplier's primary offering to participating public agencies nationwide;
- 1.2.3 Achieve cost savings for Suppliers and participating public agencies through a single competitive solicitation process that eliminates the need for multiple bids or proposals by participating public agencies and multiple responses by suppliers;
- 1.2.4 Combine the volumes of participating public agencies to achieve cost effective pricing; and
- 1.2.5 Reduce the administrative and overhead costs of suppliers and participating public agencies through state of the art ordering and delivery systems.
- 1.2.6 This does not pre-empt participating public agencies from using other contract vehicles or competitive processes as required by law.

1.3 PARTICIPATING PUBLIC AGENCIES MODEL

U.S. Communities has employed the Participating Public Agency Model very successfully with a variety of national suppliers, all of whom are listed at www.uscommunities.org. Allegheny County, PA, Fairfax County, VA, Miami-Dade County, FL, Wichita Public Schools, KS, Harford County Public Schools, MD, Maricopa County, AZ City of Charlotte/Mecklenburg County, NC and Los Angeles County, CA, have served as Lead Public Agencies, signing Master Agreements. Participating Public Agencies "piggy back" on the competitively bid Master Agreement. Suppliers comply with the state and local laws, rules and regulations in each state and locality where product is provided. Suppliers offer the Master Agreement as their primary contract with government agencies nationwide. The program currently does business with over 14,000 Participating Public Agencies under the Master Agreements.

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1.4 ESTIMATED VOLUME

The estimated sales volume of Products and Services purchased under the proposed Master Agreement is \$100 million annually, based on a sample of U.S. Communities Advisory Board members. While there is no minimum quantity of products to be purchased under the proposed Master Agreement, Lead Public Agency and the U.S. Communities Advisory Board Members are committed to using the Master Agreement and promoting the Master Agreement among other public agencies. The Advisory Board in 2005 purchased more than \$90 million of products and services from existing U.S. Communities contracts.

1.5 SINGLE OR MULTIPLE AWARDS

The City desires to award a single agreement to only one supplier for providing Automotive Parts and Accessories to public agencies nationwide. However, multiple awards may be made as a result of this RFP if doing so will ensure that any ensuing contracts will allow the City and U.S. Communities to fulfill current and future requirements of the diverse and large number of Participating Public (government) Agencies. The actual utilization of any contract will be at the sole discretion of the Participating Public (government) Agencies. Participating Public (government) Agencies may buy directly from successful Suppliers without need for further solicitation.

1.6 U.S. COMMUNITIES

U.S. Communities Purchasing & Finance Agency (U.S. Communities) is a non-profit “instrumentality” of government established to assist public agencies nationwide reduce the cost of purchased goods and improve the administrative effectiveness of the purchasing process for Suppliers and public agencies alike. U.S. Communities is jointly sponsored by the National Institute of Governmental Purchasing (NIGP), the National Association of Counties (NACo), the National League of Cities (NLC), the Association of School Business Officials, International (ASBO) and the United States Conference of Mayors (USCM). U.S. Communities has a multi-state Advisory Board consisting of representatives from the following public agencies and associations:

ADVISORY BOARD

Agency

Allegheny County, PA
City/County of Charlotte/Mecklenburg, NC
Cobb County, GA
Dallas County, TX
Davis County Joint Schools, CA
City and County of Denver, CO
Detroit Public Schools, MI
Fairfax County, VA
Harford County Public Schools, MD
Hennepin County, MN

Agency

Hillsborough County Schools, FL
City of Houston, TX
Maricopa County, AZ
Miami-Dade County/Public Health Trust, FL
City of San Antonio, TX
San Diego County, CA
San Diego Unified School District
City of Seattle, WA
Wichita Public Schools, KS
Los Angeles County, CA

GOVERNMENT PURCHASING ALLIANCE (GPA)

The primary program offered through U.S. Communities is the GPA. Designed in cooperation with the Advisory Board, GPA:

- *Pools the purchasing power of public agencies nationwide;*

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- *Achieves bulk volume discounts on behalf of public agencies nationwide; and*
- *Provides a national purchasing forum for public agencies nationwide.*

Suppliers offering products to public agencies through U.S. Communities also benefit through:

- *A single competitively solicited contract offering a broad range of product and servicers to multiple public agencies nationwide;*
- *A reduction of the administrative, legal and sales overhead associated with responding to multiple bids and proposals from public agencies nationwide; and*
- *Ease of access to public agencies nationwide through promotional efforts of NIGP, NLC, NACo, ASBO, USCM and Advisory Board Members.*

All contracts offered through U.S. Communities are competitively solicited by a lead public agency and may be accessed by any other public agency that has the authority to purchase from another public agency's contracts.

MARKETING SUPPORT & ADMINISTRATIVE FEES

U. S. Communities provides marketing support for Supplier's products through its major national sponsors, the National League of Cities, the National Association of Counties (NACo), the National Institute for Governmental Purchasing (NIGP), the Association of School Business Officials, International (ASBO) and the U.S. Conference of Mayors (USCM). In addition, the program is sponsored and marketed by a network of State Associations of Counties, Schools and Municipal Leagues. U.S. Communities and the sponsors provide administrative and marketing personnel that directly promote the U.S. Communities Suppliers to Participating Public Agencies through public agency meetings, direct mail, national publications, annual meetings and a network of Local Government and State Associations. U.S. Communities provides Suppliers government sales training and a host of online marketing and sales management tools to effectively increase sales through U.S. Communities. Participating Suppliers are required to pay an administrative fee as described on Attachment A - U.S. Communities Administration Agreement for actual sales under the Master Agreement. The administrative fees offset the costs of governance, lead agencies, marketing and administration of U.S. Communities.

1.7 SUPPLIER COMMITMENTS

Each supplier is required to make three basic commitments to insure the overall success of the national program:

- A. **Corporate Commitment** - A commitment that U.S. Communities has the support of senior management, and that U.S. Communities is the primary offering to state and local government agencies nationwide. The supplier shall make its existing local public agency clients aware of its U.S. Communities contract and upon the state or local public agency's request, such agency will be transitioned to the supplier's U.S. Communities contract;

AZ's Senior Management is committed to USC, and to making USC our primary offering to every state and local government agency we contact nationwide. As we are the country's premier company owned retailer of aftermarket parts, we are in a unique position to provide a nation-wide footprint of sales and membership support to USC.

As this represents a new opportunity to AZ we are excited and totally committed to achieve success with USC by transitioning all of our public agency clients that we are helping to support, into this USC contract.

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- B. **Pricing Commitment** - A commitment that U.S. Communities pricing is the lowest available pricing (net to buyer) to state and local agencies nationwide and a further commitment that, if a state or local agency is eligible for lower pricing through a state, regional or local contract, the supplier will match the pricing under U.S. Communities.

Exception Taken by AutoZone on Pricing Commitment

Explanation for Exception:

AZ will agree to section B in the Supplier Commitments as written below:

AZ agrees that during the term of the Agreement, no State or Local agency with the same payment terms, volume, delivery terms and other conditions set forth in the Master Agreement will receive the products provided under this RFP at a lower net price. If it is discovered that AutoZone has provided a state or local agency a lower net pricing for a product set forth herein, AZ will provide US Communities and the Participating Public Agencies with such lower pricing on a going forward basis. This commitment shall not apply to special and/or one-time offers, liquidation sales and discounted product(s).

- C. **Sales Commitment** - A commitment that the supplier will aggressively market U.S. Communities nationwide and that the sales force will be trained, engaged and committed to offering U.S. Communities to **state and** local agencies nationwide with a further commitment that all U.S. Communities sales be accurately and timely reported to the U.S. Communities program office.

AZ's existing sales force will be trained, engaged, and committed to offering USC to all state and local agencies nationwide which they approach. AZ also commits that all sales under the US Communities program will be accurately and timely reported to the USC program office.

1.8 SUPPLIER QUALIFICATIONS

In addition to the Supplier commitments above, only Suppliers meeting the following minimum qualifications should submit proposals:

- A. A strong national presence easily recognized by government agencies nationwide;

As of February 11, 2006, AutoZone sells auto and light truck parts, chemicals and accessories through 3,655 AutoZone stores in United States and 88 AutoZone stores in Mexico.

- B. A national sales force easily accessible by government agencies nationwide;

Our sales force encompasses over 4,000 dedicated aftermarket parts professionals across the US to support our sales activity. This force consists of Regional Commercial Sales Managers, Territory Managers, Out Side Sales Representatives, National Account Sales Management Team, District Management, and Store Commercial Managers. Accessibility to this sales force is by either phone (voice mail and cell) as well as e-mail and e-mail via Blackberry devices for Regional Commercial Sales Managers and the National Account Sales Team. Store Commercial Managers are available by phone at our local AutoZone Commercial locations.

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C. A national distribution network having capacity to deliver Products nationwide, free of charge, in a timely manner;

AutoZone's 3,655 store national presence is supported by seven (7) distribution centers strategically placed across the US to maximize freight delivery to our chain. We in turn, have direct delivery capability from 2,148 Commercial stores directly to our Commercial Customer base of almost 100,000 customers. In addition, we do inner-market deliveries from large hub stores to surrounding stores. The number of hubs is 126 nation-wide, and they service over 2,200 AZ locations.

D. A full range of Products to meet varying requirements of government agencies;

AutoZone's portfolio services passenger cars and light duty trucks up to one ton. AZ's portfolio has over 800,000 different SKUs in over 70 categories, which include every major and minor light duty vehicle category. These include but are not limited to under hood (engine, engine management, emissions, air conditioning, heating, cooling system, belts, hoses, etc.), under car (chassis, suspension, ride control, etc.), transmissions, drive axles, brake (friction, steel, brake hardware, etc.), automotive chemicals and fluids (oil, antifreeze, etc.).

E. Demonstrated market with bulk purchasing power, capacity and commitment to guarantee lowest government pricing.

AZ's merchandising department has over 150 full time professional global buyers that have the accountability and responsibility to purchase our entire portfolio of SKUs in the above mentioned categories. AZ's 27 year history of spanning the globe to search and secure quality vendors is a never-ending commitment to consumers so that they will get the right merchandise at the right price. Our capacity as the largest company owned aftermarket parts retailer ensures our capability to secure, transport, sell and deliver parts to USC that is unprecedented. We are relentlessly committed to the selling of automotive parts. It is our core business. Expanding into the public agency sector does not diminish this commitment. We believe it only enhances our goal to be the nations number one provider of parts.

F. Existing capacity to provide toll-free telephone and state of the art electronic, facsimile and internet ordering and billing;

Existing Capacity

Ordering

AZ has the existing capacity to provide toll-free telephone and facsimile numbers for the City of Charlotte and all other entities that will be serviced by a local AZ Store.

For those locations that will be serviced by an AZ store that is outside of twelve (12) minutes or five (5) miles, the call to the servicing AZ store may be a long distance call.

All agencies will have direct store order capability through the AZ store via AutoZone's present electronic ordering software called AutoZone Parts Connect (AZPC). This electronic software will be offered to each of the locations. Through the ordering location's connectivity portal, AZPC will enable each ordering location to place parts orders directly with the AZ Store that is closest to them. This software program allows the user to have access to look-up, availability, pricing, and ordering capability.

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The order will be placed using this software, which will create a pick-ticket in the servicing AZ store. The Commercial Manager in the servicing AZ store will pick and invoice the part, and stage the part for delivery.

Billing

AZ presently has the capacity to provide paper billing through our third party credit provider, CitiCapital Services or CCS. AZ can set up a choice of 30-day accounts through CCS, balance forward or pay by invoice (PROX) account.

Statements will be sent directly from the CCS offices in Utah to each of the agencies.

Future Capacity

Ordering

AZ will have the future capacity to provide on-line, Internet based ordering system that is similar to Office Depot's b2b web site. Locations of the USC ordering entity will be recognized, and subsequently, its orders will be processed by the correct AZ order filling source. Ordering support will be provided through our Contact Center Facilities located in our headquarter location in Memphis, TN. Refer to section 1.9.4 Marketing in the Technical Proposal for additional information on our Contact Center.

Billing

AZ will have the future capability to provide access to billing on-line over the Internet. USC members will be able to request EDI 850s directly from the functionality of the web site to download into their AP systems. For those locations that are not EDI compatible, they will be able to request from our site, files that they will be able to print out paper statements.

G. A support system to provide assistance to government agencies nationwide.

AZ presently employs 120 Customer Service Reps that have the responsibility to assist National Account customers with ordering, receiving, and general account servicing issues. AZ will roll the support system functionality to this team.

H. The ability to fully implement all necessary activities to effectively promote the program nationally.

AZ's support structure currently handles 6,000,000 customers per week. That alone speaks to the commitment that AZ provides to customer service. AZ's structure is broken into two categories, DIY and Commercial. DIY is the retail backbone to our company. It is where we started, but is not where we end. Commercial is our brand for the sales and marketing force that attacks the Do It For Me (DIFM), fleet, and with this RFP response, the public agency markets. This wholesale machine is divided into 5 operational divisions, which in turn support 40 regions. Regions are divided into districts, which in turn support our stores. At the divisional and regional levels of our organization, we have a dedicated Commercial Sales Manager. At the District Level, we have a District Manager, who has joint DIY and Commercial accountability. Also at the District Level, we have Commercial Territory Managers, who have the sole responsibility to support our Commercial Stores in our Chain.

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Of our 3,655 Stores, 2,127 Commercial Stores with delivery capability to our 100,000 existing Commercial Customers. Each of these stores has a minimum of one primary and secondary Commercial Manager. The Store Manager is the ultimate responsible party for the Commercial program housed in his/her store.

This Commercial segment of our business has the existing capability to fully implement all necessary activities to effectively promote the USC program. Add in our future commitment to our Web based catalog, ordering, billing and reporting structure, and AZ will succeed in exceeding USC's expectations.

Exception Taken by AutoZone on Introduction and Background, Implementation Steps, Number 7, Dedicated Fax number(s)

Explanation for Exception:

As the majority of the ordering and customer handling will be through our local stores, AZ will not be able to provide a fax in each store. AZ will investigate each operational need of the US Communities member to exhaust all ordering capabilities. If there are no other alternatives, AZ will review the possibility of installing a fax to suit the specific US Communities member's needs.

Implementation Steps	Expected Date of Completion	Proposed Date of Completion
1. Administration Agreement Signed	Returned with Proposal	Returned with Proposal
2. First Conference Call	One Week after Award	One Week after Award
3. Supplier Login Established	One Week after Award	One Week after Award
4. Initial Sr. Management Meeting	Two Weeks after Award	Two Weeks after Award
5. Initial National Account Manager and Staff Training Meeting	Two Weeks after Award	Two Weeks after Award
6. Review of Top 10 Existing Local Government Contracts	Two Weeks after Award	Two Weeks after Award
7. Program Contact Requirements		
– Supplier Contacts Communicated to Staff	Two Weeks after Award	Two Weeks after Award
– Dedicated Email	Two Weeks after Award	Two Weeks after Award
– Dedicated Toll Free Number	Two Weeks after Award	Two Weeks after Award
– Dedicated Fax No.	Exception Taken	Exception Taken
8. Marketing Plan & Materials	Three Weeks after Award	Three Weeks after Award
9. Lead Referral Training	Three Weeks after Award	Three Weeks after Award
10. Admin Fee and report training	Three Weeks after Award	Three Weeks after Award
11. Web Development		
– Initiate IT contact	Two Weeks after Award	Two Weeks after Award
– Web site construction	Three Weeks after Award	Two Weeks after Award
– Web site final edit	Four Weeks after Award	6 Months after Award
12. Sales Training		
– Top Ten metro areas	Four Weeks after Award	W/O Web – 4 Weeks after Award
– Supplier Login Training - remote webex for all sales	Two Weeks after Award	6 Months after Award
– Training Plan for the other metros	Eight Weeks after Award	W/O Web – 8 weeks

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1.9 TECHNICAL PROPOSAL

Please submit a proposal to supply the Products outlined in this RFP that includes the following information:

1.9.1 Commitment and Qualification Statement

Please address each of the Commitments and Qualifications shown in Sections 1.7 and 1.8 above and provide a summary not exceeding 2 pages demonstrating that your company is **willing to make** the required commitments and meet each of the qualifications.

1.9.2 Company

A. A brief history and description of your company;

AutoZone is the nation's leading retailer of automotive parts and accessories with over 3,600 stores in the US, Puerto Rico, and Mexico. Each store carries an extensive line for cars, sport utility vehicles, vans and light trucks, including new and remanufactured hard parts, maintenance items and accessories. Since opening its first store in Forrest City, Ark., on July 4, 1979, the Company has joined the New York Stock Exchange (NYSE: AZO) and earned a spot in the Fortune 500.

B. Total number and location of sales persons employed by your company;

Please refer to AZ Attachment "AZ Sales Force and AZ Locations"

C. Number and location of distribution outlets (if applicable);

3,655

D. Number and location of support centers (if applicable);

1 Store Support Center

– **Memphis, TN**

7 Distribution Centers

- **Zanesville, OH**
- **Lavonia, GA**
- **Lexington, TN**
- **Danville, IL**
- **Dallas, TX**
- **Phoenix, AZ**
- **Ontario, CA**

E. Annual sales for 2003, 2004 and 2005.

Below Sales are for our consolidated enterprise.

2003-\$5,457 MM

2004-\$5,637MM

2005-\$5,711MM

Fiscal year generally runs approximately September 1 through August 31.

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- F. Submit your current Federal Identification Number and latest Dun & Bradstreet report.

Fed Tax ID# 62-1611058

1.9.3 Distribution

- A. Describe how your company proposes to nationally distribute the Products outline in this RFP through your wholesale distribution system.

AZ will distribute the products outlined in this RFP by one of the below methods dependent upon time and distance from the servicing AZ location.

- **Local AZ delivery truck**
- **Third Party Ground Shipping**
- **AZ tractor trailer**
- **LTL carrier**

General Distribution Guidelines

AutoZone products will be distributed to our AZ stores from our Distribution Centers (DCs) directly to our chain of 3,655 stores nationwide. Each USC location will receive products directly from an AZ store.

Each USC ordering entity will receive AutoZone's electronic program AutoZone Parts Connect (AZPC). This computer software will enable each ordering location to place parts orders directly with the servicing AZ Store. This software program allows the user to have access to inventory and pricing.

The order will be placed as described in section 1.8 Supplier Qualifications, which will create a pick-ticket in the servicing AZ store. The Commercial Manager in the servicing AZ store will pick and invoice the part, and stage the part to be delivered.

Standard Hot Shot Delivery

Regardless of the ordering method as outlined in section 1.8 Supplier Qualifications, (existing or future capacity), USC members within twelve (12) minutes or five (5) miles of an AZ Commercial Store will be serviced by that store and parts delivered by local delivery trucks.

Standard Non-Hot Shot Delivery

Existing Delivery Method

Locations that outside of twelve (12) minutes or five (5) miles will still be connected to an AZ store via AZPC. The same functionality will exist as described above. Delivery will take place via Third Party Ground Shipper, as opposed to an AutoZone delivery vehicle.

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Future Delivery Method

USC members outside twelve (12) minutes or five (5) miles will be serviced directly from the servicing DC that covers that part of the country. Each of these members will be assigned an order and delivery date in AZ's replenishment system that presently services our 3,600 plus locations and over 1,200 Midas stores in the United States. Each of these locations would receive a "truck order" as determined by need of the member.

- B. Identify all other companies that will be involved in processing, handling or shipping the Product to the end user;

AZ employees will be the only employees that will be involved in processing, picking, and packaging for final delivery. AZ does employ LTL carriers in the assistance of moving our product from our DCs to particular locations in the country. In the Future Delivery Method described above in section A, these LTL carriers may be employed to move product from our DCs to USC members. Please refer to AZ Attachment "AZ LTL Carriers by DC".

- C. State the effectiveness of the proposed distribution in providing the lowest cost to the end user.

Adding USC member cargo to our company owned, closed loop distribution system will be very effective. AZ is the low cost provider in terms of distribution of the product to our 3655 stores.

- D. Provide the number, size and location of your company's distribution facilities, and warehouses (by city and state);

DCs

- Zanesville, OH – 514,317 sq. ft.
- Lavonia, GA – 421,339 sq. ft.
- Lexington, TN– 337,763 sq. ft.
- Danville, IL – 295,164 sq. ft.
- Terrell, TX – 574,375 sq. ft.
- Phoenix, AZ – 362,613 sq. ft.
- Ontario, CA – 400,000 sq. ft.

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- E. State the company's standard delivery time and any options, including delivery costs for expediting delivery, and return policies.

Standard Hot Shot Delivery Time for Stocked Items

Distance from Store	Expected Delivery Interval
0-3 Miles	30 Minutes or less
3-5 Miles	30-45 Minutes
>5 Miles	Scheduled Delivery

Optional Hot Shot Delivery Time for Stocked Items (Sister Store, Hub, VDP)

- Routing from a sister store: If a part is not in stock but found in a close sister store, then delivery time will increase to the extent that it takes to send a driver to that sister store to pick up said part. This should not exceed 1 to 2 hours.
- Routing from a Hub store: If a part is not in stock or is not available at a sister store, the hub store that supports the servicing AZ store will be able to provide same day service if the part is ordered from our hub by approximately noon. *"Approximately" is used due to the differences in hub routes, schedules, etc. that is existing from market to market.* If the order is after 12:00pm, then the part will not arrive till noon the next day.
- Vendor Direct Part (VDP): If the part needed is only available at our vendor, AZ will ship this part from the vendor in question, next day to the AZ servicing store, as long as the order does not exceed 150 lbs. For single orders that require a VDP part over 150 lbs., the delivery will be delivered LTL, which would deliver in 3 – 5 days.

Standard Non-Hot Shot Delivery Time

For USC locations outside of 12 minutes or five (5) miles, the following delivery times and costs will apply.

