



PROPOSER QUESTIONNAIRE- General Business Information
*(Products, Pricing, Sector Specific, Services, Terms and Warranty are addressed on **Form P**)*

Proposer Name: Genuine Parts Co. dba NAPA Questionnaire completed by: Don Lachance

Please identify the person NJPA should correspond with from now through the Award process:

Name: Don Lachance E-Mail address: Don_lachance@genpt.com

Please answer the questions below using the Microsoft Word® version of this document. This allows NJPA evaluators to cut and paste your answers into a separate worksheet. Place your answer directly below each question. NJPA prefers a brief but thorough response to each question. Please do not merely attach additional documents to your response without also providing a substantive response. Do not leave answers blank; mark "NA" if the question does not apply to you (preferably with an explanation). Please create a response that is easy to read and understand. For example, you may consider using a different font and color to distinguish your answer from the questions.

Company Information & Financial Strength

- 1) Provide the full legal name, mailing and email addresses, tax identification number, and telephone number for your business.

Genuine Parts Company, 2999 Wildwood Parkway, Atlanta, GA 30339
National Automotive Parts Association, 2999 Wildwood Parkway, Atlanta, GA 30339
GPC 58-0254510
678-934-5057

Provide a brief history of your company, including your company's core values, business philosophy, and longevity in the AUTOMOTIVE AND TRUCK REPLACEMENT PARTS AND TIRES WITH RELATED EQUIPMENT, ACCESSORIES, AND SERVICES industry.

About GPC

Genuine Parts Company, founded in 1928, is a service organization engaged in the distribution of automotive replacement parts, industrial replacement parts, office products and electrical/electronic materials. The Company serves tens of thousands of customers from more than 2,650 operations and has approximately 39,600 employees.

GPC has four companies that serve the four aforementioned distribution channels.

- 1. The Automotive Parts Group (APG) –automotive (NAPA)**
- 2. Motion Industries - industrial**
- 3. SP Richards – office products**
- 4. Electrical Insulation Suppliers or EIS - electrical**

This RFP will be responded to by Genuine Parts Company, dba NAPA. That encompasses the Automotive Parts Group (U.S.) that will read of below. References in the response will read "NAPA", and by that it is meant Genuine Parts Company, dba NAPA.

History

In 1928, Carlyle Fraser founded GPC with the