Existing Delivery Method

Locations that are outside of twelve (12) minutes or five (5) miles may pay applicable Third Party Shipping rates. These rates will be determined based upon that Third Party's standard shipping zone and per mile procedures. Presently, AZ uses FedEx Ground, and as it relates to the charge per mile with FedEx Ground, the rates that we would charge are based on the same rates that AZ has contracted with FedEx, and represent substantial savings over FedEx Ground published rates. *Due to AZ's confidentiality agreement with FedEx, a statement cannot be provided in this RFP.*

Delivery Times

- For USC locations that are outside of twelve (12) minutes or five (5) miles, delivery time will be 3- 5 days in the continental United States
- For USC locations in Alaska, Hawaii, or Puerto Rico, delivery time will be 11-14 days

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Future Delivery Method

Locations that are outside of the normal distribution radius will be shipped directly from our servicing DC as described above. The order will be placed via the Web interface, and that order will be routed directly to the DC, where it will be picked, and placed on a truck for distribution.

Delivery Times

- For DC delivery time through the servicing store from time of order receipt at the DC <8 days in the continental US
- For DC delivery time through the servicing store from time of order receipt at the DC <14 days in Puerto Rico, Alaska, or Hawaii

Expedited Delivery for Non-Hot Shot Locations

Any item that has to be expedited from either a store or a DC, regardless of the existing or future delivery method, will pay the Third Party Shipping charges as listed above.

Delivery Times

- Will be priced as needed to meet the need of the USC location.

Return Policy

AZ's return policy has two types, damaged and undamaged.

Damaged

AZ's damaged return policy is to replace the defective part free of charge. We would require that the returning entity provide the original repair order.

Undamaged

AZ's undamaged return policy is open to returns at anytime as long as the package is unopened, undamaged, and the part in question is normally stocked in the AZ store in which the return is being processed.

This return policy excludes any non-AZ part acquired (outside buy).

- F. Identify your company's retail store locations (by state) and quantities.

See Attachment "AZ Sales Force and AZ Locations"

Section 1 Introduction and Background

G. Identify the delivery interval after receipt of order (ARO) for locally delivered products.

Delivery intervals will be based on the following grid for AZ stocked merchandise.

Distance from Store	Expected Delivery Interval
0-3 Miles	30 Minutes or less
3-5 Miles	30-45 Minutes
>5 Miles	Scheduled delivery

H. Provide your retail stores hours of operation.

Refer to attachment “AZ Sales Force and AZ Locations” for the store hours of operations.

I. Describe your retail store “will call” or pick up policy and procedure and how such orders will be incorporated into any subsequent contract (i.e. contract pricing, reporting, p-card usage or summary billing, etc).

Any AZ store will be able to bill and invoice a will call order. As our Point of Sale (POS) system is nationwide, any ordering entity, knowing their unique Personal Identification Number (PIN) will be able to place the order, and have any AZ Stocked part pulled, invoiced, and ready for pick up within the stores operational hours.

These orders will be incorporated into any subsequent contract with no difference in terms of pricing, reporting, p-card usage, or summary billing, etc. Our system works solely on the PIN basis and thus all of the above parameters are already a part of the AZ Commercial Customer system.

1.9.4 Marketing

A. Outline your company’s plan for marketing the Products to state and local government agencies nationwide

AZ’s plan for marketing the products to state and local government agencies is to provide a prospectus to our entire field sales force in terms of the contract with US Communities to which they are accountable. Our field sales force will be held accountable to contacting those agencies with the intent of signing them up to become a US Communities member to do business with AZ.

Section 1

Introduction and Background

- B. Explain how your company will educate its national sales force about the Master Agreement.

Upon final approval of agreement a procedural document is drafted and sent to the Policy Center located in our stores' Daily On-Line Communication system (DOC). With this system any and all step-by-step processes and/or procedures are easily accessible to all AZ store personnel on an as needed basis. On implementation date of the program, we also incorporate a just-in-time info media called ShopTalk. These are one-page, bulletized, what-you-need-to-know documents that are placed on a bulletin board in the stores for high visibility of all AZ store personnel. Along with these electronic and print forms of communication, we also include a conference call with the store management on a weekly basis highlighting the talking points for the week. These conference calls are used to introduce new programs as well as updating AutoZone personnel on the progress with existing programs.

- C. Explain how your company will market and transition the Master Agreement into the primary offering to Participating Public Agencies

AZ will market and transition the Master Agreement into the primary offering to the Participating Public Agencies by assigning contact responsibilities throughout the sales force, starting with the National Account Manager through the Commercial Specialists at the store. Assigned agencies will be contacted with the intent to inform and enroll.

- D. Explain how your company plans to market the Master Agreement to existing government customers and transition these customers to the Master Agreement.

See C above.

- E. Explain how your company proposes to resolve any complaints, issues or challenges.

The first contact that we will expect any US Communities member to contact will be our locally empowered field management teams.

In addition to the field management team, AZ presently incorporates a call center where customer complaints, issues or challenges are directed. This is our Contact Center, and is located in Memphis at our Store Support Center. Here, a bilingual staff of roughly 120 customer service professionals is empowered to resolve or escalate any type of customer concern. There is also an automated system that will provide callers with the phone number of the nearest AutoZone regional office located by zip code. This system is available 24 hours a day, 7 days a week. Live agents are staffed 7 days per week from 5AM CST through 2AM CST. All phone calls are answered within 30 seconds and with an average abandon rate of less than 3%. The Contact Center is committed to supporting the AutoZone Vision by relentlessly providing "Best in Class" customer service for all of our customers.

Section 1 Introduction and Background

- F. Please submit the resume' of the person your company proposes to serve as the National Accounts Manager.

See the resume of Jim Weaver attached.

1.9.5 Products

- A. Provide a description of the Products to be provided by the major product category set forth in Sections 1.1 above. THE PRIMARY OBJECTIVE IS FOR EACH SUPPLIER TO PROVIDE ITS ENTIRE CATALOG OF PRODUCT SO THAT PARTICIPATING PUBLIC AGENCIES MAY ORDER A BROAD RANGE OF PRODUCT AS APPROPRIATE FOR THEIR NEEDS.

The Pricing Form below provides a major vendor cross for the vendors listed. AZ will provide our full catalog through the interactivity through the point of order to our stores via phone. AZPC will provide visibility, availability, and price of AZ's entire world of product. If the servicing store is out of stock on a particular component, they will be able to secure the product from an AZ sister or hub store as previously discussed in section 1.9.3.

Revised from Addendum #1 Section 1.9.5 Products (B) to read as follows:

- B. Provide a description of all services to be provided your company, including, but not limited to trade-in and/or disposal of spent battery and/or radiator cores (if applicable) and any other customer service center activities such as links to shippers, and shipment tracking, return item process, and any other services you may offer.

Exception Taken by AutoZone on Revision from Addendum #1, Section 1.9.5 Products (B)

Explanation for Exception:

AZ will be able to provide battery and radiator core pickup in this section for Hot Shot now and in the future (future being defined as when the AZ Web solution is put into place and the Non- Hot Shot locations are being serviced by our DCs.) AZ will not be able to provide Battery and Radiator Core service as drafted for the Non-Hot shot serviced locations until the Web solution is in place.

Services AZ will provide are as follows:

- **Battery and Radiator Core Handling**
 1. **Hot Shot locations will be processed by the local AZ Store**
 2. **Non-Hot Shot locations will be processed by the DC once the Web solution is in place**
 3. **NO Core handling for Non – Hot locations in interim till Web solution is in place.**
- **72-hour core bank where cores are “banked” at no charge.**
- **Labor claim reimbursement; AZ will offer the refund policy to any USC member which consists of 50% of the labor on a repair necessitated by a faulty part that is normally stocked and sold by AZ.**

Section 1 Introduction and Background

- C. Describe any special programs that your company offers that will improve customers' ability to access Products, such as ship-from-stock availability, on-time delivery or other innovative strategies.

AZ's strategies that set us above our competition are:

- **AZ's national footprint of 100% company owned locations promotes superior consistent customer handling processes and procedures**
- **Real time inventory and ordering**
- **Reduction of stocking requirements at each location due to AZ's extensive inventory in our stores and hub network**

- D. State backorder policy. Do you require Agency to reorder if item is backordered?

Any product that is not available at time of delivery must be reordered by the ordering agency.

- E. Describe the capacity of your company to broaden and keep the product offerings current and ensure that latest equipment, standards and technology for Automotive Parts and Accessories are available.

AutoZone's capacity to broaden and keep the product offerings current is managed by our Merchandising department. In our Store Support Center (SSC) or AZ's world headquarter facility, in Memphis, TN, the Merchandising department has the responsibility to research, source, contract, and buy the current product offerings from thousands of suppliers across the world. The department supports 3,655 retail outlets in the continental US, Mexico and Puerto Rico. The success of AZ can be directly contributed to the merchandising departments' never ceasing sense of commitment and relentless pursuit of the best vendor and the best price.

1.9.6 Administration

- A. Describe your company's capacity to employ EDI, telephone, facsimile, electronic, retail and internet ordering with a specific proposal for processing orders under the Master Agreement. State which forms of ordering allow the use of a procurement card and the accepted banking (credit card) affiliation.

Presently, AZ's capacity to employ EDI is limited to our vendors, the companies that provide us product. In the near future, slated for completion by July 1 is the capability for AZ to send 850s to our customers.

Telephone ordering is available at all of our locations.

Facsimile ordering is available at many of our stores. Presently, responsibility to install a fax in our stores is determined by local field management, on a case by case basis. If the need arises in an interim basis prior to the completion of the Web based ordering initiative, AZ will review that need and act accordingly.

Retail ordering will not have any limitations place on it. As described earlier, AZ's sales are tracked and inputted based on specific entity and uses a PIN. Any USC member knowing their PIN will be able to secure USC Net price at any location of any AZ stocked item.

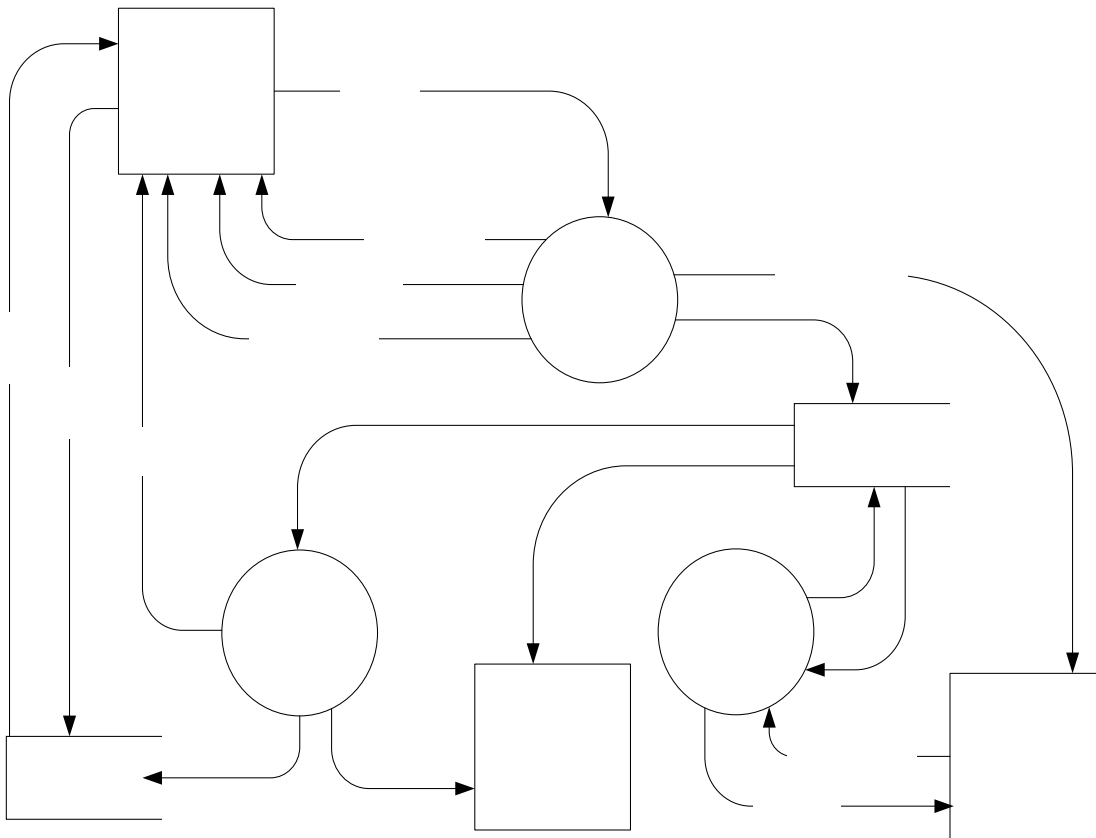
Internet ordering will be completed as listed above in the timeframe listed above.

Section 1 Introduction and Background

All types of accounts can be paid for by P-Card, except that of a PROX account as maintained by CitiCapital Services (CCS). CCS at this time does not accept P-Card as a payment. CCS's balance forward type account, can accept P-Card as a method of payment.

- B. Describe your company's internal management system for processing orders from point of customer contact through delivery and billing.

AutoZone's system for order processing is illustrated below:



- 1) The participating government agency would place an order for parts from AutoZone's web site.
- 2) The order would be stored in a database and forwarded on to an AutoZone Commercial Store or AutoZone Distribution Center for processing and fulfillment. The store or DC is selected based on proximity to the government agency's location.
- 3) The AutoZone store or distribution center would fulfill the order and schedule delivery.
- 4) The order would be delivered to the participating government agency
- 5) Order support from pre-order to post-order will be handled by Customer Service Agents at AutoZone.
- 6) Once the order has been received, AutoZone will send along billing and payment information to the participating government agency.

Account information on AutoZone's web site will include delivery address, order history, order status, billing and payment information, etc.

Gov't Agency

Section 1 Introduction and Background

Please state:

1. If your internet ordering system is OBI (open buying on the internet) compatible;

Our Internet ordering system does not conform to the OBI standard, but our system does conform to basic e-commerce principles for online ordering.

2. If you use a single system or platform for all phases of the ordering, processing, delivery and billing.

AutoZone does not use a single system for all phases of the ordering, processing, delivery and billing process. Each phase uses a distinct system that is integrated with each subsequent system.

- C. Describe the state of e-commerce within your company and detail how Participating Public Agencies can benefit from your approach.

In the future, AutoZone will be using look up and search functionality similar to Office Depot's b2b web site. This functionality will give our customers the flexibility to determine how they want to find the parts for their vehicle. Customers will be able to look up a part by vehicle, part number or brand. The search functionality will be highly tuned to deliver appropriate results unlike some web sites that deliver no results or hundreds of results per search term. AutoZone will be able to monitor customer search terms and tune our search to return only the most appropriate results that are available. AutoZone will be able to also have the ability to monitor customer interaction with the site through web site analytics software. Using this software, AutoZone will be able to quickly identify trouble spots in our user interface and determine the most appropriate fix.

- D. Describe your company's implementation and success with existing cooperative purchasing programs, if any, and provide the entity's name(s), contact person(s) and contact information as reference(s).

AZ has never attempted to work with a cooperative purchasing program.

- E. Describe the capacity of your company to report quarterly sales under the Master Agreement by Participating Public Agency within each State.

Participating Public Agencies will be assigned a unique PIN. The PIN will be used to track any account activity. Using the unique assigned PIN, AZ will be able to report sales for each participating public agency.

The sales reporting will be generated from a centralized database located at the Store Support Center in Memphis, TN. The database is updated on a daily basis. Using this database, AZ will be able to track sales and return information for each assigned PIN.

Reporting and analytical tools will be leveraged to extract and format the sales data to meet the format requirements outlined in Attachment A, Exhibit V.

Section 1 Introduction and Background

- F. Describe the capacity of your company to provide management reports, i.e. commodity histories, procurement card histories, etc. for each Participating Public Agency.

By leveraging the centralized database mentioned previously, AutoZone will be able to use tools such as SAS, Cognos and Actuate to extract and manipulate data.

AutoZone employs many data analysts that have experience using these tools. These skilled individuals are very familiar with extracting, modeling and forecasting using the business data.

The data analysts will create scheduled queries and reports to gather the management reports mentioned.

- G. Describe the capacity of your company to meet Minority and Women Business Enterprises (MWBE) and other local purchasing preferences, which will vary among Participating Public Agencies.

As AZ stores are 100% company owned and AZ is a public traded company on the New York Stock Exchange, we will not have the opportunity to support the MWBE directive as the intent of that program.

- H. Please provide any suggested improvements and alternatives for doing business with your company that will make this arrangement more cost effective for your company and Participating Public Agencies.

Section 1

Introduction and Background

BUSINESS PROPOSAL

1.10.1 Pricing

- A. Provide the pricing using a **fixed percentage (%) discount** from a MANUFACTURER PRICE LIST or other ***objectively verifiable criteria***, including the Administrative Fee, for each product category your company can provide in Sections 1.1 above.

AZ does not use jobber based pricing in any of our product offerings. Jobber based pricing, although still in the market place in the United States, is diminishing with many of the domestic and international providers of aftermarket automotive products.

AZ's pricing methodology is a derivative of a market competitive price, which is determined by the competition in any given market. Where AZ is positioned in a market where there are multiple competitors our pricing will be less expensive to the consumer. AZ has developed multiple pricing "Zones" as a result of this process. One of the lowest pricing Zones is Zone 45, which is employed at stores in Charlotte, NC, Lancaster, PA, and San Antonio, TX.

AZ proposes to US Communities as a net price a tiered approach based on annual sales.

Lowest Zone less tiered percentage discount, less exclusions above, based upon annual volume.

Using our Lowest Zone Price as a base, AZ will discount based off the following:

- **5% < \$3MM**
- **10% \$3MM – \$10MM**
- **15% \$10MM - \$20MM**
- **20% >\$20MM**

Exclusions

AZ will exclude oil, antifreeze, tools, out side buys, salvage parts, and refrigerant from the discount tier pricing structure. They will be sold at Lowest Zone.

These exclusions will count towards total volume, but will not receive a discount from Lowest Zone price.

- B. A pricing CD will be distributed at the pre-proposal meeting on April 17th. This CD must be completed and returned with all proposals. The CD contains a National Market Basket of specific parts in each category for price comparison. The completed spreadsheet must include product descriptions, product code, manufacturer name, unit of measure, jobber/list price, discount offered and contract price (using discount calculated). Use only the format provided on the CD. The pricing CD can also be obtained by contacting Karen Ruppe per Section 2.3.

Completed. Maximum Discount of 20% off of Lowest Zone, excluding exceptions above.

- C. Provide the reference to the standard index or other objective criteria used to determine pricing of each Product category and state why this the most advantageous to Participating Public Agencies

Section 1 Introduction and Background

The reason this is the most advantageous to Participating Public Agencies is due to this being AZ's most competitive set market price for State or Local agencies with the same payment terms, volume, delivery terms and other conditions set forth in the Master Agreement.

- D. State if the quoted price for each Product category is the most favorable pricing offered by your company to State and local agencies nationwide.

The US Communities net pricing is the most favorable pricing offered by our company to any other State or Local agency with the same payment terms, volume, delivery terms and other conditions set forth in the Master Agreement.

- E. Propose a plan to adjust pricing as market conditions change.

AZ will honor the commitments as outlined in this RFP for the pricing to maintain for one year. Thereafter, AZ would propose that we submit a pricing change file annually. This file will reflect any increases or decreases that we receive through out the year. AZ and USC can agree upon a set format of summary statistics and format the file appropriately. As our prices are hard coded by PIN, the prices will be changed in our system, and will take effect the day after they are loaded into our system.

For reference, the below exception for Section 3.11.9 is listed below.

Exception Taken by AutoZone on Section 3.11.9 Proposal Binding for 180 Days

Explanation for Exception:

In association with the language used to describe pricing under the Business Proposal, 10.1 Pricing, Section E, AZ requests that language be inserted to provide protection to AZ to be able to raise prices should we take a price increase ourselves. To go along with this, we would request that the sentence, "All prices quoted shall be firm and fixed for the full Contract period." Be struck from the RFP/Contract.

- F. Detail any additional pricing incentives that may be available such as for large volume purchase and internet ordering by Participating Public Agencies.

There are no additional pricing incentives at this time. This will be our best price.

Section 1

Introduction and Background

1.11 EVALUATION OF PROPOSALS

Proposals will be evaluated by the Lead Public Agency in compliance with public bidding requirements. U.S. Communities Advisory Board members will be requested to assist the Lead Public Agency in evaluating proposals. The companies with the best value and most competitive proposals may be invited for interviews and a further discussion and negotiations of the proposal content. The overall evaluation of proposals is based on the following:

A. **PROVEN EXPERIENCE** of the company's success in providing automotive parts and accessories (retail and wholesale) on a nationwide basis in a timely manner.

B. **TECHNICAL PROPOSAL**

1. Company (Ref. Paragraph 1.9.2 above)
2. Distribution (Ref. Paragraph 1.9.3 above)
3. Marketing (Ref. Paragraph 1.9.4 above)
4. Products (Ref. Paragraph 1.9.5 above)
5. Administration (Ref. Paragraph 1.9.6 above)

B. **PRICING ANALYSIS** (Ref. Section 5, Form 6: Pricing Schedule and Attachment C: National Market Basket).

NOTE: The Evaluation Committee may request samples of any product quoted for testing or analysis. Upon such request, the Proposer must provide the required samples within 48 hours.

1.12 POST AWARD MEETING

The successful Supplier may be required to attend a post-award meeting with the Lead Agency and/or US Communities staff to discuss terms and conditions of the subsequent Contract.

1.13 SUBMITTAL GUIDELINES

- 1.13.1 Submit one (1) original and six (6) copies;
- 1.13.2 It is the Proposer's responsibility to clearly identify and to describe the products and services being offered in response to the Solicitation;
- 1.13.3 The solicitation forms must be completed legibly and in their entirety;
- 1.13.4 All required information must be furnished and presented in an organized, comprehensive and easy to follow manner;
- 1.13.5 Unnecessarily elaborate brochures of other presentations beyond that sufficient to present a complete and effective proposal is not desired; and
- 1.13.6 Elaborate artwork, expensive paper, bindings, visual and other presentation aids are not required.

1.14 TERM

Any subsequent contract will be awarded for a unit price only where services are anticipated based upon indefinite quantities and services are anticipated subject to appropriations by City Council, Board of City Commissioners or governing board and actual identified needs.

The term of the Master Agreement(s) resulting from this solicitation shall be five (5) years. The Lead Public Agency at its option may extend the contract for two (2) additional one-year extensions if the Contractor and the Lead Public Agency mutually agree upon extensions.

Section 2 Instructions and General Information

2.0 SCHEDULE AND PROCESS.

The following chart shows the schedule of events to prepare your organization's Proposal. The key events and deadlines for this process are as follows, some of which are set forth in more detail in the Sections that follow:

<i>DATE</i>	<i>EVENT</i>
March 27, 2006	<i>Issuance of RFP.</i> The City issues this RFP.
April 14, 2006	<i>Request for Proposal Acknowledgement.</i> Organizations who intend to submit a Proposal shall submit the RFP Acknowledgement Form by this date to the fax number listed in Section 2.3.
April 14, 2006	<i>Submission of Written Questions.</i> Proposers are permitted to submit to the City written questions, per the instructions in Section 2.3.
April 17, 2006	<i>Pre-Proposal Conference.</i>
May 2, 2006	<i>Proposal Submission.</i> Proposals are due by 12:00 NOON on May 2, 2006, at the City's Procurement Services Division. Proposals submitted after this date will not be opened.
May 2-5, 2006	<i>Evaluation.</i> During this period, the Evaluation Committee will conduct a full detailed evaluation of Proposals.
May 5 or 8, 2006	<i>Presentations and/or Interviews.</i> The final candidates may be asked to provide presentations on these dates.
May 22, 2006	<i>Council Approval.</i> Recommendation of contract award will be considered by City Council on this date.

2.1 Request for Proposals Acknowledgement.

Upon your organization's receipt of this RFP, please acknowledge its receipt via facsimile by **April 14, 2006** using the Request for Proposals Acknowledgement Form located in Section 5, Form 1. Complete the form in its entirety advising the City of your firm's intention to submit or not submit a Proposal and the name, address, telephone number, facsimile number and e-mail address of your primary and secondary contact person. The completed and signed form should be faxed to the Procurement Services Division, Attention: Karen Ruppe, at 704-632-8254.

2.2 Mandatory Pre-Proposal Conference.

A mandatory pre-proposal conference will be conducted on **April 17, 2006 at 9:00 a.m.** The meeting will be held at the Charlotte-Mecklenburg Government Center, 2nd floor conference room #280, located at 600 East Fourth Street, Charlotte, North Carolina, 28202.

Section 2 Instructions and General Information

2.3 Interpretations and Addenda.

No interpretation or clarification of the meaning of any part of this RFP will be made orally to any Proposer with the exception of questions answered at the pre-proposal conference. Otherwise, Proposers must request such interpretations or clarifications in writing from the City. Requests for information or clarification of this RFP must be made in writing and addressed to Karen Ruppe at the address, fax, or e-mail address listed below. Questions should reference the RFP page and topic number.

Karen Ruppe C.P.M.; CLGPO
Procurement Team Leader
600 East Fourth Street
Charlotte, North Carolina 28202
Phone: 704.336.2992
Fax: 704.632.8254
E-mail: kruppe@ci.charlotte.nc.us

The City will post an answer to questions submitted by Proposers or general information concerning the RFP in the form of an addendum on the Internet at www.ips.state.nc.us. RFP information can be accessed at the website by searching for bid number 269-2006-060. It is the responsibility of the Service Provider to check the website for any addenda issued for the Project.

Please submit your questions by **April 14, 2006**.

The City reserves the right to disqualify any Proposer who contacts a City or City official, employee, or agent concerning this RFP other than in accordance with this Section. Nothing in this Section shall prohibit the City from conducting discussions with Proposers after the Proposal opening.

2.4 Submission of Proposals.

One electronic copy on a CD in MS Word and Excel (Attachment C only), plus one unbound original Proposal signed in ink by a company official authorized to make a legal and binding offer along with the corporate seal, and six (6) copies shall be submitted to the address listed in Section 2.3 above by **May 2, 2006 at 12:00 noon**. The "original" Proposal and each of the 6 copies shall be complete and unabridged, and shall not refer to any other copy of the signed/sealed original for any references, clarifications, or additional information. When received, all Proposals and supporting materials, as well as correspondence relating to this RFP, shall become the property of the City. Proposals sent by facsimile will not be accepted.

Due to increased security concerns at the Charlotte-Mecklenburg Government Center (CMGC) any sealed boxes may be searched and thoroughly inspected prior to admittance. Please allow time for this search to take place if delivering your Proposal in person to the CMGC.

Proposals or any part thereof, received after that deadline shall not be considered, nor shall faxed Proposals, whenever received. Please do not arrive at the Proposal opening for the purposes of reviewing your competitor's Proposals. Proposals will not be made available to inspect or copy until any trade secret issues have been resolved.

2.5 Interviews, Meetings and Negotiations with Proposers.

The Proposer may be required to appear before the City and/or its representatives for an interview. During such interview, the Proposer may be required to orally and otherwise present its Proposal and to respond in detail to any questions posed. May 5 and 8, 2006 has been reserved for

Section 2

Instructions and General Information

interviews. Final candidates will be contacted on or about May 3, 2006 with exact date, time and place of interview/presentations.

As part of the evaluation process, the Evaluation Committee may engage in discussions with any Proposer. Discussions might be held with individual Proposers to determine in greater detail the Proposer's qualifications, to explore with the Proposer the scope and nature of the required contractual services, to learn the Proposer's proposed method of performance and the relative utility of alternative methods, and to facilitate arriving at a Contract that will be satisfactory to the City. The City may in its discretion require one or more Proposers to make presentations to the Evaluation Committee.

Additional meetings may be held to clarify issues or to address comments, as the City deems appropriate. Proposers will be notified in advance of the time and format of such meetings.

Since the City may choose to award a Contract without engaging in discussions or negotiations, the Proposals submitted shall define the Proposer's best offer for performing the Services described in this RFP.

2.6 Correction of Errors.

The person signing the Proposal must initial erasures or other corrections in the Proposal. The Proposer further agrees that in the event of any obvious errors, the City reserves the right to waive such errors in its sole discretion. The City, however, has no obligation under any circumstances to waive such errors.

2.7 Payment Discount Terms

Payment terms are Net 30 Days unless Proposer otherwise quotes cash discount terms. The supplier agrees to offer any payment discount terms that are offered to its best customers, and apply such discount to payments made that meet the discount terms.

Cash discounts offered for payment less than 25 days will not be considered by the City when evaluating proposals. All cash discounts shall be taken and computed from the date of delivery or completion and acceptance of the material or service, or from the date of receipt of the invoice, whichever is the latest. Partial payments may be made by the City on delivery and acceptance of goods and on receipt of the Supplier's invoice.

Section 3 General Terms and Conditions

3.0 Definitions:

<i>City:</i>	Refers to the City of Charlotte, North Carolina.
<i>Evaluation Committee:</i>	Refers to a committee, as appointed by the Lead Public Agency, responsible for determining the best Supplier for the Products and Services described in this RFP.
<i>Participating Agency:</i>	Refers to all departments or units of the City of Charlotte, Mecklenburg County, and all other governmental units, towns, boards, or municipalities nationwide.
<i>Products:</i>	Refers to all Automotive Parts and Accessories as outlined in this RFP.
<i>Proposal:</i>	Refers to the Proposal submitted by a Supplier for the Products and Services as outlined in this RFP.
<i>Services:</i>	Refers to planning, reporting, delivery and any other Services related to providing Automotive Parts and Accessories per the requirements of this RFP.
<i>Specifications:</i>	Refers to the specifications and requirements for the products and services as outlined in this RFP.

3.1 Accuracy of RFP and Related Documents.

The City assumes no responsibility for conclusions or interpretations derived from the information presented in this RFP, or otherwise distributed or made available during this procurement process. In addition, the City will not be bound by or be responsible for any explanation, interpretation or conclusions of this RFP or any documents provided by the City other than those provided by the City through the issuance of written addenda. In no event may a Service Provider rely on any oral statement by the City or its agents, advisors or consultants.

Should a Service Provider find discrepancies or omissions in this RFP or any other documents provided by the City, the Service Provider should immediately notify the City of such potential discrepancy in writing, and a written addendum will be made available to each Service Provider, via the Internet, if the City determines clarification necessary. Each Service Provider requesting an interpretation will be responsible for delivering such requests to the City's designated representative in writing.

3.2 City's Rights and Options.

The City reserves the following rights, which may be exercised at the City's sole discretion:

- 3.2.1 To supplement, amend, substitute or otherwise modify this RFP at any time;
- 3.2.2 To cancel this RFP with or without the substitution of another RFP;
- 3.2.3 To take any action affecting this RFP, this RFP process, or the Services or facilities subject to this RFP that would be in the best interests of the City;
- 3.2.4 To issue additional requests for information;
- 3.2.5 To require one or more Service Providers to supplement, clarify or provide additional information in order for the City to evaluate the Proposals submitted;
- 3.2.6 To conduct investigations with respect to the qualifications and experience of each Service Provider;
- 3.2.7 To waive any defect or irregularity in any Proposal received;

Section 3 General Terms and Conditions

- 3.2.8 To reject any or all Proposals;
- 3.2.9 To award all, none, or any part of the items that is in the best interest of the City, with one or more of the Service Providers responding, which may be done without or without re-solicitation.
- 3.2.10 To discuss and negotiate with selected Service Provider(s) any terms and conditions in the Proposals including but not limited to financial terms; and
- 3.2.11 To enter into any agreement deemed by the City to be in the best interest of the City, with one or more of the Service Providers responding.

3.3 Non-Exclusive Contract.

The City of Charlotte's current Automotive Parts contracts expire on November 12, 2006. The City shall determine whether or not to utilize any subsequent Master Agreement prior to the expiration date of the existing contracts.

The City reserves the right, and nothing herein shall preclude it from doing so, to acquire the same item(s) provided in this contract from other sources during the term of the contract.

Exception Taken by AutoZone on 3.3 Non-Exclusive Contract

Explanation for Exception:

AZ would like to change the language of this section to reflect that once the contract is signed, AZ receives first call from US Communities members on all AZ items that AZ could normally provide. Light Duty (up to one ton) parts and components that match our general categories.

- 3.4 **Brand Name:** If and whenever brand names, makes, names of manufacturers, trade names, bidder catalogs or model numbers are stated, they are for the purpose of establishing a grade or quality of material. The City may accept any approved equal as defined in Section 3.5.

- 3.5 **OR EQUAL Interpretation:** It is the Proposer's responsibility to prove to the City /City that each bid item is equal to the grade or quality of material specified.

On all such bids, the bidder shall indicate clearly the product (brand and catalog or model numbers) on which the bid is based, and shall supply a sample and sufficient data to enable a comparison to be made by the City with the particular brand or manufacturer specified. Failure to submit the required information shall be sufficient grounds for rejection of proposal.

The City shall be the sole judge concerning the merits of the grade or quality of product specified. If the bidder has questions relative to whether their product is equal to the grade or quality of the product specified, the issue shall be resolved during the pre-bid conference. If the extent of the discussion precludes resolution at the pre-bid conference, the vendor should contact the Procurement Services

Division representative and resolve the issue prior to submission of their bid.

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3.6 Preparation for Delivery:

- (A) **Packing:** Packing shall be in accordance with acceptable commercial practices for domestic shipments, unless otherwise stated in the Invitation to Bid or as revised and included in writing in the contract with the City or on the purchase order. The bidder shall make shipments using the minimum number of containers consistent with the requirements of safe transit, available mode of transportation routing. It shall be the bidder's responsibilities to determine the packing is done adequately to assure all the materials arrive at the correct destination in an undamaged condition ready for their intended use.
- (B) **Marking:** All cartons shall be clearly identified with the City purchase order number and the name of the department/key business making the purchase. Packing lists must be affixed to each carton showing their contents or included inside the carton. If more than one carton is shipped, each carton is to be numbered giving the number of that carton in relation to the total number of cartons shipped in response to the order, i.e. 1 of 4, 2 of 4, etc.

Exception Taken by AutoZone on 3.6 Preparation for Delivery, Marking

Explanation for Exception:

On Hot Shot and Non-Hot Shot orders picked and delivered from our local AZ Stores and our DCs, AZ does not have the capability mark each carton 1 of 4, 2 of 4, etc.

- (C) **Shipping:** The bidder shall follow shipping instructions as stated in the Invitation to Bid, on the purchase order or as written in the contract.

3.7 Quality: All components used to manufacture or construct any supplies, materials or equipment covered in this Invitation to Bid shall be new (unless otherwise specified), the latest model, of the best quality and highest grade workmanship. Materials must comply with all applicable Federal and State OSHA requirements in affect at the time this Invitation to Bid is issued. All materials must meet the minimum requirements of the American Society for Testing and Materials (ASTM) as applicable.

3.8 Acceptance of Goods/Services:

Goods delivered under this Invitation to Bid shall remain the property of the successful bidder until a physical inspection and actual usage of this material and/or services is made and therefore accepted to the satisfaction of the City or Participating Agency. IN THE EVENT THE GOODS SUPPLIED TO THE CITY OR PARTICIPATING AGENCY ARE FOUND TO BE DEFECTIVE OR DO NOT CONFORM TO SPECIFICATIONS, THE CITY OR PARTICIPATING AGENCY RESERVES THE RIGHT TO CANCEL THE ORDER AND RETURN THE PRODUCT TO THE SUCCESSFUL BIDDER AT THE SUCCESSFUL BIDDERS EXPENSE. One failed sample from each order would be considered representative of the entire order and the entire order would be returned. In the event the services rendered do not conform to the specifications in the Invitation to Bid, the City reserves the right to cancel the written notice to the successful bidder.

3.9 Expense of Submittal Preparation.

The City accepts no liability for the costs and expenses incurred by the Service Providers in responding to this RFP, in preparing responses for clarification, in attendance at interviews, participating in contract development sessions, or in meetings and presentations required for the contract approval process. Each Service Provider that enters into the procurement process shall

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prepare the required materials and submittals at its own expense and with the express understanding that the Service Provider cannot make any claims whatsoever for reimbursement from the City for the costs and expenses associated with the procurement process.

3.10 Material Safety Data Sheets (MSDS): Disc pads, lined brake shoes, shoe lining and clutch discs must be accompanied by the corresponding MSDS sheet. Any additional MSDS sheets requested by the City or Participating Agency must be provided within 24 hours of request.

3.11 Proposal Conditions.

The following terms are applicable to this RFP and the Service Provider's Proposal.

3.11.1 RFP Not an Offer.

This RFP does not constitute an offer by the City. Neither binding contract, obligation to negotiate, nor any other obligation shall be created on the part of the City unless the City and the Service Provider execute a Contract. No recommendations or conclusions from this RFP process concerning the Service Provider shall constitute a right (property or otherwise) under the Constitution of the United States or under the Constitution, case law, or statutory law of North Carolina.

3.11.2 Right to Terminate Discussions.

The Service Provider's participation in this process might result in the City selecting the Service Provider to engage in further discussions. The commencement of such discussions, however, does not signify a commitment by the City to execute a Contract or to continue discussions. The City can terminate discussions at any time and for any reason.

3.11.3 Requirement for Representation as to Accuracy and Completeness of Proposal.

Each Service Provider shall make the following representations and warranty in its Proposal Cover Letter, the falsity of which might result in rejection of its Proposal: **"The information contained in this Proposal or any part thereof, including its Exhibits, Schedules, and other documents and instruments delivered or to be delivered to the City, is true, accurate, and complete. This Proposal includes all information necessary to ensure that the statements therein do not in whole or in part mislead the City as to any material facts."**

3.11.4 Trade Secrets/Confidentiality.

Upon receipt at the Procurement Services Division, your Proposal is considered a public record except for material which qualifies as "trade secret" information under N.C. Gen. Stat. 66-152 et. seq. After the Proposal opening, the City's Evaluation Committee, as well as other City staff and members of the general public who submit public records requests will review the Proposal.

The public disclosure of the contents of each Service Provider Proposal submitted in response to this RFP is governed by Chapter 132 and 66-152 et. seq. of the General Statutes of North Carolina. If any Proposal contains trade secret information as defined by Chapter 66-152 et. seq. of the General Statutes of North Carolina, such trade secret information should be specifically and clearly identified in accordance with this Section 2.4.4.

To properly designate material as trade secret under these circumstances, each Service Provider must take the following precautions: (a) any trade secrets submitted by a Service Provider should be submitted in a separate, sealed envelope marked **"Trade Secret—Confidential and Proprietary Information—Do Not Disclose Except for the Purpose**

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of Evaluating this Proposal,” and (b) the same trade secret/confidentiality designation should be stamped on each page of the trade secret materials contained in the envelope.

In submitting a Proposal, each Service Provider agrees that the City may reveal any trade secret materials contained in such response to all City staff and City officials involved in the selection process, and to any outside consultant or other third parties who serve on the Evaluation Committee or who are hired by the City to assist in the selection process.

Furthermore, each Service Provider agrees to indemnify and hold harmless the City and each of its officers, employees, and agents from all costs, damages, and expenses incurred in connection with refusing to disclose any material, which the Service Provider has designated as a trade secret. **Any Service Provider that designates its entire Proposal as a trade secret may be disqualified.**

3.11.5 Statutory Requirements

Any Contract awarded as a result of this RFP shall be in full conformance with all statutory requirements of North Carolina and all statutory requirements of the Federal Government, to the extent applicable.

Exception Taken by AutoZone ON 3.11.5 Statutory Requirements

Explanation for Exception:

AZ will be in compliance to the extent that private employers who are not government agencies or subcontractors are held.

3.11.6 Additional Evidence of Ability

Service Providers shall be prepared to present additional evidence of experience, qualifications, abilities, equipment, facilities, and financial standing. The City reserves the right to request such information at any time during the Proposal evaluation period for this RFP.

3.11.7 No Collusion or Conflict of Interest.

By responding to this RFP, the Service Provider shall be deemed to have represented and warranted that the Proposal is not made in connection with any competing Service Provider submitting a separate response to this RFP, and is in all respects fair and without collusion or fraud.

3.11.8 Proposal Terms Firm and Irreversible.

The signed Proposal shall be considered a firm offer on the part of the Service Provider. The City reserves the right to negotiate price and Services. All Proposal responses (including all statements, claims, declarations, prices and specifications in the Proposals) shall be considered firm and irrevocable for purposes of future Contract negotiations unless specifically waived in writing by the City. **The Service Provider chosen for award should be prepared to have its Proposal and any relevant correspondence incorporated into the Contract, either in part or in its entirety, at the City's election.** Any false or misleading statements found in the Proposal will be grounds for disqualification.

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3.11.9 Proposal Binding for 180 Days.

Each Proposal shall contain a statement to the effect that the Proposal is a firm offer for one-hundred-eighty (180) calendar day period from the date of the opening. This statement must be signed by an individual authorized to bind the Service Provider and include their name, title, address, and telephone number. All prices quoted shall be firm and fixed for the full Contract period. The City shall have the option to accept subject to exception by Contract.

Exception Taken by AutoZone on Section 3.11.9 Proposal Binding for 180 Days

Explanation for Exception:

In association with the language used to describe pricing under the Business Proposal, 10.1 Pricing, Section E, AZ requests that language be inserted to provide protection to AZ to be able to raise prices should we take a price increase ourselves. To go along with this, we would request that the sentence, "All prices quoted shall be firm and fixed for the full Contract period.", be struck from the RFP/Contract.

3.11.10 Subcontracting

The Service Provider given contract award shall be the prime contractor and shall be solely responsible for contractual performance. In the event of a subcontracting relationship, the Service Provider shall remain the prime contractor and will assume all responsibility for the performance of the Services that are supplied by the subcontractor. Additionally, the City must be named as a third party beneficiary in all subcontracts.

3.11.11 Equal Opportunity

The City has an equal opportunity purchasing policy. The City seeks to ensure that all segments of the business community have access to supplying the goods and services needed by City programs. The City provides equal opportunity for all businesses and does not discriminate against any Service Providers regardless of race, color, religion, age, sex, and national origin or disability.

3.11.12 Use of City's Name

No advertising, sales promotion or other materials of the Service Provider or its agents or representatives may identify or reference the City in any manner absent the prior written consent of the City.

3.11.13 Withdrawal for Modification of Proposals

Service Providers may change or withdraw their Proposals at any time prior to Proposal opening; however, no oral modifications will be allowed. Only telegrams, letters, or other formal written requests for modifications or corrections of a previously submitted Proposal, which is addressed in the same manner as the Proposal, and received by the City prior to the scheduled closing time for receipt of Proposals, will be accepted. The Proposal, when opened, will then be corrected in accordance with such written request(s), provided that the written request is contained in a sealed envelope, which is plainly marked "**Modifications to Proposal.**"

3.11.14 No Bribery.

In submitting a response to this RFP, each Service Provider certifies that neither it, any of its affiliates or subcontractors, nor any employees of any of the foregoing has bribed, or attempted to bribe, an officer or employee of the City in connection with the Contract.

Section 3

General Terms and Conditions

3.11.15 Exceptions to the RFP.

Other than exceptions that are stated in compliance with this Section, each Proposal shall be deemed to agree to comply with all terms, conditions, specifications, and requirements of this RFP. An “exception” is defined as the Service Provider’s inability or unwillingness to meet a term, condition, specification, or requirement in the manner specified in the RFP. All exceptions taken must be identified and explained in writing in your Proposal and must specifically reference the relevant section(s) of this RFP. If the Service Provider provides an alternate solution when taking an exception to a requirement, the benefits of this alternative solution and impact, if any, on any part of the remainder of the Service Provider’s solution, must be described in detail.

3.11.16 Fair Trade Certifications.

By submission of a Proposal, the Service Provider certifies that in connection with this procurement:

- The prices have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such prices with anyone;
- Unless otherwise required by law, the prices which have been quoted in its Proposal have not been knowingly disclosed by the Service Provider and will not knowingly be disclosed by the Service Provider prior to opening; and
- No attempt has been made or will be made by the Service Provider to induce any other person or firm to submit or not to submit a Proposal for the purpose of restricting competition.

3.11.17 Clarification of Ambiguities.

Any Service Provider believing that there is any ambiguity, inconsistency or error in this RFP shall promptly notify the City in writing of such apparent discrepancy. Failure to notify will constitute a waiver of claim of ambiguity, inconsistency or error.

3.11.18 Service Provider’s Obligation to Fully Inform Themselves.

Service Providers or their authorized representatives are expected to fully inform themselves as to all conditions, requirements and specifications of this RFP before submitting Proposals. Failure to do so will be at the Service Provider’ own risk.

3.11.19 Disclaimer.

Each Service Provider must perform its own evaluation and due diligence verification of all information and data provided by the City. The City makes no representations or warranties regarding any information or data provided by the City.

3.12 SPECIAL CONDITIONS

3.12.1 Price Change: Should it be found to be in the best interest of the Lead Public Agency to accept a proposal with an escalation clause, the following shall apply:

- a. The proposal price shall be initially accepted for a specific contract term. Upon written receipt from Proposer to the Lead Public Agency of documented materials and labor price increases impacting Proposer's cost for such items, the Lead Public Agency may approve an escalation in the proposal price for a current or revised specific contract term. If the Proposer is submitting an escalation clause in their proposal, it shall be so indicated with specifics of the clause, on the detailed price proposal page in the detailed specifications in the Request for Proposals.

Section 3 General Terms and Conditions

- b. This written request to support any proposed increases must be submitted to the Procurement Services Division representative responsible for this procurement for consideration not less than sixty (60) days prior to the effective date of any such requested price increase.
- c. Any adjustment allowed shall consist of bona fide material/service cost increases, which may be passed on to the consumer.
- d. No adjustment shall be made to compensate a Proposer for inefficiency in operation or for additional profit.

Exception Taken by AutoZone on Section 3.12.1 Price Change, a,b,c,d.

Explanation for Exception:

In association with the language used to describe pricing under the Business Proposal, 10.1 Pricing, Section E, AZ requests that language be inserted to provide protection to AZ to be able to raise prices should we take a price increase ourselves. To go along with this, we would request that the sentence, “All prices quoted shall be firm and fixed for the full Contract period.” Be struck from the RFP/Contract

- 3.13 City License Requirement:** A current City of Charlotte and/or Mecklenburg City Business License is required for the successful Proposer who either personally or through agents, solicits business within the City limits; or picks up and/or delivers goods or delivers services within the City limits. All questions regarding licensing should be directed to the Business Tax Collections Office at (704) 336-6315.
- 3.14** The Lead Public Agency reserves the right to disqualify any Proposer who contacts a Lead Public Agency official, employee, or agent concerning this Request for Proposals other than in accordance with this RFP. Nothing in this Section shall prohibit the Lead Public Agency from conducting discussions with Proposers after the Proposal opening.
- 3.15 Non-Discrimination Provision:** The City is committed to promoting equal opportunities for all and to eliminating prohibited discrimination in all forms. For purposes of this section, *prohibited discrimination* means discrimination in the solicitation, selection, and / or treatment of any subcontractor, vendor, supplier or commercial customer on the basis of race, ethnicity, gender, age, religion, national origin, disability or other unlawful form of discrimination. Without limiting the foregoing, *prohibited discrimination* also includes retaliating against any person, business or other entity for reporting any incident of prohibited discrimination. It is understood and agreed that not only is prohibited discrimination improper for legal and moral reasons, prohibited discrimination is also an anti-competitive practice that tends to increase the cost of goods and services to the City and others. As a condition of entering into this Agreement, the Company represents warrants and agrees that it does not and will not engage in or condone prohibited discrimination. Without limiting any rights the City may have at law or under any other provision of this Agreement, it is understood and agreed that a violation of this provision constitutes grounds for the City to terminate this Agreement.

As a condition of entering into this Agreement, the Company further agrees to: (a) promptly provide to the Lead Public Agency all information and documentation that may be requested by the Lead Public Agency from time to time regarding the solicitation and selection of subcontractors; and (b) submit the completed Non-Discrimination Certification included in Section 5, Form 9 of this RFP with your Proposal.

Section 3 General Terms and Conditions

Exceptions Taken by AutoZone on Section 3.15 Non-Discrimination Provision second paragraph, starting with point a) on previous page

Explanation for Exceptions with this section:

1. AZ will insert the word “reasonably” and delete the word “promptly” so that the paragraph will now read as follows:

As a condition of entering into this Agreement, the Company further agrees to: (a) reasonably provide to the Lead Public Agency all information and documentation that may be requested by the Lead Public Agency from time to time regarding the solicitation and selection of subcontractors; and (b) submit the completed Non-Discrimination Certification included in Section 5, Form 9 of this RFP with your Proposal.

2. AZ does not subcontract work out except for the LTL shippers as outlined in our response. In those situations and any future situations, AZ will not provide information and documentation about our selection of d.

- 3.16 Additions/Deletions:** The Lead Public Agency reserves the right to add similar items/services or delete items/services specified in the subsequent contract as requirements change during the period of the contract. Charlotte/Mecklenburg and the Supplier will mutually agree to prices and/or discounts for items/services to be added to the contract. A contract amendment will be issued for each addition or deletion.

ADD From Addendum #1: Section 3.17 as follows:

- 3.17 City of Charlotte/Mecklenburg County Delivery Requirements:** All orders placed by 12:00 noon must be delivered within four hours to the location indicated at the time order is placed. Orders placed after 12:00 noon must be delivered within 24 hours.

ADD From Addendum #1: Section 3.18 as follows:

- 3.18 Spent Battery Cores:** The Service Provider shall be responsible for the pick up and disposal of spent battery cores and hold harmless the City/County at no additional cost.

Exception Taken by AutoZone on Section 3.18 Spent Battery Cores

Explanation for Exception:

AZ will be able to provide battery and radiator core pickup in this section for Hot Shot now and in the future (future being defined as when the AZ Web solution is put into place and the Non- Hot Shot locations are being serviced by our DCs.) AZ will not be able to provide Battery and Radiator Core service as drafted for the Non-Hot Shot serviced locations until the Web solution is in place.

Section 4 Contracting Requirements

4.0 City Contracting Requirements.

The City will enter into an Agreement written by the City with the successful Service Provider that contains the terms and conditions set forth in this Section. Each Service Provider must state specifically in its Proposal any exceptions to the terms and conditions included in this Section, and any proposed additional terms or conditions deemed important by the Service Provider. The City will take any such exceptions and proposed additions into account during the evaluation process. Any terms and conditions that the Service Provider does not specifically object to will be incorporated into the resultant Agreement. Notwithstanding the foregoing, the City reserves the right to change the proposed contractual terms and conditions prior to or during contract negotiations if it is in the City's best interest to do so.

The terms and conditions set forth in this section are not all inclusive. The City will propose additional terms and conditions based on the responses to this RFP and the City's analysis of the successful Supplier's proposal.

As used in this Section of the RFP, the term "Agreement" shall refer to the Contract entered into between the City and the successful Suppliers, and the term "Company" shall refer to the successful Suppliers.

4.1 General Warranties.

Company represents and warrants that:

- 4.1.1 It is a corporation duly incorporated, validly existing and in good standing under the laws of the state of it's incorporation and is qualified to do business in North Carolina;
- 4.1.2 It has all the requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement;
- 4.1.3 The execution, delivery, and performance of this Agreement have been duly authorized by Company;
- 4.1.4 No approval, authorization or consent of any governmental or regulatory authority is required to be obtained or made by it in order for it to enter into and perform its obligations under this Agreement;
- 4.1.5 In connection with its obligations under this Agreement, it shall comply with all applicable federal, state and local laws and regulations and shall obtain all applicable permits and licenses; and

Exception Taken by AutoZone on Section 4.1 General Warranties

Explanation for Exception:

AZ will be in compliance to the extent that private employers who are not government agencies or subcontractors are held.

- 4.1.6 The Company shall not violate any agreement with any third party by entering into or performing this Agreement.

Section 4 Contracting Requirements

4.2 Additional Representations and Warranties.

Company represents warrants and covenants that:

- 4.2.1 The Services shall satisfy all requirements set forth in this Agreement, including but not limited to the attached Exhibits;
- 4.2.2 All work performed by the Company and/or its subcontractors pursuant to this Agreement shall meet industry accepted standards, and shall be performed in a professional and workmanlike manner by staff with the necessary skills, experience and knowledge;
- 4.2.3 Neither the Services, nor any software or hardware provided by the Company under this Agreement will infringe or misappropriate any patent, copyright, trademark or trade secret rights of any third party; and
- 4.2.4 The Company has taken and will continue to take precautions sufficient to ensure that it will not be prevented from performing all or part of its obligations under this Agreement by virtue of interruptions in the computer systems used by the Company.

4.3 Termination.

4.3.1 Termination Without Cause.

The City may terminate this Agreement at any time without cause by giving sixty (60) days prior written notice to the Company.

4.3.2 Termination for Default by Either Party.

By giving written notice to the other party, either party may terminate this Agreement upon the occurrence of one or more of the following events:

- (a) The other party violates or fails to perform any covenant, provision, obligation, term or condition contained in this Agreement, provided that, unless otherwise stated in this Agreement, such failure or violation shall not be cause for termination if both of the following conditions are satisfied: (i) such default is reasonably susceptible to cure; and (ii) the other party cures such default within thirty (30) days of receipt of written notice of default from the non-defaulting party; or
- (b) The other party attempts to assign, terminate or cancel this Agreement contrary to the terms hereof; or
- (c) The other party ceases to do business as a going concern, makes an assignment for the benefit of creditors, admits in writing its inability to pay debts as they become due, files a petition in bankruptcy or has an involuntary bankruptcy petition filed against it (except in connection with a reorganization under which the business of such party is continued and performance of all its obligations under this Agreement shall continue), or if a receiver, trustee or liquidator is appointed for it or any substantial part of other party's assets or properties.

Any notice of default shall identify this Section of this Agreement and shall state the party's intent to terminate this Agreement if the default is not cured within the specified period.

Section 4 Contracting Requirements

4.3.3 Additional Grounds for Default Termination by the City.

By giving written notice to the Company, the City may also terminate this Agreement upon the occurrence of one or more of the following events (which shall each constitute grounds for termination without a cure period and without the occurrence of any of the other events of default previously listed):

- (a) The Company makes or allows to be made any material written misrepresentation or provides any materially misleading written information in connection with this Agreement, Company's proposal, or any covenant, agreement, obligation, term or condition contained in this Agreement; or
- (b) The Company takes or fails to take any action which constitutes grounds for immediate termination under the terms of this Agreement, including but not limited to failure to obtain or maintain the insurance policies and endorsements as required by this Agreement, or failure to provide the proof of insurance as required by this Agreement.

4.3.4 Obligations Upon Expiration or Termination.

Upon expiration or termination of this Agreement, the Company shall promptly (a) return to the City all computer programs, files, files in storage, documentation, data, media, related material and any other material and equipment that is owned by the City; and (b) allow the City or a new Suppliers access to the systems, software, infrastructure, or processes of the Company that are necessary to complete development of the System. The return of files in storage will be at no cost to the City for the return of any and all files and documents in storage by the Suppliers. The expiration or termination of this Agreement shall not relieve either party of its obligations regarding "Confidential Information", as defined in the Confidentiality and Non-Disclosure Agreement.

Exception Taken by AutoZone on Section 4.3.4 Obligations Upon Expiration or Termination

Explanation for Exception:

AZ requests that all this section needs to be mutual.

4.3.5 No Suspension.

In the event that the City disputes in good faith an allegation of default by the Company, notwithstanding anything to the contrary in this Agreement, the Company agrees that it will not terminate this Agreement or suspend or limit the Services unless (i) the parties agree in writing, or (ii) an order of a court of competent jurisdiction determines otherwise.

Exception Taken by AutoZone on Section 4.3.5 No Suspension

Explanation for Exception:

AZ requests that all this section needs to be mutual.

Section 4 Contracting Requirements

4.3.6 Cancellation of Orders and Subcontracts.

In the event this Agreement is terminated by the City for any reason prior to the end of the term, the Company shall upon termination immediately discontinue all service in connection with this Agreement and promptly cancel all existing orders and subcontracts, which are chargeable to this Agreement. As soon as practicable after receipt of notice of termination, the Company shall submit a statement to the City showing in detail the services performed under this Agreement to the date of termination.

Exceptions Taken by AutoZone on Section 4.3.6 Cancellation of Orders and Subcontracts

Explanation for Exceptions:

1. AZ requests that all these sections need to be mutual.
1. AZ requests once any order has started, it must proceed to conclusion, and the ordering entity once has ordered needs to accept the order, and once that entity accepts that order, then termination can commence.

4.3.7 Authority to Terminate.

The City Manager or the City Manager's Designee is authorized to terminate this Agreement on behalf of the City.

Exception Taken by AutoZone on Section 4.3.7 Authority to Terminate

Explanation for Exception:

AZ requests that all this section needs to be mutual.

4.3.8 No Effect on Taxes, Fees, Charges, or Reports.

Any termination of this Agreement shall not relieve the Company of the obligation to pay any fees, taxes or other charges then due to the City, nor relieve the Company of the obligation to file any daily, monthly, quarterly or annual reports covering the period to termination nor relieve the Company from any claim for damages previously accrued or then accruing against the Company.

Exception Taken by AutoZone on Section 4.3.8 No Effect on Taxes, Fees, Charges, or Reports

Explanation for Exception:

AZ requests that all this section needs to be mutual.

Section 4 Contracting Requirements

4.3.9 Other Remedies.

Upon termination of this Agreement, each party may seek all legal and equitable remedies to which it is entitled. The remedies set forth herein shall be deemed cumulative and not exclusive and may be exercised successively or concurrently, in addition to any other available remedies.

4.4 Transition Services Upon Termination.

Upon termination or expiration of this Agreement, the Company shall cooperate with the City to assist with the orderly transfer of the Services, functions and operations provided by the Company hereunder to another provider or to the City as determined by the City in its sole discretion. Prior to termination or expiration of this Agreement, the City may require the Company to perform and, if so required, the Company shall perform certain transition services necessary to migrate the work of the Company to another provider or to the City itself as described below (the "Transition Services"). Transition Services may include but shall not be limited to the following:

(a) Pre-Migration Services.

- i. Working with the City to jointly develop a mutually agreed upon Transition Services Plan to facilitate the termination of the Services; and
- ii. Notifying all affected Agencies and subcontractors of the Company.

(b) Migration Services.

- i. Performing the Transition Service Plan activities.

(c) Throughout Process and Post-Migration Services.

- i. Answering questions regarding the Services on an as-needed basis; and
- ii. Providing such other reasonable services needed to effectuate an orderly transition to a new Company.
- iii.

Exception Taken by AutoZone on Section 4.4 Transition Services Upon Termination

Explanation for Exception:

- 1. AZ will provide "reasonable" efforts to assist with the orderly transfer of the Services**
- 2. AZ requests that section (a), (b), (c), and (d) above be done at the City's cost.**

Section 4 Contracting Requirements

4.5 Audit.

During the term of this Agreement and for a period of one (1) year after termination or expiration of this Agreement for any reason, the City shall have the right to audit, either itself or through a third party, the books and records (including but not limited to the technical records) of the Company in connection with this Agreement, to ensure the Company's compliance with all the terms and conditions of this Agreement, including but not limited to the terms of this Section 7.

Exception Taken by AutoZone on Section 4.5 Audit

Explanation for Exception:

AZ will only pay for the audit if the discrepancy is 10% or more.

4.6 Company Will Not Sell or Disclose Data.

The Company will treat as Confidential Information all data provided by the City in connection with this Agreement. City data processed by the Company shall remain the exclusive property of the City. The Company will not reproduce, copy, duplicate, disclose, or in any way treat the data supplied by the City in any manner except that contemplated by this Agreement.

Exception Taken by AutoZone on Section 4.6, Company Will not Sell or Disclose Data

Explanation for Exception:

AZ requests that all this section needs to be mutual.

4.7 Work on City's Premises.

The Company will ensure that its employees and agents shall, whenever on the City's premises, obey all instructions and directions issued by the City's Project Manager with respect to work on the City's premises. The Company agrees that its personnel and the personnel of its subcontractors will comply with all rules, regulations and security procedures of the City when on the City's premises.

4.8 Relationship of the Parties.

The relationship of the parties established by this Agreement is solely that of independent contractors, and nothing contained in this Agreement shall be construed to (i) give any party the power to direct or control the day-to-day activities of the other; or (ii) constitute such parties as partners, joint ventures, co-owners or otherwise as participants in a joint or common undertaking; or (iii) make either party an agent of the other for any purpose whatsoever. Neither party nor its agents or employees is the representative of the other for any purpose, and neither has power or authority to act as agent or employee to represent, to act for, bind, or otherwise create or assume any obligation on behalf of the other. The Company shall be fully and solely responsible for its own acts and omissions and those of its employees, officers, agents and subcontractors. All personnel supplied by Company subcontractors shall be considered employees or agents of Company. The Company shall be responsible for the payment of all salaries, withholding taxes, worker's compensation, disability benefits and other compensation and related taxes for such persons.

Section 4 Contracting Requirements

4.9 Indemnification.

The Company shall indemnify, defend and hold harmless the City and the City's officers, employees and agents from and against any and all losses, damages, costs, expenses (including reasonable attorneys' fees), obligations and other liabilities (including settlement amounts) that arise directly or indirectly from:

Exception Taken by AutoZone on Section 4.9 Indemnification, opening paragraph

Explanation for Exception:

AZ requests that the words "that arise directly or indirectly from:" in the last sentence of this paragraph be changed to "to the extent the same from.", so that the paragraph reads as follows:

The Company shall indemnify, defend and hold harmless the City and the City's officers, employees and agents from and against any and all losses, damages, costs, expenses (including reasonable attorneys' fees), obligations and other liabilities (including settlement amounts) to the extent the same arise from:

- 4.9.1 any infringement of any copyright, trademark, patent, or other proprietary rights, or any misappropriation of any trade secrets, in connection with any software, documentation, services or other products supplied directly or indirectly by the Company in connection with this Agreement, or any allegation of any of the foregoing (collectively referred to as "Infringement Claims");
- 4.9.2 any act(s) of negligence or willful misconduct by the Company or any of its agents, employees or subcontractors (or any allegations of any of the foregoing), including but not limited to any liability caused by an accident or other occurrence resulting in bodily injury, death, sickness or disease to any person(s) or damage or destruction to any property, real or personal;

Exception Taken by AutoZone on Section 4.9 Indemnification, subsection 4.9.2

Explanation for Exception:

AZ requests that the word "gross" be inserted between the words "of" and "negligence" in the first sentence so that the paragraph reads as follows:

any act(s) of gross negligence or willful misconduct by the Company or any of its agents, employees or subcontractors (or any allegations of any of the foregoing), including but not limited to any liability caused by an accident or other occurrence resulting in bodily injury, death, sickness or disease to any person(s) or damage or destruction to any property, real or personal;

- 4.9.3 any acts or omissions of the Company with respect to the Services or any of the products or services provided by the Company under this Agreement (or any allegations of any of the foregoing);

Section 4 Contracting Requirements

- 4.9.4 any claims by any persons or entities supplying labor or material to the Company in connection with the performance of the Company's obligations under this Agreement.

If an Infringement Claim occurs, the Company shall either: (i) procure for the City the right to continue using the affected product or service; or (ii) repair or replace the infringing product or service so that it becomes non-infringing, provided that the performance of the Services or any component thereof shall not be adversely affected by such replacement or modification.

4.10 Subcontracting.

Should the Company choose to subcontract, the Company shall be the prime contractor and shall remain fully responsible for performance of all obligations, which it is required to perform under this Agreement. Any subcontract entered into by Company shall name the City as a third party beneficiary.

4.11 Insurance.

4.11.1 Types of Insurance

The Company shall obtain and maintain during the life of the Agreement, with an insurance company rated not less than A by A.M. Best, authorized to do business in the State of North Carolina the following insurance:

4.11.1.1 Automobile Liability.

Successful Suppliers shall be required to provide proof of bodily injury and property damage liability covering all owned, non-owned and hired automobiles for limits of not less than \$1,000,000 bodily injury each person, each accident and \$1,000,000 property damage, or \$1,000,000 combined single limit each occurrence/aggregate.

4.11.1.2 Commercial General Liability.

Successful Suppliers shall be required to provide proof of bodily injury and property damage liability as shall protect the contractor and any sub-contractor performing work under this contract from claims of bodily injury or property damage which arise from operation of services described in this RFP whether such operations are performed by contractor, any sub-contractor or any one directly or indirectly employed by either. The amounts of such insurance shall not be less than \$1,000,000 bodily injury each occurrence/aggregate and \$1,000,000 property damage each occurrence/aggregate or \$1,000,000 bodily injury and property damage combined single limits each occurrence/aggregate. This insurance shall include coverage for products/completed operations, personal injury liability and contractual liability assumed under the indemnity provision in Section 5.22 of this RFP.

The City shall be named as an additional insured under the commercial general liability insurance for operations or services rendered under this contract.

Section 4 Contracting Requirements

- 4.11.1.3 Worker's Compensation and Employers Liability.
Meeting the statutory requirements of the State of North Carolina and Employers Liability - \$100,000 per accident limit, \$500,000 disease per policy limit, \$100,000 disease each employee limit, providing coverage for employers and owners.

The Company shall not commence any work in connection with this Agreement until it has obtained all of the foregoing types of insurance and the City has approved proof of such insurance. The Company shall not allow any subcontractor to commence work on its subcontract until all similar insurance required of the subcontractor has been obtained and approved.

4.11.2 Other Insurance Requirements.

4.11.2.1 The City shall be exempt from, and in no way liable for any sums of money, which may represent a deductible in any insurance policy. The payment of such deductible shall be the sole responsibility of the Company and/or subcontractor providing such insurance.

4.11.2.2 The City shall be named as an additional insured for operations or services rendered under the general liability coverage. The Company's insurance shall be primary of any self-funding and/or insurance otherwise carried by the City for all loss or damages arising from the Company operations under this agreement.

4.11.2.3 Certificates of such insurance will be furnished to the City and shall contain the provision that the City be given thirty (30) days written notice of any intent to amend or terminate by either the insured or the insuring company.

4.11.2.4 Should any or all of the required insurance coverage be self-funded/self-insured, a copy of the Certificate of Self-Insurance or other documentation from the North Carolina Department of Insurance shall be furnished.

4.11.2.5 If any part of the work under this Contract is sublet, the subcontractor shall be required to meet all insurance requirements set forth in this Agreement, provided that types and amounts of insurance to be maintained by each subcontractor shall be adjusted to an amount reasonably necessary to cover the risks associated with such subcontractor's role in the project. The parties stipulate that the Suppliers will maintain each type of insurance set forth above at a coverage level equal to at least half of the amount set forth above for such type of insurance. However, nothing contained herein shall relieve the Company from meeting all insurance requirements or otherwise being responsible for the subcontractor.

4.12 Notices.

Section 4 Contracting Requirements

Any notice, consent or other communication required or contemplated by this Agreement shall be in writing, and shall be delivered in person, by U.S. mail, by overnight courier, by electronic mail or by telefax to the intended recipient at the address set forth below:

For The Company:	For The City:
To Be Determined (TBD)	Karen Ruppe
	Charlotte Mecklenburg Procurement
	600 East 4 th St.
	Charlotte, NC 28202
With Copy To:	With Copy To:
TBD	Cindy White
	City of Charlotte Attorney's Office
	600 East 4 th Street
	Charlotte, NC 28202

Notice shall be effective upon the date of receipt by the intended recipient, provided that any notice which is sent by telefax or electronic mail shall also be simultaneously sent by mail deposited with the U.S. Postal Service or by overnight courier. Each party may change its address for notification purposes by giving the other party written notice of the new address and the date upon which it shall become effective.

4.13 Drug-Free Workplace.

The City is a drug-free workplace employer. The Mecklenburg City Board of Commissioners has also adopted a policy requiring City Suppliers to provide a drug-free workplace in the performance of any City contract. The Company hereby certifies that it has or it will within thirty (30) days after execution of this Agreement:

- 4.13.1 Notify employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the workplace and specifying actions that will be taken for violations of such prohibition;
- 4.13.2 Establish a drug-free awareness program to inform employees about (i) the dangers of drug abuse in the workplace, (ii) the Company's policy of maintaining a drug-free workplace, (iii) any available drug counseling, rehabilitation, and employee assistance programs, and (iv) the penalties that may be imposed upon employees for drug abuse violations;
- 4.13.3 Notify each employee that as a condition of employment, the employee will (i) abide by the terms of the prohibition outlined above, and (ii) notify the Company of any criminal drug statute conviction for a violation occurring in the workplace not later than five (5) days after such conviction;
- 4.13.4 Impose a sanction on, or requiring the satisfactory participation in a drug counseling, rehabilitation or abuse program by, an employee convicted of a drug crime;
- 4.13.5 Make a good faith effort to continue to maintain a drug-free workplace for employees; and

Section 4 Contracting Requirements

- 4.13.6 Require any party to which it subcontracts any portion of the work under the contract to comply with the above provisions.

Exception Taken by AutoZone on Section 4.13 , Drug Free Work Place

Explanation for Exception:

AutoZone has established policies and procedures which prohibit reporting to work under the influence of alcohol or the detectable presence of illegal drugs, narcotics, other intoxicants or non-prescribed drugs. These policies and procedures also prohibit the solicitation, possession and use of them on company premises. We cannot change these policies and procedures in specific locations where we are already conducting business to meet the criteria of the City of Charlotte and/or USC. AutoZone is in compliance to the extent that private employers who are not government agencies or subcontractors are held.

4.14 Miscellaneous.

4.14.1 Entire Agreement.

This Agreement and the Contract Documents, including all Exhibits, and Attachments, all of which are hereby incorporated herein by reference, constitute the entire agreement between the parties with respect to its subject matter, and there are no other representations, understandings, or agreements between the parties with respect to such subject matter. This Agreement supersedes all prior agreements, negotiations, representations and proposals, written or oral.

4.14.2 Amendment.

No amendment or change to this Agreement shall be valid unless in writing and signed by both parties to this Agreement.

4.14.3 Governing Law and Jurisdiction.

The parties acknowledge that this Agreement is made and entered into in Charlotte, North Carolina, and will be performed in Charlotte, North Carolina. The parties further acknowledge and agree that North Carolina law shall govern all the rights, obligations, duties and liabilities of the parties under this Agreement, and that North Carolina law shall govern the interpretation and enforcement of this Agreement and any other matters relating to this Agreement (all without regard to North Carolina conflicts of law principles).

The parties further agree that any and all legal actions or proceedings relating to this Agreement shall be brought in a state or federal court sitting in Mecklenburg City, North Carolina. By execution of this Agreement, the parties submit to the jurisdiction of said courts and hereby irrevocably waive any and all objections, which they may have with respect to venue in any court sitting in Mecklenburg City, North Carolina.

Exception Taken by AutoZone on Section 4.14.3 Governing Law and Jurisdiction, sentence starting with “Company further agrees” and ending with “regarding employment practices.”,

Explanation for Exception:

Section 4 Contracting Requirements

AZ will not subject ourselves to the government subcontracting requirements. AZ will be in compliance to the extent that private employers who are not government agencies or subcontractors are held.

4.14.4 Binding Nature and Assignment.

This Agreement shall bind the parties and their successors and permitted assigns. Neither party may assign this Agreement without the prior written consent of the other. Any assignment attempted without the written consent of the other party shall be void.

4.14.5 City Not Liable for Delays.

It is agreed that the City shall not be liable to the Company, its agents or representatives or any subcontractor for or on account of any stoppages or delay in the performance of any obligations of the City or any other party hereunder.

Exception Taken by AutoZone on Section 4.14.5, City Not Liable for Delays

Explanation for Exception:

AZ requests that this paragraph be stricken completely. We believe that this paragraph allows the USC member to be late for any reason.

4.14.6 Force Majeure.

Neither party shall be liable for any failure or delay in the performance of its obligations pursuant to this Contract, and such failure or delay shall not be deemed a default of this Contract or grounds for termination hereunder if all of the following conditions are satisfied:

(a) if such failure or delay:

- i. could not have been prevented by reasonable precaution;
- ii. cannot reasonably be circumvented by the non-performing party through the use of alternate sources, work-around plans, or other means; and
- iii. if, and to the extent, such failure or delay is caused, directly or indirectly, by fire, flood, earthquake, hurricane, elements of nature or acts of God, acts of war, terrorism, riots, civil disorders, rebellions or revolutions or court order.

(b) An event which satisfies all of the conditions set forth above shall be referred to as a "Force Majeure Event." Upon the occurrence of a Force Majeure Event, the Suppliers shall be excused from any further performance of those of its obligations which are affected by the Force Majeure Event for as long as (a) such Force Majeure Event continues and (b) the Suppliers continues to use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay.

(c) Upon the occurrence of a Force Majeure Event, the Suppliers shall immediately notify the City by telephone (to be confirmed by written notice within two (2) days of the inception of the failure or delay) of the occurrence of a Force Majeure Event and shall describe in reasonable detail the nature of the Force Majeure Event. If any Force Majeure Event prevents Suppliers from performing its obligations for more than five (5) days, the City shall have the right to terminate this Agreement by written notice to the Suppliers.

Section 4 Contracting Requirements

Strikes, slowdowns, lockouts, walkouts, industrial disturbances and other labor disputes shall not constitute Force Majeure Events and shall not excuse the Suppliers from the performance of its obligations under this Agreement.

4.14.7 Severability.

The invalidity of one or more of the phrases, sentences, clauses or sections contained in this Agreement shall not affect the validity of the remaining portion of this Agreement so long as the material purposes of this Agreement can be determined and effectuated. If any provision of this Agreement is held to be unenforceable, then both parties shall be relieved of all obligations arising under such provision, but only to the extent that such provision is unenforceable, and this Agreement shall be deemed amended by modifying such provision to the extent necessary to make it enforceable while preserving its intent.

4.14.8 Approvals.

All approvals or consents required under this Agreement must be in writing.

4.14.9 Waiver.

No delay or omission by either party to exercise any right or power it has under this Agreement shall impair or be construed as a waiver of such right or power. A waiver by either party of any covenant or breach of this Agreement shall not constitute or operate as a waiver of any succeeding breach of that covenant or of any other covenant. No waiver of any provision of this Agreement shall be effective unless in writing and signed by the party waiving the rights.

4.14.10 Survival of Provisions.

Those Sections of this Agreement and the Exhibits which by their nature would reasonably be expected to continue after the termination of this Agreement shall survive the termination of this Agreement, including but not limited to all definitions and, a list of surviving Sections which will be included in the final Contract.

4.14.11 Interests of the Parties.

The Company covenants that its officers, employees and shareholders have no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement.

4.14.12 Change in Control.

In the event of a change in "Control" of the Company (as defined below), the City shall have the option of terminating this Agreement for default by written notice to the Company. The Company shall notify the City within ten (10) days after it becomes aware that a change in Control will occur. As used in this Agreement, the term "Control" shall mean the possession, direct or indirect, of either:

4.14.12.1 the ownership of or ability to direct the voting of, as the case may be fifty-one percent (51%) or more of the equity interests, value or voting power in Company; or

4.14.12.2 the power to direct or cause the direction of the management and policies of Company whether through the ownership of voting securities, by contract or otherwise.

Section 4 Contracting Requirements

4.14.13 Familiarity and Compliance with Laws and Ordinances.

The Company agrees to make itself aware of and comply with all local, state and federal ordinances, statutes, laws, rules and regulations applicable to the Services. Company further agrees that it will at all times during the term of this Agreement be in compliance with all applicable federal, state and/or local laws regarding employment practices. Such laws will include, but shall not be limited to workers' compensation, the Fair Labor Standards Act (FLSA), the Americans with Disabilities Act (ADA), the Family and Medical Leave Act (FMLA) and all OSHA regulations applicable to the work.

4.14.14 Taxes.

The Company shall pay all applicable federal, state and local taxes which may be chargeable against the performance of the Services.

4.14.6 Non-Appropriation of Funds.

If the City does not appropriate the funding needed by the City to make payments under this Agreement for a given fiscal year, the City will not be obligated to pay amounts due beyond the end of the last fiscal year for which funds were appropriated. In such event, the City will promptly notify the Company of the non-appropriation and this Agreement will be terminated at the end of the last fiscal year for which funds were appropriated. No act or omission by the City which is attributable to non-appropriation of funds shall constitute a breach of or default under this Agreement.

4.15 Contract Monitoring: Procurement Services Division shall have the right to audit the company's compliance with the terms and conditions of this Agreement at such times as the Lead Public Agency deems appropriate. The successful vendor shall develop an action plan to correct any contract deficiency identified during these compliance audits, and submit with their proposal response.

REQUEST FOR PROPOSALS ACKNOWLEDGEMENT FORM

RFP #269-2006-060

Although not mandatory, we request that this form be completed upon receipt of the Lead Public Agency's Request for Proposals and faxed or mailed in time for the Lead Public Agency to receive it by or before April 14, 2006. Failure to do so may result in your firm not receiving important notices regarding this RFP.

Please fax or mail the completed Request for Proposals Acknowledgement Form to the attention of:

Karen Ruppe C.P.M.; CLGPO
Procurement Services Division
Business Support Services
600 East Fourth Street, 9th Floor
Charlotte, NC 28202-2850
Fax: 704-336-2258

Date: _____

The undersigned service provider hereby certifies receipt of the Request for Proposals package for the City of Charlotte, North Carolina RFP #269-2006-060, "Automotive Parts and Accessories, and Related Services for Light Duty Vehicles".

Authorized Signature: _____

Title: _____

Company Name: _____

Company Address: _____

Please check the appropriate space provided below and provide the requested information:

We plan to submit a Proposal in response to RFP #269-2006-060 *Automotive Parts and Accessories, and Related Services for Light Duty Vehicles*

Primary Contact Name: _____

Contact E-mail address: _____

Contact phone: _____ Fax number: _____

Secondary Contact Name: _____

Contact E-mail address: _____

Contact phone: _____ Fax number: _____

We do not plan to submit a Proposal in response to RFP #269-2006-060 *Automotive Parts and Accessories, and Related Services for Light Duty Vehicles*

Reason:

**AUTOMOTIVE PARTS AND ACCESSORIES FOR LIGHT DUTY VEHICLES
RFP #269-2006-060**

THIS PROPOSAL IS SUBMITTED BY:

This RFP is submitted subject to the inclusion of the exceptions which are documented in this RFP response and labeled as "Exception Taken By AutoZone".

Service Provider Name: AutoZone Stores, Inc.

Representative (printed): William C Rhodes III / Grant McGee

Representative (signed): _____ / _____

Address: 123 S. Front Street

City/State/Zip: Memphis, TN 38103

Telephone: 901-495-7003 / 901-495- 6796

Fax: 901-495-8300 / 901-495-8300

E-MAIL ADDRESS: bill.rhodes@autozone.com / brad.bacon@autozone.com

FEDERAL TAX ID#: 62-1611058

Indicate legal form of bidder: for statistical purposes only - check one:

X	Corporation	Minority Owned: 51% Owned by:	
	Partnership		African American (BBE)
	Individual		Women (WBE)
	Other (specify)		Hispanic (HBE)
			Asian American (ABE)
			Native American (NBE)
			Non-Minority-Owned

It is understood by the Service Provider that the City reserves the right to reject any and all Proposals, to make awards on all items or on any items according to the best interest of the City, to waive formalities, technicalities, to recover and re-bid this RFP. Proposal is valid for one hundred and eighty (180) calendar days from Proposal Opening.

This RFP is submitted subject to the inclusion of the exceptions which are documented in this RFP response and labeled as "Exception Taken By AutoZone".

AutoZone Stores, Inc.

Service Provider

Date 05-01-2006

Authorized Signature

William C. Rhodes III
Please type or print name

Authorized Signature

Grant McGee
Please type or print name

**ADDENDA RECEIPT - CHECK LIST FORM
RFP #269-2006-060**

Bid/Proposal Submission Check List: Confirm by placing a check mark in the space provided that as the bidder or proposer the information listed below has been reviewed and complied with in the submission of a response to this Invitation to Bid/Request for Proposals.

- (1) **Addenda Receipt: The following confirms receipt of any and all addenda issued for this Invitation to Bid/Request for Proposals:**

Addendum #	Date Issued
<u> 1 </u>	<u>April 19, 2006</u>
<u> 2 </u>	<u>April 25, 2006</u>
_____	_____
_____	_____

- (2) **Bid/Proposal document has been signed by authorized bidder/proposer official.**
- (3) **Bid/Proposal package is properly labeled per the instructions. (See Section 2.5)**
- (4) **Supplier Pre-qualification statement (see section 1.9.1)**
- (5) **All Technical Proposal Requirements (see section 1.9.2 through 1.9.6)**
- (6) **All Business Proposal Requirements (see section 1.10)**
- (7) **Implementation Steps included in section 1.8 H**
- (8) **Proposal Submission Form (section 5, Form 2)**
- (9) **Addenda Receipt and Acknowledgement Form (section 5, Form 3)**
- (10) **Non Discrimination Form (section 5, Form 4)**
- (10) **Pricing Proposal Forms (section 5, Form 5 and Attachment C)**
- (11) **Exceptions to the RFP (see section 3.11.15)**
- (12) **Signed U.S. Communities Administration Agreement**
- (13) **All Current Manufacturer's Price List and Catalogs or other Identifiable Index**
- (14) **Any and all pricing incentives or value added services (e.g. manufacturer's training, on-site services, etc) offered by the Proposer for this contract.**

NON-DISCRIMINATION CERTIFICATION

PROJECT TITLE: Automotive Parts & Accessories, and Related Services - Light Duty Vehicles

PROPOSER: AutoZone Stores, Inc.

The undersigned Proposer hereby certifies and agrees that the following information is correct:

1. In preparing its proposal on this Project, the Proposer has considered all proposals submitted from qualified, potential subcontractors and suppliers, and has not engaged in or condoned prohibited discrimination.
2. For purposes of this section, *prohibited discrimination* means discrimination in the solicitation, selection, and / or treatment of any subcontractor, vendor, supplier or commercial customer on the basis of race, ethnicity, gender, age, religion, national origin, disability or other unlawful form of discrimination. Without limiting the foregoing, *prohibited discrimination* also includes retaliating against any person, business or other entity for reporting any incident of prohibited discrimination.
3. Without limiting any other provision of the solicitation for proposals on this Project, it is understood and agreed that, if this certification is false, such false certification will constitute grounds for the City to reject the proposal submitted by the Proposer on this Project, and terminate any contract awarded based on such proposal.
4. As a condition of contracting with the City, the Proposer agrees to promptly provide to the City all information and documentation that may be requested by the City from time to time regarding the solicitation and selection of subcontractors. Failure to maintain or failure to provide such information constitutes grounds for the City to reject the proposal submitted by the Proposer and terminate any contract awarded on such proposal.

Exception Taken by AutoZone on the Non-Discrimination Certification Form, point one (1),two (2), three (3) and four (4)

Explanation for Exception:

AZ will not subject ourselves to the government subcontracting requirements. AZ will be in compliance to the extent that private employers who are not government agencies or subcontractors are held.

**Section 5
Form Four**

This RFP is submitted subject to the inclusion of the exceptions which are documented in this RFP response and labeled as "Exception Taken By AutoZone".

AutoZone Stores, Inc.
NAME OF FIRM

BY: _____ (SEAL)
SIGNATURE OF AUTHORIZED OFFICIAL

CEO & President
TITLE

BY: _____ (SEAL)
SIGNATURE OF AUTHORIZED OFFICIAL

Vice President of Commercial
TITLE

ATTEST/WITNESS:

Secretary/Name of Witness (AFFIX CORPORATE SEAL)

**Section 5
Form Five**

**PRICING FORM
RFP #269-2006-060**

Brands specified for each category below are recommendations. Proposals may quote other brands that are considered equal. Please quote only the highest quality or “top of the line parts.”

The Pricing Worksheet included as Attachment C must be completed showing net prices that reflect your quoted discount from the chart below. Failure to complete and return an electronic and hard copy of Attachment C with your proposal response may void your proposal.

ITEM NO.	CATEGORY	MANUFACTURER(S)	PRICE LISTS(S) NUMBER/DATE AND COLUMN	DISCOUNT PERCENTAGE
1	Alternators and Starters			
	AC Delco	MPA	N/A	5%, 10%, 15%, 20%
	Beck/Arnley	Units Parts	N/A	5%, 10%, 15%, 20%
	Genco	Beck/Arnley	N/A	5%, 10%, 15%, 20%
	Wagner	World Wide	N/A	5%, 10%, 15%, 20%
2	Bearings (ball, roller)			
	BCA	Timken	N/A	5%, 10%, 15%, 20%
	Timkin	BCA	N/A	5%, 10%, 15%, 20%
		Federal Mogul	N/A	5%, 10%, 15%, 20%
		L&S	N/A	5%, 10%, 15%, 20%
3	Batteries			
	AC Delco	JCI	N/A	5%, 10%, 15%, 20%
4	Belts, Hoses, Clamps			
	Gates	Goodyear	N/A	5%, 10%, 15%, 20%
	Goodyear Ideal	Raydyot	N/A	5%, 10%, 15%, 20%
5	Brakes (Pads & Shoes)			
	Bendix	Morse	N/A	5%, 10%, 15%, 20%
	Eaton	Perf Friction	N/A	5%, 10%, 15%, 20%
	Mentor	Satisfied	N/A	5%, 10%, 15%, 20%
	Raybestos Perf Friction	Federal Mogul	N/A	5%, 10%, 15%, 20%

**Section 5
Form Four**

5A	Brakes (Drums & Rotors)			
	Guinte	Aimco	N/A	5%, 10%, 15%, 20%
	VIPAR	Neotek	N/A	5%, 10%, 15%, 20%
	United	Quallis	N/A	5%, 10%, 15%, 20%
		Master	N/A	5%, 10%, 15%, 20%
		Perf. Friction	N/A	20%
5B	Brakes (Calipers)			
	VIPAR	ARI	N/A	5%, 10%, 15%, 20%
		Fenwick	N/A	5%, 10%, 15%, 20%
		All Parts	N/A	5%, 10%, 15%, 20%
6	Caps and Thermostats			
	Stant	CST	N/A	5%, 10%, 15%, 20%
7	Chemicals			
	CRC	CRC	N/A	5%, 10%, 15%, 20%
		Prestone	N/A	5%, 10%, 15%, 20%
		Lucas	N/A	5%, 10%, 15%, 20%
8	Coolant/Antifreeze			
	Shelzone/Motorcraft	Zerex, Prestone, Old World	N/A	5%, 10%, 15%, 20%
9	Electrical & Ignition			
	AC Delco	Wells	N/A	5%, 10%, 15%, 20%
	Motorcraft	GPS	N/A	5%, 10%, 15%, 20%
	Cole Hersee	AC Delco	N/A	5%, 10%, 15%, 20%
	Standard	Robert Bosch	N/A	5%, 10%, 15%, 20%
10	Emission & Exhaust			
	AC Delco	Arvin Meritor	N/A	5%, 10%, 15%, 20%
	Motorcraft	Bosal	N/A	5%, 10%, 15%, 20%
11	Filters			
	AC Delco	Champ Labs	N/A	5%, 10%, 15%, 20%
	Motorcraft	Fram	N/A	5%, 10%, 15%, 20%
	Wix	AC Delco	N/A	5%, 10%, 15%, 20%

Section 5
Form Four

12	Gaskets and Seals			
	AC Delco	Felpro	N/A	5%, 10%, 15%, 20%
	National	Beck Arnley	N/A	5%, 10%, 15%, 20%
	C/R	Timken	N/A	5%, 10%, 15%, 20%
13	Heating & Air Conditioning			
	AC Delco	Compressor Works	N/A	5%, 10%, 15%, 20%
	Motorcraft	Four Seasons	N/A	5%, 10%, 15%, 20%
		Ready Aire	N/A	5%, 10%, 15%, 20%
14	Lamps, Lighting, Mirrors			5%, 10%, 15%, 20%
	Federal Signal	Sylvania	N/A	5%, 10%, 15%, 20%
	Grote	GE	N/A	5%, 10%, 15%, 20%
	Retrac	Phillips	N/A	5%, 10%, 15%, 20%
	Wagner	Victor	N/A	5%, 10%, 15%, 20%
	Trucklite	Pilot	N/A	5%, 10%, 15%, 20%
15	Power Steering Pumps and Gears			5%, 10%, 15%, 20%
	A-1 Cardone	A-1 Cardone	N/A	5%, 10%, 15%, 20%
16	Pumps (fuel & water)			5%, 10%, 15%, 20%
	AC Delco	ACS	N/A	5%, 10%, 15%, 20%
	Motorcraft	Bosch	N/A	5%, 10%, 15%, 20%
	TRW	Master	N/A	5%, 10%, 15%, 20%
		GMB	N/A	5%, 10%, 15%, 20%
17	Steering and Suspension			
	Moog	Gabriel	N/A	5%, 10%, 15%, 20%
	Montoe	Quallis	N/A	5%, 10%, 15%, 20%
5%, 10%, 15%, 20%	Motorcraft	FederalMogul	N/A	5%, 10%, 15%, 20%
		McQuay	N/A	5%, 10%, 15%, 20%

Section 5
Form Four

18	Universal Joints			
	Precision	Anchor	N/A	5%, 10%, 15%, 20%
	Spicer	Neapco	N/A	5%, 10%, 15%, 20%
		Beck Arnley	N/A	5%, 10%, 15%, 20%
19	Wipers			5%, 10%, 15%, 20%
	AnSCO	Anco	N/A	5%, 10%, 15%, 20%
	Motorcraft	Bosch	N/A	5%, 10%, 15%, 20%
	Trico			5%, 10%, 15%, 20%
20	Wheel Accessories	Plews	N/A	5%, 10%, 15%, 20%
	Moog	Superior	N/A	5%, 10%, 15%, 20%
		Motormite	N/A	5%, 10%, 15%, 20%

**Section 5
Form Four**

Payment Discount Offered: 0% for payment within 30 days.

The undersigned proposes to furnish the above items in strict conformance to the bid specifications and Request for Proposals #269-2006-060 issued by the City of Charlotte. Any exceptions are clearly marked in the attached copy of bid specifications.

The undersigned hereby certifies the bidder/Service Provider has read the terms of this solicitation document, and is authorized to bind the firm to the information herein set forth.

This RFP is submitted subject to the inclusion of the exceptions which are documented in this RFP response and labeled as "Exception Taken By AutoZone".

May 1, 2006
Date

William C. Rhodes III
Printed/Typed Name

Signature

May 1, 2006
Date

Grant McGee
Printed/Typed Name

Signature

AutoZone Stores, Inc.
Legal Name of Firm

Note: Please be sure to include any pricing incentives that will be offered to participating public agencies which purchase annual quantities (through this contract) of \$500,000, \$1,000,000, \$1,500,000 or other annual dollar quantities your Company may offer.

ATTACHMENT A

U.S. COMMUNITIES ADMINISTRATION AGREEMENT

This ADMINISTRATION AGREEMENT (THIS "Agreement") is made this ____ day of _____, _____, between the U.S. Communities Purchasing and Finance Agency (herein "Agency") and _____ (herein "Supplier").

RECITALS

WHEREAS, the _____ (herein "Lead Public Agency") has entered into a Master Agreement dated _____, Agreement No. _____, by and between the Lead Public Agency and Supplier, as may be amended from time to time in accordance with the terms thereof (the "Master Agreement"), for the purchase of _____ (herein "Product");

WHEREAS, said Master Agreement provides that any or all public agencies (herein "Participating Public Agencies") may purchase Product at prices stated in the Master Agreement;

WHEREAS, the Agency is an instrumentality of government with the administrative and legal capacity to administer purchases under the Master Agreement to Participating Public Agencies;

WHEREAS, the Agency serves as the administrative agent for Lead Public Agency and other lead public agencies with regard to other Master Agreements offered through the U.S. Communities Government Purchasing Alliance;

WHEREAS, Lead Public Agency desires the Agency to proceed with administration of the Master Agreement on the same basis as other Master Agreements;

WHEREAS, the Agency and Supplier desire to enter into this Agreement to make available the Master Agreement to Participating Public Agencies on a national basis;

NOW, THEREFORE, in consideration of the payments to be made hereunder and the mutual covenants contained in this Agreement, the Agency and Supplier hereby agree as follows:

DEFINITIONS

1. Capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings given to them in the Master Agreement.

TERMS AND CONDITIONS

2. The Master Agreement, as attached hereto as Exhibit I and incorporated herein by reference as though fully set forth herein, and the terms and conditions contained therein shall apply to this Agreement except as expressly changed or modified by this Agreement.

3. The Agency shall be afforded all of the rights, privileges and indemnifications afforded to Lead Public Agency under the Master Agreement, and such rights, privileges and indemnifications shall accrue and apply with equal effect to the Agency under this Agreement including, but not limited to, the Supplier's obligation to provide the indemnification and insurance set forth in the General Conditions and Instructions to Suppliers.

4. The Supplier shall perform all of its duties, responsibilities and obligations in the time and manner as required to be performed by the Supplier as set forth in the Master Agreement.

5. The Agency shall perform all of its duties, responsibilities and obligations as administrator of purchases under the Master Agreement as set forth herein, and Supplier hereby agrees that the Agency shall act in the capacity of administrator of purchases under the Master Agreement.

6. With respect to any purchases by Lead Public Agency or any Participating Public Agency pursuant to the Master Agreement, the Agency: (i) shall not be construed as a dealer, re-marketer, representative, partner or agent of any type of the Supplier, Lead Public Agency or such Participating Public Agency; (ii) shall not be obligated, liable or responsible for any order made by Lead Public Agency or any Participating Public Agency or

any employee thereof under the Master Agreement or for any payment required to be made with respect to such order; and (iii) shall not be obliged, liable or responsible for any failure by any Participating Public Agency to comply with procedures or requirements of applicable law or to obtain the due authorization and approval necessary to purchase under the Master Agreement. The Agency makes no representation or guaranty with respect to any minimum purchases by Lead Public Agency or any Participating Public Agency or any employee thereof under this Agreement or the Master Agreement.

TERM OF AGREEMENT

7. This Agreement shall be in effect so long as the Master Agreement remains in effect, provided, however, that all indemnifications afforded by the Supplier to the Agency shall survive the term of this Agreement.

NATIONAL PROMOTION

8. Agency and Supplier shall publicize and promote the availability of the Master Agreement's products and services to any other public agencies and such agencies' verified employees. Supplier has reviewed, understands and agrees to the Supplier Commitments and Program Standards attached hereto and incorporated herein as Exhibit II. Supplier's failure to maintain the Commitments and/or comply with the Program Standards shall be a material breach under this Agreement and if not cured within thirty (30) days of written notice to Supplier shall be deemed a cause for termination of the Master Agreement at Lead Public Agency's sole discretion or this Agreement at the Agency's sole discretion.

9. Lead Public Agency shall execute a completed Lead Public Agency Certificate to a Master Intergovernmental Cooperative Purchasing Agreement. An example of the Lead Public Agency Certificate is attached hereto as Exhibit III and an example of the Master Intergovernmental Cooperative Purchasing Agreement is attached hereto as Exhibit IV. Supplier shall require each Participating Public Agency register its participation in the U.S. Communities program using the electronic registration feature at www.uscommunities.org. No purchases shall be made hereunder until the applicable public agency has registered electronically with U.S. Communities.

10. Upon request, Supplier shall make available to interested public agencies a copy of the Master Agreement and such price lists or quotes as may be necessary for such agencies to evaluate potential purchases. Supplier authorizes Agency's use of Supplier's name, trademarks and materials in promoting the use of the Master Agreement.

Exception Taken by AutoZone on Attachment A, USC Administration Agreement, National Promotion, Section 10,

Explanation for Exception:

AZ requests that this sentence be stricken completely. We must approve the use of all of our trademarks.

QUARTERLY FEES & REPORTING

11. Supplier shall pay Agency a quarterly administrative fee in the amount of 1% of the total purchase price for the first \$10 million in annual sales; 1.5% of the total purchase price for the next \$10 million in annual sales; 2% of the total purchase price for the next \$320 million in annual sales; and 2.5% of the total purchase price for annual sales of \$340 million and beyond, , excluding taxes and shipping, for all purchases under the Master Agreement and provide the Agency with an electronic accounting report, in a format prescribed by the Agency, summarizing all purchases under the Master Agreement. A sample of the reporting format appears at Exhibit V. Quarterly fees and reports shall be made with respect to all purchases shipped and billed pursuant to the Master Agreement for the applicable quarter.

Exception Taken by AutoZone on Attachment A, USC Administration Agreement, Quarterly Fees & Reporting, Section 11,

Explanation for Exception:

AZ requests that this paragraph be made to be pertaining to net sales, which calculation would be net of returns.

12. Supplier shall at its expense maintain an accounting of all purchases made by Participating Public Agencies. Agency and Lead Public Agency reserve the right to audit the accounting for a period of four (4) years from the date the Agency receives the accounting. In the event of such an audit, the requested materials shall be provided at the location designated by Lead Public Agency or Agency. Quarterly reports and the administrative fee applicable to each quarter are due within 30 days of the end of each calendar quarter as set forth above. The Agency reserves the right upon reasonable advance notice to Supplier to change the prescribed report format to accommodate the distribution of the administrative fee to program sponsors and state associations of government.

Exception Taken by AutoZone on Attachment A, USC Administration Agreement, Quarterly Fees & Reporting, Section 12, second sentence, length of time reserved to audit

Explanation for Exception:

AZ requests that the reference to four (4) years be changed to two (2), and the audit will be conducted under escort should it be conducted in an AZ owned or operated facility.

13. Failure to provide a quarterly report and/or payment of the administrative fee within the time and manner specified shall be regarded as a material breach under this Agreement and if not cured within thirty (30) days of written notice to Supplier shall be deemed a cause for termination of the Master Agreement at Lead Public Agency's sole discretion or this Agreement at the Agency's sole discretion. All administrative fees not paid within 30 days of the end of each quarter shall bear interest at the rate of 1 1/2% per month until paid. Administrative fee payments shall be made by check or wire to U.S. Communities or the Agency's Designee or Trustee as may be directed in writing by the Agency.

Exception Taken by AutoZone on Attachment A, USC Administration Agreement, Quarterly Fees & Reporting, Section 13, next to the last sentence starting "All administrative fees not paid."

Explanation for Exception:

AZ requests that the word "undisputed" be inserted between the words "All" and "administrative" so that this sentence reads as follows:

All undisputed administrative fees not paid within 30 days of the end of each quarter shall bear interest at the rate of 1 1/2% per month until paid

14. Agency or its designee may, at the Agency's sole discretion, compare public agency records with quarterly reports submitted by Supplier. If there is a discrepancy, the Agency will notify the Supplier in writing. Supplier will have 30 days from the date of such notice to resolve the discrepancy to the Agency's reasonable satisfaction. If the Supplier does not so resolve the discrepancy, the Agency shall have the right to engage outside services to conduct an independent audit of Supplier's quarterly reports and Supplier shall be obligated to reimburse the Agency's costs and expenses for such audit.

Exceptions Taken by AutoZone on Attachment A, USC Administration Agreement, Quarterly Fees & Reporting, Section 14, last part of last sentence starting with "and Supplier shall be obligated"

Explanation for Exceptions:

- 1. AZ that the portion of this statement be struck in its entirety so that this last sentence reads as follows:**

Supplier will have 30 days from the date of such notice to resolve the discrepancy to the Agency's reasonable satisfaction. If the Supplier does not so resolve the discrepancy, the Agency shall have the right to engage outside services to conduct an independent audit of Supplier's quarterly reports.

- 2. AZ will only pay for the audit if the discrepancy is 10% or more.**

GENERAL PROVISIONS

15. This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the subject matter hereof, and no other agreement, statement, or promise relating to the subject matter of this Agreement which is not contained herein shall be valid or binding.

16. If any action at law or in equity is brought to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and costs in addition to any other relief to which he may be entitled.

17. This Agreement and the Agency's rights and obligations hereunder may be assigned at Agency's sole discretion, to an existing or newly established legal entity that has the authority and capacity to perform Agency's obligations hereunder.

18. All reports, notices or other communications given hereunder shall be delivered by first-class mail, postage prepaid, or overnight delivery requiring signature on receipt to the addresses as set forth below. The Agency may, by written notice delivered to Supplier, designate any different address to which subsequent reports, notices or other communications shall be sent.

A. Agency
U.S. Communities
2033 N. Main Street, Suite 700
Walnut Creek, CA 94596
Attn: Program Manager Administration

B. Lead Public Agency

C. Supplier
AutoZone Stores, Inc.
123 S. Front Street
Memphis, TN 38103
Attn: U.S. Communities Project Manager

D. Supplier
AutoZone Stores, Inc.
123 S. Front Street
Memphis, TN 38103
Attn: General Council

19. If any provision of this Agreement shall be deemed to be, or shall in fact be, illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

20. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

21. This Agreement may not be effectively amended, changed, modified, altered or terminated without the prior written consent of the parties hereto.

22. This Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State of California as a contract executed and delivered within the State of California and to be fully performed within the State of California.

Exception Taken by AutoZone on Attachment A, USC Administration Agreement, General Provisions, Section 22

Explanation for Exception:

AZ would request that this agreement be governed exclusively by and construed in accordance with the applicable laws of the State of New York as a contract executed and delivered within the State of New York and to be fully performed within the State of New York .

23. This Agreement shall inure to the benefit of and shall be binding upon the Agency, the Supplier and any successor and assign thereto; subject, however, to the limitations contained herein.

IN WITNESS WHEREOF, the U.S. Communities Purchasing and Finance Agency has caused this Agreement to be executed in its name and the Supplier has caused this Agreement to be executed in its name, all as of the date first above written.

U.S. COMMUNITIES PURCHASING AND FINANCE AGENCY

By _____
[typed name]

This RFP is submitted subject to the inclusion of the exceptions which are documented in this RFP response and labeled as “Exception Taken By AutoZone”.

SUPPLIER: AutoZone Stores, Inc.

By William C. Rhodes III
[typed name]

SUPPLIER: AutoZone Stores, Inc.

By Grant McGee
[typed name]

Attachment A
Exhibit I – Master Agreement

**(To Be Attached When Lead Public Agency and Supplier Have
Entered Into a Master Agreement)**

Attachment A
Exhibit II – Supplier Commitments & Program Standards

U.S. Communities Purchasing & Finance Agency (U.S. Communities) is a non-profit instrumentality of government established by local government to assist public agencies reduce the cost of purchased goods and finance purchased goods. The Association of School Business Officials, International (ASBO), the National Association of Counties (NACo), the National Institute of Governmental Purchasing (NIGP), the National League of Cities (NLC), and the United States Conference of Mayors (USCM), jointly sponsor the U.S. Communities Government Purchasing Alliance (U.S. Communities).

Designed in cooperation with an Advisory Board of local government purchasing officials, U.S. Communities pools the purchasing power of public agencies, achieves bulk volume discounts on behalf of public agencies, competitively solicits quality products through a lead public agency and provides a purchasing forum for public agencies nationwide.

The following contains an explanation of the commitments, requirements and expectations of all suppliers that enter into an administrative agreement with U. S. Communities. Please review and provide the signature of a Corporate Officer at the end of each section.

SUPPLIER COMMITMENTS

U.S. Communities asks each supplier to make three basic commitments to ensure the overall success of the program:

Corporate Commitment – A commitment that U.S. Communities has the support of senior management, and that the U.S. Communities contract is the supplier’s primary offering to local government agencies nationwide. The supplier shall make its existing local public agency clients aware of its U.S. Communities contract, and upon the local public agency’s request, such agency will be transitioned to the supplier’s U.S. Communities Contract.

Pricing Commitment – A commitment that supplier’s U.S. Communities pricing is the lowest available pricing (net to buyer) to local public agencies nationwide and a further commitment that, if a local public agency is otherwise eligible for lower pricing through a federal, state, regional or local contract, the supplier will match the pricing under U.S. Communities.

Exception Taken by AutoZone on Pricing Commitment

Explanation for Exception:

AZ will agree to section B in the Supplier Commitments as written below:

AZ agrees that during the term of the Agreement, no State or Local agency with the same payment terms, volume, delivery terms and other conditions set forth in the Master Agreement will receive the products provided under this RFP at a lower net price. If it is discovered that AutoZone has provided a state or local agency a lower net pricing for a product set forth herein, AZ will provide US Communities and the Participating Public Agencies with such lower pricing on a going forward basis. This commitment shall not apply to special and/or one-time offers, liquidation sales and discounted

product(s).

Sales Commitment – A commitment that the supplier will aggressively market U.S. Communities nationwide and that the sales force will be trained, engaged and committed to offering U.S. Communities to local public agencies nationwide, with a further commitment that all U.S. Communities sales be accurately and timely reported.

The Corporate, Pricing and Sales Commitments are the foundation of the relationship between U.S. Communities and its suppliers. The Commitments are not negotiable. If a supplier is found to be in violation and/or non-compliance with one or more of the U.S. Communities Commitments, the supplier will have thirty days to provide resolution and come into compliance. Failure to do so will result in removal from the U.S. Communities national program.

This RFP is submitted subject to the inclusion of the exceptions which are documented in this RFP response and labeled as “Exception Taken By AutoZone”.

Name: William C. Rhodes III

Title: President & CEO

Signature: _____

Name: Grant McGee

Title: Vice President of Commercial

Signature: _____

SUPPLIER PROGRAM STANDARDS

We recognize that each supplier has a successful business and may choose to manage its U.S. Communities program in a variety of ways that best suit the supplier's business model, organization and market approach. The following are Program Standards intended to assist the supplier in successfully implementing the U.S. Communities contract:

U.S. Communities Administration Agreement - The supplier is required to execute the U.S. Communities Administration Agreement ("Agreement") prior to the award of the U.S. Communities contract. The Agreement outlines the supplier's general duties and responsibilities in implementing the U.S. Communities contract.

National Account Management Team – The supplier shall provide a National Account manager with the authority and responsibility for the overall success of the U.S. Communities contract within the supplier's organization. The supplier shall also designate a Lead Referral Contact Person, responsible for receiving communications from U.S. Communities concerning new public agency registrations and for ensuring timely follow up by the supplier's staff to requests for contact from public agencies. Additionally, the supplier shall provide the personnel necessary to implement and support a supplier-based internet web page dedicated to the supplier's U.S. Communities program and linked to the U.S. Communities web site.

Local Agency Access - Establish the following communication links to facilitate customer access and communication:

- ❑ A dedicated U.S. Communities internet web-based homepage with:
 - U.S. Communities standard logo with Founding Co-Sponsors;
 - Copy of original Request for Proposal or Invitation to Bid;
 - Copy of contract and amendments between lead public agency and supplier;
 - Summary of products and pricing;
 - Electronic link to U.S. Communities' online registration page;
 - Other promotional material as desired.
- ❑ A dedicated toll free national hotline for U.S. Communities
- ❑ A fax number for inquiries and orders
- ❑ A dedicated e mail address for general inquiries, "uscommunities@(name of supplier.com)

Electronic Registration - The supplier is responsible for ensuring that each Participating Public Agency has completed U.S. Communities' online registration process prior to processing the Participating Public Agency's first sales order.

Sales Report - The supplier is responsible for reporting all Participating Public Agency sales within 30 days of the end of each calendar quarter in the prescribed format set forth in the Agreement.

Administrative Fees - The supplier is responsible for paying to U.S. Communities an administrative fee on all Participating Public Agency sales volumes within 30 days of the end of each calendar quarter as set out in the Agreement.

Exception Taken by AutoZone on Supplier Program Standards, Administrative Fees

Explanation for Exception:

AZ would like to insert the word “net” in between “Agency” and “sales” so that the paragraph reads as follows:

Administrative Fees - The supplier is responsible for paying to U.S. Communities an administrative fee on all Participating Public Agency net sales volumes within 30 days of the end of each calendar quarter as set out in the Agreement

Quarterly Review - U.S. Communities will schedule a quarterly meeting with the supplier to evaluate the supplier's performance of Supplier Commitments and Program Standards outlined herein.

U.S. Communities Awareness - U.S. Communities is responsible for marketing the overall U.S. Communities concept and program to Participating Public Agencies. U.S. Communities marketing is intended to supplement and enhance the direct sales effort of the supplier. The supplier assists by providing camera-ready logos and by participating in related trade shows and conferences. U.S. Communities employs a national marketing team, a web based registration and lead referral system, a network of national and state sponsors, direct mail, the Internet and newsletters and other publications to increase U.S. Communities awareness.

Exception Taken by AutoZone on Supplier Program Standards, U.S. Communities Awareness

Explanation for Exception:

AZ must approve all logo use.

Supplier Sales - Supplier is responsible for proactive direct sales of supplier's goods and services to public agencies nationwide and the timely follow up to leads established by U.S. Communities. Use of product catalogs, targeted advertising, direct mail and other sales initiatives are encouraged. All sales materials are to use the U.S. Communities logo. U.S. Communities will provide each Supplier with its logo and the standards to be employed in the use of the logo. At a minimum, the supplier's sales initiatives should communicate:

- Contract was competitively solicited by a Lead Public Agency;
- Best government pricing
- No cost to participate
- Non-exclusive contracts

Sales Force Training - Supplier is responsible for the training of its national sales force on the U.S. Communities contract. U.S. Communities is available to train regional or district managers and generally assist with the education of sales personnel. At a minimum, sales training should include:

- Key features of U.S. Communities contract
- Working knowledge of National Sponsors and U.S. Communities Organization and Solicitation Process
- Awareness of the range of public agencies that can access U.S. Communities

This RFP is submitted subject to the inclusion of the exceptions which are documented in this RFP response and labeled as “Exception Taken By AutoZone”.

Name: William C. Rhodes III

Title: President & CEO

Signature: _____

Name: Grant McGee

Title: Vice President of Commercial

Signature: _____

SUPPLIER CORPORATE COMMITMENT GUIDELINES

1. The supplier must demonstrate in their RFP response and through out the term of their contract that senior management fully supports the U.S. Communities program and its commitments and requirements. Senior management is defined as an executive(s) with company wide authority.
2. The supplier’s field force (direct and/or authorized dealer / rep agency etc.) must lead with their U.S. Communities contract when calling on public agencies nationwide. If the supplier has alternate cooperative vehicles (i.e. state contracts, regional cooperatives) U.S. Communities is required to be the lead offering not just one of the supplier’s options. If a supplier meets resistance or an objection to utilizing U.S. Communities from a public agency, prior to offering an alternate contract option, the suppliers sales representative must contact the U.S. Communities Regional Manager in the area and request assistance in over coming the barrier or objection. If the U.S. Communities Regional Manager is unable to resolve the public agency’s objection then the supplier is permitted to pursue other options.
3. In states where the supplier has an existing state contract, U.S. Communities expects the supplier to notify the state of its U.S. Communities contract and transition the state to U.S. Communities upon the state’s request. Regardless of whether or not the state decides to transition to U.S. Communities, U.S. Communities expects the supplier to lead with the U.S. Communities contract to the local public agencies with in the state. Local public agencies include but are not limited to; counties, cities, school districts, special districts, community colleges, colleges, universities and non-profits.
The above applies to other cooperatives held by the supplier.
4. U.S. Communities recognizes that the main value for a supplier to participate in the U.S. Communities program is to generate new incremental revenue. To ensure the credibility of the program U.S. Communities requires its suppliers to inform their existing public agency customers of their U.S. Communities contract. If an existing public agency client requests to be transitioned to the supplier’s U.S. Communities contract, U.S. Communities expects the supplier to transition the client and report the client’s purchases to U.S. Communities going forward

This RFP is submitted subject to the inclusion of the exceptions which are documented in this RFP response and labeled as “Exception Taken By AutoZone”.

Name: William C. Rhodes III

Title: President & CEO

Signature: _____

Name: Grant McGee

Title: Vice President of Commercial

Signature: _____

SUPPLIER PRICING COMMITMENT COMPLIANCE GUIDELINES

It is U.S. Communities expectation that the standard pricing offered through the supplier's U.S. Communities contract is generally the lowest overall available pricing net to buyer to state and local agencies nationwide. The supplier does have recourse available to come into compliance with the U.S. Communities pricing commitment when a pre-existing contract and / or a public agency's unique buying pattern provide one or more public agencies a lower price than the supplier's U.S. Communities contract. The following options are intended for limited use and not as a routine business practice.

1. If the supplier has a contract that is available to one or more public agencies that offers lower pricing than their U.S. Communities contract, the supplier is required to match the pricing under the U.S. Communities contract and make the eligible public agencies aware that the lower pricing is available under their U.S. Communities contract. If one or more of the eligible agencies request to transition to the U.S. Communities contract, the supplier is expected to transition the agency and report the agency's purchases under the U.S. Communities contract going forward. The price match only applies to eligible agencies. Below are three examples of contracts and eligible agencies.
 - a. The supplier holds a state contract with lower pricing that is available to all public agencies within the state. The supplier would match the lower state pricing under U.S. Communities and make it available to all public agencies within the state.
 - b. The supplier holds a regional cooperative contract with lower pricing that is available only to the ten cooperative members. The supplier would match the lower cooperative pricing under U.S. Communities and make it available to the ten public agency cooperative members.
 - c. The supplier holds a contract with an individual public agency. The public agency contract does not contain any cooperative language and therefore other public agencies are not eligible to utilize the contract. The supplier would be required to match the lower pricing under the U.S. Communities contract and make it available only to the individual public agency.

Exception Taken by AutoZone on Pricing Commitment Compliance Guidelines

Explanation for Exception:

AZ agrees that during the term of the Agreement, no State or Local agency with the same payment terms, volume, delivery terms and other conditions set forth in the Master Agreement will receive the products provided under this RFP at a lower net price. If it is discovered that AutoZone has provided a state or local agency a lower net pricing for a product set forth herein, AZ will provide US Communities and the Participating Public Agencies with such lower pricing on a going forward basis. This commitment shall not apply to special and/or one-time offers, liquidation sales and discounted product(s).

2. The percentage discount (from their published list prices) that a supplier contracts for with a U.S. Communities Lead Public Agency and, by extension to all U.S. Communities participants is to be interpreted as the **minimum** discount available. While, under no circumstances, can the supplier offer a lower discount than that which it contracted for, it is permitted to offer larger discounts, for certain and specific reasons, provided that: 1) these discounts are applied uniformly to U.S. Communities participants with the same or similar conditions and; 2) the supplier makes the availability of these larger discounts known to U.S. Communities participants with the same or similar conditions.

This RFP is submitted subject to the inclusion of the exceptions which are documented in this RFP response and labeled as “Exception Taken By AutoZone”.

Name: William C. Rhodes III

Title: President & CEO

Signature: _____

Name: Grant McGee

Title: Vice President of Commercial

Signature: _____

PUBLIC AGENCY SOLICITATION RESPONSE GUIDELINES

While it is the objective of the U.S. Communities program to have public agencies piggyback on the contracts rather than issue their own bids and RFPs, U.S. Communities recognizes that for various reasons many public agencies will issue their own solicitations. The following options are available to U.S. Communities Suppliers when responding to Public Agency solicitations.

1. Respond to the bid or RFP with pricing that is higher (net to buyer) than the Suppliers' U.S. Communities contract pricing.
2. Respond to the bid or RFP with pricing that is higher (net to buyer) than the Suppliers U.S. Communities contract pricing. If an alternative response is permitted offer the U.S. Communities contract as an alternative for their consideration.
3. Respond with your U.S. Communities contract pricing. If successful the sales would be reported under U.S. Communities,
4. If competitive conditions required pricing lower than the standard U.S. Communities contract pricing, the supplier can submit lower pricing through the U.S. Communities contract. If successful the sales would be reported under U.S. Communities,
5. Do not respond to the bid or RFP. Make the U.S. Communities contract available to the agency to compare against their solicitation responses.

Exception Taken by AutoZone on Public Agency Solicitation Response Guidelines

Explanation for Exception:

AZ agrees that during the term of the Agreement, no State or Local agency with the same payment terms, volume, delivery terms and other conditions set forth in the Master Agreement will receive the products provided under this RFP at a lower net price. If it is discovered that AutoZone has provided a state or local agency a lower net pricing for a product set forth herein, AZ will provide US Communities and the Participating Public Agencies with such lower pricing on a going forward basis. This commitment shall not apply to special and/or one-time offers, liquidation sales and discounted product(s).

This RFP is submitted subject to the inclusion of the exceptions which are documented in this RFP response and labeled as "Exception Taken By AutoZone".

Name: William C. Rhodes III

Title: President & CEO

Signature: _____

Name: Grant McGee

Title: Vice President of Commercial

Signature: _____

Attachment A
Exhibit III – Lead Public Agency Certificate

EXAMPLE OF LEAD PUBLIC AGENCY CERTIFICATE

I hereby acknowledge, on behalf of the public agency identified (the “Lead Public Agency”) that I have read and agree to the general terms and conditions set forth in the enclosed Master Intergovernmental Cooperative Purchasing Agreement (MICPA) regulating the use of the Master Agreements and purchase of Products that from time to time are made available by Lead Public Agency to Participating Public Agencies nationwide through U.S. Communities. Copies of Master Agreements and any amendments thereto made available by Lead Public Agency will be provided to Suppliers and U.S. Communities to facilitate use by Participating Public Agencies.

I understand that the purchase of one or more Products under the provisions of the MICPA is at the sole and complete discretion of the Participating Public Agency.

Authorized Signature, Lead Government Agency

Date

Attachment A
Exhibit IV – Master Intergovernmental Cooperative Purchasing Agreement

MASTER INTERGOVERNMENTAL COOPERATIVE PURCHASING AGREEMENT

This agreement is made between certain government agencies that execute a Lead Public Agency Certificate (“Lead Public Agencies”) to be appended and made a part hereof and other government agencies (“Participating Public Agencies”) that agree to the terms and conditions hereof through the U.S. Communities registration and made a part hereof.

RECITALS

WHEREAS, after a competitive bidding and selection process by Lead Public Agencies, a number of Suppliers have entered into Master Agreements to provide a variety of goods, products and services based on national volumes (herein “Products”);

WHEREAS, Master Agreements are made available by Lead Public Agencies through U.S. Communities and provide that Participating Public Agencies may purchase Products on the same terms, conditions and pricing as the Lead Public Agency, subject to any applicable local purchasing ordinances and the laws of the State of purchase;

WHEREAS, the parties desire to comply with the requirements and formalities of the Intergovernmental Cooperation Act as may be applicable to the laws of the State of purchase;

WHEREAS, the parties hereto desire to conserve resources and reduce procurement cost;

WHEREAS, the parties hereto desire to improve the efficiency, effectiveness and economy of the procurement of necessary Products;

NOW, THEREFORE, in consideration of the mutual promises contained in this agreement, and of the mutual benefits to result, the parties agree as follows:

1. That each party will facilitate the cooperative procurement of Products.
2. That the procurement of Products subject to this agreement shall be conducted in accordance with and subject to the relevant statutes, ordinances, rules and regulations that govern each party’s procurement practices.
3. That the cooperative use of bids obtained by a party to this agreement shall be in accordance with the terms and conditions of the bid, except as modification of those terms and conditions is otherwise allowed or required by applicable law.
4. That the Lead Public Agencies will make available, upon reasonable request and subject to convenience, information which may assist in improving the effectiveness, efficiency and economy of Participating Public Agencies procurement of Products.
5. That a procuring party will make timely payments to the Supplier for Products received in accordance with the terms and conditions of the procurement. Payment for Products and inspections and acceptance of Products ordered by the procuring party shall be the exclusive obligation of such procuring party. Disputes between procuring party and Supplier are to be resolved in accord with the law and venue rules of the State of purchase.
6. The procuring party shall not use this agreement as a method for obtaining additional concessions or reduced prices for similar products or services.

7. The procuring party shall be responsible for the ordering of Products under this agreement. A non-procuring party shall not be liable in any fashion for any violation by a procuring party, and the procuring party shall hold non-procuring party harmless from any liability that may arise from action or inaction of the procuring party.

8. The exercise of any rights or remedies by the procuring party shall be the exclusive obligation of such procuring party.

9. This agreement shall remain in effect until termination by a party giving 30 days written notice to U.S. Communities at 2033 N. Main Street, Suite 700, Walnut Creek, CA 94596.

10. This agreement shall take effect after execution of the Lead Public Agency Certificate or Participating Public Agency Registration, as applicable.

Name: _____

Title: _____

Signature: _____

Attachment A

Exhibit V – Quarterly Fees & Reporting

U. S. Communities Reporting Procedures

Pursuant to the contract terms under the U.S. Communities Administrative Agreement and related to Quarterly Fees and Reporting, the following is the reporting and audit process to be implemented immediately.

30 Days after Quarter End, quarterly sales reporting is due in the required format as depicted in Sales Reporting Example, Figure 3, on the following pages. Company must make reasonable attempts at filling in all required information and contact Agency with a plan to correct any deficiencies of data field population.

Submitted report data will be verified by Agency against the registration database data. Any data that differs with the registration database will be changed before sending to Program Trustee, Wells Fargo, for processing.

Agency will send to each vendor an exception report that detail where the vendor sales report differed from the registration database and the anticipated actions to correct those discrepancies. These corrections must be completed with changes forwarded and closed off with Agency prior to the following quarterly sales report. Any questions should be directed to Agency in writing to ckuranko@uscommunities.org.

Within 60 days of quarter end, Agency will provide online reporting available to vendors, sponsors and agencies with updated quarterly sales reporting. The vendors will be asked to follow up and report back on specific reports available to them online. The areas of concern that suppliers will be requested to review and report back on include but are not limited to:

- Dropped/Decreased Sales Report
- Zero States Sales Report
- Registered Agency w/ out Sales Report

The above reports will be made available through Agency's web site and will be found under "Quarterly Sales Report." Other reports that are available under "Quarterly Sales Report" and may be helpful in resolving reporting issues and enabling better management of your U.S. Communities contract are:

- Agency Type Qtr Comparison Sales Report
- State Qtr Comparison Sales Report
- Increased Sales Report
- New Lead Sales Report
- Hot Prospect Sales Report
- Advisory Board Usage Report
- Sales Report Builder

If upon review of sales reports or sales analysis by participating public agencies, sponsors, advisory board members or Agency staff, a sales reporting discrepancy is highlighted, Company will be informed of follow up requirements by e-mail. Company will be expected to provide to Agency data that sufficiently clarifies sales issues in question in a timely manner so as to be resolved to Agency and Lead Agency's reasonable satisfaction within 30 days of written request; and if not resolved Agency will have the right to conduct an audit and subject late fees to the sales in question. If past

due fees are determined payable, once amount is determined, Wells Fargo must receive payment by vendor within 15 days.

The above requests are in accordance to the terms listed under Quarterly Fees and Reporting in the Administrative Agreement.

Figure 3; Sales Reporting Example

Column Description					
Column Name	Data Type	Length	Sample	Comment	
TIN	Text	9	956000735, 066001854	No Dash, Do not omit leading zero.	
Supplier ID	Number	3	111, 110, 116	See Supplier ID Table Below	
Account No.	Text	25 max	Depends on supplier account no.		
Agency Name	Text	255 max	City of Groton, Los Angeles County		
Dept Name	Text	255 max	Purchasing Dept, Finance Dept		
Address	Text	255 max			
City	Text	255 max	Pittsburgh, Los Angeles	Must be a valid City name	
State	Text	2	PA, CA, IL		
Zip	Text	5	90071, 06340	No Dash, Do not omit leading zero, Valid zip code	
Agency Type	Number	2	20, 30, 31	See Agency Type Table Below	
Year	Number	4	2005		
Qtr	Number	1	1, 2, 3, 4		
Amount	Number	variable	45090.79	Two digit decimal point	
NOTE: All fields are required except for Dept Name and Address					
Supplier ID Table			Agency Type Table		
Supplier Id	Supplier Name			Agency Type ID	Agency Type Description
107	Knoll			10	K-12
108	Steelcase			11	Community College
110	Graybar			12	College and University
111	Office Depot			20	City
113	Haworth			21	City Special District
114	Herman Miller			22	Consolidated City/County
115	GTSI			30	County
116	Zep			31	County Special District
117	Interface			80	State Agency
119	Milliken			81	Independent Special District
120	Virco			82	Non-Profit
123	Getstetner Ricoh Savin			84	Other
125	Sportime			99	Unknown
126	Gametime				
127	Landscape Structures				
128	Little Tikes				

Column Description					
Column Name	Data Type	Length	Sample	Comment	
TIN	Text	9	956000735, 066001854	No Dash, Do not omit leading zero.	
Supplier ID	Number	3	111, 110, 116	See Supplier ID Table Below	
Account No.	Text	25 max	Depends on supplier account no.		
Agency Name	Text	255 max	City of Groton, Los Angeles County		
Dept Name	Text	255 max	Purchasing Dept, Finance Dept		
Address	Text	255 max			
City	Text	255 max	Pittsburgh, Los Angeles	Must be a valid City name	
State	Text	2	PA, CA, IL		
Zip	Text	5	90071, 06340	No Dash, Do not omit leading zero, Valid zip code	
Agency Type	Number	2	20, 30, 31	See Agency Type Table Below	
Year	Number	4	2005		
Qtr	Number	1	1, 2, 3, 4		
Amount	Number	variable	45090.79	Two digit decimal point	
NOTE: All fields are required except for Dept Name and Address					
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Supplier Id	Supplier Name			Agency Type ID	Agency Type Description
107	Knoll			10	K-12
108	Steelcase			11	Community College
110	Graybar			12	College and University
111	Office Depot			20	City
113	Haworth			21	City Special District
114	Herman Miller			22	Consolidated City/County
115	GTSI			30	County
116	Zep			31	County Special District
117	Interface			80	State Agency
119	Milliken			81	Independent Special District
120	Virco			82	Non-Profit
123	Getstetner Ricoh Savin			84	Other
125	Sportime			99	Unknown
126	Gametime				
127	Landscape Structures				
128	Little Tikes				

ATTACHMENT B

Pursuant to Oregon Revised Statutes Chapter 279A.220 the following Oregon public agencies are registered with U.S. Communities and are eligible to access the contract award made pursuant to this solicitation and are hereby given notice of the foregoing request for proposal for purposes of complying with the procedural requirements of said statute:

Cities, Towns, Villages and Boroughs

CITY OF ADAIR VILLAGE
CITY OF AUMSVILLE
CITY OF BOARDMAN
CITY OF CANBY
CITY OF CANYONVILLE
CITY OF CLATSKANIE
CITY OF COBURG
CITY OF CONDON
CITY OF COTTAGE GROVE
CITY OF DALLAS
CITY OF DAMASCUS
CITY OF DUNDEE
CITY OF EUGENE
CITY OF GRANTS PASS
CITY OF HILLSBORO
CITY OF HOOD RIVER
CITY OF JOHN DAY
CITY OF LA GRANDE
CITY OF LEBANON
CITY OF MILL CITY
CITY OF MILWAUKIE
CITY OF NORTH PLAINS
CITY OF OREGON CITY
CITY OF PILOT ROCK
CITY OF PORTLAND
CITY OF POWERS
CITY OF SANDY
CITY OF SCAPPOOSE
CITY OF SHERWOOD
CITY OF TIGARD, OREGON
CITY OF TUALATIN, OREGON
CITY OF WARRENTON
CITY OF WILSONVILLE
CITY OF WOOD VILLAGE

Counties

BENTON CITY
CLATSOP CITY
COLUMBIA CITY, OREGON
CURRY CITY OREGON
DESCHUTES CITY
DOUGLAS CITY
GILLIAM CITY
HOOD RIVER CITY
LAKE CITY
LINCOLN CITY
LINN CITY
MARION CITY , SALEM, OREGON
MORROW CITY
POLK CITY

SHERMAN CITY
UMATILLA CITY, OREGON
UNION CITY
WASCO CITY
WASHINGTON CITY
YAMHILL CITY

K - 12

BAKER CITY SCHOOL DIST. 16J
BEAVERTON SCHOOL DISTRICT
BEND-LA PINE SCHOOL DISTRICT
BROOKING HARBOR SCHOOL DISTRICT NO.17-C
CASCADES ACADEMY OF CENTRAL OREGON
CENTENNIAL SCHOOL DISTRICT
CENTRAL CATHOLIC HIGH SCHOOL
CENTRAL POINT SCHOOL DISTRICT NO. 6
CENTRAL SCHOOL DISTRICT 13J
COOS BAY SCHOOL DISTRICT NO.9
CITY OF YAMHILL SCHOOL DISTRICT 29
CULVER SCHOOL DISTRICT NO.
DAVID DOUGLAS SCHOOL DISTRICT
DAYTON SCHOOL DISTRICT NO.8
DE LA SALLE N CATHOLIC HS
DUFUR SCHOOL DISTRICT NO.29
ESTACADA SCHOOL DISTRICT NO.108
FOREST GROVE SCHOOL DISTRICT
GLADSTONE SCHOOL DISTRICT
GRANTS PASS SCHOOL DISTRICT 7
GREATER ALBANY PUBLIC SCHOOL DISTRICT
HOOD RIVER CITY SCHOOL DISTRICT
JACKSON CO SCHOOL DIST NO.9
JEFFERSON CITY SCHOOL DISTRICT 509-J
JEFFERSON SCHOOL DISTRICT
KLAMATH FALLS CITY SCHOOLS
LANE CITY SCHOOL DISTRICT 4J
LINN CO. SCHOOL DIST. 95C
LOST RIVER JR/SR HIGH SCHOOL
LOWELL SCHOOL DISTRICT NO.71
MARION CITY SCHOOL DISTRICT
MARION CITY SCHOOL DISTRICT 103
MCMINNVILLE SCHOOL DISTRICT NO.40
MEDFORD SCHOOL DISTRICT 549C
MITCH CHARTER SCHOOL
MONROE SCHOOL DISTRICT NO.1J
MULTISENSORY LEARNING ACADEMY
MULTNOMAH EDUCATION SERVICE DISTRICT
NEAH-KAH-NIE DISTRICT NO.56
NESTUCCA VALLEY SCHOOL DISTRICT NO.101
NOBEL LEARNING COMMUNITIES
NORTH CLACKAMAS SCHOOL DISTRICT
NORTH WASCO CTY SCHOOL DISTRICT 21
ONTARIO MIDDLE SCHOOL
OREGON TRAIL SCHOOL DISTRICT NO.46
PHOENIX-TALENT SCHOOL DISTRICT NO.4
PORTLAND PUBLIC SCHOOLS
REDMOND SCHOOL DISTRICT
ROGUE RIVER SCHOOL DISTRICT NO.35
ROSEBURG PUBLIC SCHOOLS
SCAPPOOSE SCHOOL DISTRICT 1J
SEASIDE SCHOOL DISTRICT 10
SHERWOOD SCHOOL DISTRICT 88J
SPRINGFIELD SCHOOL DISTRICT NO.19
SWEET HOME SCHOOL DISTRICT NO.55
THE CATLIN GABEL SCHOOL
TIGARD-TUALATIN SCHOOL DISTRICT

WEST LINN WILSONVILLE SCHOOL DISTRICT
YONCALLA SCHOOL DISTRICT NO.32

Higher Education

CHEMEKETA COMMUNITY COLLEGE
COLUMBIA GORGE COMMUNITY COLLEGE
GEORGE FOX UNIVERSITY
LEWIS AND CLARK COLLEGE
LINFIELD COLLEGE
LINN-BENTON COMMUNITY COLLEGE
MT. HOOD COMMUNITY COLLEGE
NORTHWEST CHRISTIAN COLLEGE
OREGON UNIVERSITY SYSTEM
PACIFIC UNIVERSITY
REED COLLEGE
ROGUE COMMUNITY COLLEGE
SOUTHWESTERN OREGON COMMUNITY COLLEGE
TILLAMOOK BAY COMMUNITY COLLEGE
WESTERN STATES CHIROPRACTIC COLLEGE
WILLAMETTE UNIVERSITY

State Agencies

BOARD OF MEDICAL EXAMINERS
OFFICE OF MEDICAL ASSISTANCE PROGRAMS
OREGON CHILD DEVELOPMENT COALITION
OREGON OFFICE OF ENERGY
OREGON STATE BOARD OF NURSING
SOUTHERN OREGON EDUCATION SERVICE DISTRICT

Special/Independent Districts

CITY INSURANCE SERVICES
CLACKAMAS CITY DEPT OF TRANSPORTATION
CLEAN WATER SERVICES
COLUMBIA 911 COMMUNICATIONS DISTRICT
COLUMBIA RIVER PUD
COOS CITY HIGHWAY DEPARTMENT
CROOK CITY ROAD DEPARTMENT
DESCHUTES CITY RFPD NO.2
GASTON RURAL FIRE DEPARTMENT
GLADSTONE POLICE DEPARTMENT
HOODLAND FIRE DISTRICT #74
KEIZER POLICE DEPARTMENT
LANE TRANSIT DISTRICT
MARION CITY FIRE DISTRICT #1
METRO
MULTNOMAH CITY BUSINESS AND COMMUNITY SERVICES
MULTONAH CITY DRAINAGE DISTRICT #1
NW POWER POOL
PORTLAND DEVELOPMENT COMMISSION
RIVERGROVE WATER DISTRICT
SUNSET EMPIRE PARK AND RECREATION
THE PORT OF PORTLAND
TUALATIN VALLEY FIRE & RESCUE
WILLAMALANE PARK AND RECREATION DISTRICT

Non Profit(&Other)

ASSOCIATION OF OREGON COUNTIES
BENTON HOSPICE SERVICE
CANCER CARE RESOURCES
CASCADIA BEHAVIORAL HEALTHCARE

CATHOLIC CHARITIES
CHILDPEACE MONTESSORI
CITY BIBLE CHURCH
DOUGLAS ELECTRIC COOPERATIVE, INC.
EN AVANT, INC.
EVERGREEN AVIATION MUSEUM AND CAP. MICHAEL KING.
FAMILIES FIRST OF GRANT CITY, INC.
HEAD START OF LANE CITY
LANE ELECTRIC COOPERATIVE
LANE MEMORIAL BLOOD BANK
LAUREL HILL CENTER
LEAGUE OF OREGON CITIES
LOCAL GOVERNMENT PERSONNEL INSTITUTE
MAKING MEMORIES BREAST CANCER FOUNDATION, INC.
MID COLUMBIA COUNCIL OF GOVERNMENTS
MID-WILLAMETTE VALLEY COMMUNITY ACTION AGENCY, INC
MOSAIC CHURCH
MULTNOMAH LAW LIBRARY
NEW HOPE COMMUNITY CHURCH
OREGON DEATH WITH DIGNITY
OUTSIDE IN
OUTSIDE IN
PACIFIC CASCADE FEDERAL CREDIT UNION
PARTNERSHIPS IN COMMUNITY LIVING, INC.
PLANNED PARENTHOOD OF SOUTHWESTERN OREGON
PORTLAND ART MUSEUM
PORTLAND SCHOOLS FOUNDATION
PORTLAND WOMENS CRISIS LINE
ROGUE FEDERAL CREDIT UNION
SAIF CORPORATION
SEXUAL ASSAULT RESOURCE CENTER
SEXUAL ASSAULT RESOURCE CENTER
SISKIYOU INITIATIVE
SPRINGFIELD UTILITY BOARD
ST. MARYS OF MEDFORD, INC.
SUMMIT VIEW COVENANT CHURCH
SUNRISE ENTERPRISES
TILLAMOOK CNTY WOMENS CRISIS CENTER
TOUCHSTONE PARENT ORGANIZATION
TRI-CITY HEALTH CARE SAFETY NET ENTERPRISE
UMPQUA COMMUNITY DEVELOPMENT CORPORATION
USAGENCIES CREDIT UNION
VIRGINIA GARCIA MEMORIAL HEALTH CENTER
VOLUNTEERS OF AMERICA OREGON

ATTACHMENT C Pricing Schedule

PLEASE READ THE FOLLOWING INSTRUCTIONS CAREFULLY

1. THE FOLLOWING PRICING SPREADSHEETS MUST BE COMPLETED (250 ITEMS) AND SUBMITTED WITH YOUR ENTIRE PROPOSAL RESPONSE AS FOLLOWS:
 - ONE (1) ORIGINAL AND SIX (6) COPIES
 - ONE (1) ELECTRONIC COPY ON CD (CD Provided by City of Charlotte)
2. PRICES MUST INCLUDE ALL PRODUCT, FREIGHT, LABOR, DELIVERY, CONSULTATION, PERMITS, LICENSE, VENDOR PROFIT AND ALL OTHER COSTS ASSOCIATED WITH PROVIDING THE PRODUCTS. NO ADDITIONAL COST WILL BE ALLOWED. ANY EXCEPTIONS MUST BE CLEARLY STATED.
3. DO NOT INCLUDE TAX.
4. PLEASE MAKE SURE YOUR SPREADSHEET CONTAINS A GRAND TOTAL IN THE SPACE INDICATED AT THE BOTTOM. FOR YOUR CONVENIENCE THE CD PROVIDED TO YOU HAS BEEN FORMATED TO AUTOMATICALLY CALCULATE THE TOTAL SUM.

PLEASE KEEP IN MIND:

THE RESULTING CONTRACT WILL BE UTILIZED **NATIONWIDE** WITH THE POSSIBLE AGGREGATE VOLUME OF OVER 14,000 PUBLIC AGENCIES.

PLEASE PREPARE YOUR PROPOSAL RESPONSES ACCORDINGLY!!

PLEASE PROVIDE YOUR COMPANY'S **COMPLETE PRODUCT OFFERINGS ASSOCIATED WITH AUTOMOTIVE PARTS AND ACCESSORIES** TO ENSURE THE BEST POSSIBLE SOLUTION FOR ALL PARTICIPATING AGENCIES.

THANK YOU FOR YOUR INTEREST IN DOING BUSINESS WITH US!

AZ Exception List for RFP #269-2006-060

This RFP is submitted subject to the inclusion of the exceptions which are attached to this RFP as “AutoZone Exceptions to RFP #269-2006-060.”

1. Exception Taken by AutoZone to the General Definition of Products

Explanation for Exception:

AZ will agree to the above statement written as follows:

ALL PRODUCTS OFFERED MUST BE NEW, UNUSED OR REMANUFACTURED, OF THE LATEST DESIGN AND TECHNOLOGY AND FROM MOST CURRENT PRODUCT LINES

2. Exception Taken by AutoZone on Pricing Commitment

Explanation for Exception:

AZ will agree to section B in the Supplier Commitments as written below:

AZ agrees that during the term of the Agreement, no State or Local agency with the same payment terms, volume, delivery terms and other conditions set forth in the Master Agreement will receive the products provided under this RFP at a lower net price. If it is discovered that AutoZone has provided a state or local agency a lower net pricing for a product set forth herein, AZ will provide US Communities and the Participating Public Agencies with such lower pricing on a going forward basis. This commitment shall not apply to special and/or one-time offers, liquidation sales and discounted product(s).

3. Exception Taken by AutoZone on Introduction and Background, Implementation Steps, Number 7, Dedicated Fax number(s)

Explanation for Exception:

As the majority of the ordering and customer handling will be through our local stores, AZ will not be able to provide a fax in each store. AZ will investigate each operational need of the US Communities member to exhaust all ordering capabilities. If there are no other alternatives, AZ will review the possibility of installing a fax to suit the specific US Communities member’s needs.

4. Exception Taken by AutoZone on Revision from Addendum #1, Section 1.9.5 Products (B)

Explanation for Exception:

AZ will be able to provide battery and radiator core pickup in this section for Hot Shot now and in the future (future being defined as when the AZ Web solution is put into place and the Non- Hot Shot locations are being serviced by our DCs.) AZ will not be able to provide Battery and Radiator Core service as drafted for the Non-Hot shot serviced locations until the Web solution is in place.

5. Exception Taken by AutoZone on Section 3.11.9 Proposal Binding for 180 Days

Explanation for Exception:

In association with the language used to describe pricing under the Business Proposal, 10.1 Pricing, Section E, AZ requests that language be inserted to provide protection to AZ to be able to raise prices should we take a price increase ourselves. To go along with this, we would request that the sentence, “All prices quoted shall be firm and fixed for the full Contract period.” Be struck from the RFP/Contract.

6. Exception Taken by AutoZone on Section 3.12.1 Price Change, a,b,c,d.

Explanation for Exception:

In association with the language used to describe pricing under the Business Proposal, 10.1 Pricing, Section E, AZ requests that language be inserted to provide protection to AZ to be able to raise prices should we take a price increase ourselves. To go along with this, we would request that the sentence, “All prices quoted shall be firm and fixed for the full Contract period.” Be struck from the RFP/Contract

7. Exception Taken by AutoZone on 3.3 Non-Exclusive Contract

Explanation for Exception:

AZ would like to change the language of this section to reflect that once the contract is signed, AZ receives first call from US Communities members on all AZ items that AZ could normally provide. Light Duty (up to one ton) parts and components that match our general categories.

8. Exception Taken by AutoZone on 3.6 Preparation for Delivery, Marking

Explanation for Exception:

On Hot Shot and Non-Hot Shot orders picked and delivered from our local AZ Stores and our DCs, AZ does not have the capability mark each carton 1 of 4, 2 of 4, etc.

9. Exception Taken by AutoZone ON 3.11.5 Statutory Requirements

Explanation for Exception:

AZ will be in compliance to the extent that private employers who are not government agencies or subcontractors are held.

10 Exception Taken by AutoZone on Section 3.11.9 Proposal Binding for 180 Days

Explanation for Exception:

In association with the language used to describe pricing under the Business Proposal, 10.1 Pricing, Section E, AZ requests that language be inserted to provide protection to AZ to be able to raise prices should we take a price increase ourselves. To go along with this, we would request that the sentence, “All prices quoted shall be firm and fixed for the full Contract period.”, be struck from the RFP/Contract.

11. Exceptions Taken by AutoZone on Section 3.15 Non-Discrimination Provision second paragraph, starting with point a) on previous page

Explanation for Exceptions with this section:

1. AZ will insert the word “reasonably” and delete the word “promptly” so that the paragraph will now read as follows:

As a condition of entering into this Agreement, the Company further agrees to: (a) reasonably provide to the Lead Public Agency all information and documentation that may be requested by the Lead Public Agency from time to time regarding the solicitation and selection of subcontractors; and (b) submit the completed Non-Discrimination Certification included in Section 5, Form 9 of this RFP with your Proposal.

2. AZ does not subcontract work out except for the LTL shippers as outlined in our response. In those situations and any future situations, AZ will not provide information and documentation about our selection of d.

12. Exception Taken by AutoZone on Section 3.18 Spent Battery Cores

Explanation for Exception:

AZ will be able to provide battery and radiator core pickup in this section for Hot Shot now and in the future (future being defined as when the AZ Web solution is put into place and the Non- Hot Shot locations are being serviced by our DCs.) AZ will not be able to provide Battery and Radiator Core service as drafted for the Non-Hot Shot serviced locations until the Web solution is in place.

13. Exception Taken by AutoZone on Section 4.1 General Warranties

Explanation for Exception:

AZ will be in compliance to the extent that private employers who are not government agencies or subcontractors are held.

14. Exception Taken by AutoZone on Section 4.3.4 Obligations Upon Expiration or Termination

Explanation for Exception:

AZ requests that all this section needs to be mutual.

15. Exception Taken by AutoZone on Section 4.3.5 No Suspension

Explanation for Exception:

AZ requests that all this section needs to be mutual.

16. Exceptions Taken by AutoZone on Section 4.3.6 Cancellation of Orders and Subcontracts

Explanation for Exceptions:

- 1. AZ requests that all these sections need to be mutual.**
- 2. AZ requests once any order has started, it must proceed to conclusion, and the ordering entity once has ordered needs to accept the order, and once that entity accepts that order, then termination can commence.**

17. Exception Taken by AutoZone on Section 4.3.7 Authority to Terminate

Explanation for Exception:

AZ requests that all this section needs to be mutual.

18. Exception Taken by AutoZone on Section 4.3.8 No Effect on Taxes, Fees, Charges, or Reports

Explanation for Exception:

AZ requests that all this section needs to be mutual.

19. Exception Taken by AutoZone on Section 4.4 Transition Services Upon Termination

Explanation for Exception:

1. AZ will provide “reasonable” efforts to assist with the orderly transfer of the Services
2. AZ requests that section (a), (b), (c), and (d) above be done at the City’s cost

20. Exception Taken by AutoZone on Section 4.6, Company Will not Sell or Disclose Data

Explanation for Exception:

AZ requests that all this section needs to be mutual.

21. Exception Taken by AutoZone on Section 4.9 Indemnification, opening paragraph

Explanation for Exception:

AZ requests that the words “that arise directly or indirectly from:” in the last sentence of this paragraph be changed to “to the extent the same from.”, so that the paragraph reads as follows:

The Company shall indemnify, defend and hold harmless the City and the City’s officers, employees and agents from and against any and all losses, damages, costs, expenses (including reasonable attorneys’ fees), obligations and other liabilities (including settlement amounts) to the extent the same arise from:

22. Exception Taken by AutoZone on Section 4.9 Indemnification, subsection 4.9.2

Explanation for Exception:

AZ requests that the word “gross” be inserted between the words “of” and “negligence” in the first sentence so that the paragraph reads as follows:

any act(s) of gross negligence or willful misconduct by the Company or any of its agents, employees or subcontractors (or any allegations of any of the foregoing), including but not limited to any liability caused by an accident or other occurrence resulting in bodily injury, death, sickness or disease to any person(s) or damage or destruction to any property, real or personal;

23. Exception Taken by AutoZone on Section 4.13 , Drug Free Work Place

Explanation for Exception:

AutoZone has established policies and procedures which prohibit reporting to work under the influence of alcohol or the detectable presence of illegal drugs, narcotics, other intoxicants or non-prescribed drugs. These policies and procedures also prohibit the solicitation, possession and use of them on company premises. We cannot change these policies and procedures in specific locations where we are already conducting business to meet the criteria of the City of Charlotte and/or USC. AutoZone is in compliance to the extent that private employers who are not government agencies or subcontractors are held.

24. Exception Taken by AutoZone on Section 4.14.3 Governing Law and Jurisdiction, sentence starting with “Company further agrees” and ending with “regarding employment practices.”,

Explanation for Exception:

AZ will not subject ourselves to the government subcontracting requirements. AZ will be in compliance to the extent that private employers who are not government agencies or subcontractors are held.

25. Exception Taken by AutoZone on Section 4.14.5, City Not Liable for Delays

Explanation for Exception:

AZ requests that this paragraph be stricken completely. We believe that this paragraph allows the USC member to be late for any reason.

26. Exception Taken by AutoZone on Section 4.5 Audit

Explanation for Exception:

AZ will only pay for the audit if the discrepancy is 10% or more.

27. Exception Taken by AutoZone on the Non-Discrimination Certification Form, point one (1),two (2), three (3) and four (4)

Explanation for Exception:

AZ will not subject ourselves to the government subcontracting requirements. AZ will be in compliance to the extent that private employers who are not government agencies or subcontractors are held.

28. Exception Taken by AutoZone on Attachment A, USC Administration Agreement, National Promotion, Section 10,

Explanation for Exception:

AZ requests that this sentence be stricken completely. We must approve the use of all of our trademarks

29. Exception Taken by AutoZone on Attachment A, USC Administration Agreement, Quarterly Fees & Reporting, Section 11,

Explanation for Exception:

AZ requests that this paragraph be made to be pertaining to net sales, which calculation would be net of returns.

30. Exception Taken by AutoZone on Attachment A, USC Administration Agreement, Quarterly Fees & Reporting, Section 12, second sentence, length of time reserved to audit

Explanation for Exception:

AZ requests that the reference to four (4) years be changed to two (2), and the audit will be conducted under escort should it be conducted in an AZ owned or operated facility.

31. Exception Taken by AutoZone on Attachment A, USC Administration Agreement, Quarterly Fees & Reporting, Section 13, next to the last sentence starting “All administrative fees not paid.”

Explanation for Exception:

AZ requests that the word “undisputed” be inserted between the words “All” and “administrative” so that this sentence reads as follows:
All undisputed administrative fees not paid within 30 days of the end of each quarter shall bear interest at the rate of 1 1/2% per month until paid

32. Exceptions Taken by AutoZone on Attachment A, USC Administration Agreement, Quarterly Fees & Reporting, Section 14, last part of last sentence starting with “and Supplier shall be obligated”

Explanation for Exceptions:

1. AZ that the portion of this statement be struck in its entirety so that this last sentence reads as follows:

Supplier will have 30 days from the date of such notice to resolve the discrepancy to the Agency's reasonable satisfaction. If the Supplier does not so resolve the discrepancy, the Agency shall have the right to engage outside services to conduct an independent audit of Supplier's quarterly reports.

2. AZ will only pay for the audit if the discrepancy is 10% or more.

33. Exception Taken by AutoZone on Attachment A, USC Administration Agreement, General Provisions, Section 22

Explanation for Exception:

AZ would request that this agreement be governed exclusively by and construed in accordance with the applicable laws of the State of New York as a contract executed and delivered within the State of New York and to be fully performed within the State of New York .

34. Exception Taken by AutoZone on Pricing Commitment

Explanation for Exception:

AZ will agree to section B in the Supplier Commitments as written below:

AZ agrees that during the term of the Agreement, no State or Local agency with the same payment terms, volume, delivery terms and other conditions set forth in the Master Agreement will receive the products provided under this RFP at a lower net price. If it is discovered that AutoZone has provided a state or local agency a lower net pricing for a product set forth herein, AZ will provide US Communities and the Participating Public Agencies with such lower pricing on a going forward basis. This commitment shall not apply to special and/or one-time offers, liquidation sales and discounted product(s).

35. Exception Taken by AutoZone on Supplier Program Standards, Administrative Fees

Explanation for Exception:

AZ would like to insert the word “net” in between “Agency” and “sales” so that the paragraph reads as follows:

Administrative Fees - The supplier is responsible for paying to U.S. Communities an administrative fee on all Participating Public Agency net sales volumes within 30 days of the end of each calendar quarter as set out in the Agreement

36. Exception Taken by AutoZone on Supplier Program Standards, U.S. Communities Awareness

Explanation for Exception:

AZ must approve all logo use.

37. Exception Taken by AutoZone on Pricing Commitment Compliance Guidelines

Explanation for Exception:

AZ agrees that during the term of the Agreement, no State or Local agency with the same payment terms, volume, delivery terms and other conditions set forth in the Master Agreement will receive the products provided under this RFP at a lower net price. If it is discovered that AutoZone has provided a state or local agency a lower net pricing for a product set forth herein, AZ will provide US Communities and the Participating Public Agencies with such lower pricing on a going forward basis. This commitment shall not apply to special and/or one-time offers, liquidation sales and discounted product(s).

38. Exception Taken by AutoZone on Public Agency Solicitation Response Guidelines

Explanation for Exception:

AZ agrees that during the term of the Agreement, no State or Local agency with the same payment terms, volume, delivery terms and other conditions set forth in the Master Agreement will receive the products provided under this RFP at a lower net price. If it is discovered that AutoZone has provided a state or local agency a lower net pricing for a product set forth herein, AZ will provide US Communities and the Participating Public Agencies with such lower pricing on a going forward basis. This commitment shall not apply to special and/or one-time offers, liquidation sales and discounted product(s).

39. Exception Taken by AutoZone on Revision from Addendum #1, Section 1.9.5 Products (B)

Explanation for Exception:

AZ will be able to provide battery and radiator core pickup in this section for Hot Shot now and in the future (future being defined as when the AZ Web solution is put into place and the Non- Hot Shot locations are being serviced by our DCs.) AZ will not be able to provide Battery and Radiator Core service as drafted for the Non-Hot Shot serviced locations until the Web solution is in place.

40. Exception Taken by AutoZone on 3.17 City of Charlotte/Mecklenburg County Delivery Requirements

Explanation for Exception:

For orders received for normally stocked AutoZone merchandise that must be sourced from our Hub or VDP network, we will not make the 4 hour commitment.

Refer to section 1.9.3, section E for a full explanation of our Hub and VDP service model.

41. Exception Taken by AutoZone on Revision from Addendum #1, Section 3.18

Explanation for Exception:

AZ will be able to provide battery and radiator core pickup in this section for Hot Shot now and in the future (future being defined as when the AZ Web solution is put into place and the Non- Hot Shot locations are being serviced by our DCs.) AZ will not be able to provide Battery and Radiator Core service as drafted for the Non-Hot shot serviced locations until the Web solution is in place.

42. Exception Taken by AutoZone to the City of Charlotte's Non-Discrimination Ordinance, Attachment 10

Explanation for Exception:

AZ will not subject ourselves to any portion of the ordinance. AZ will be in compliance to the extent that private employers who are not government agencies or subcontractors must comply.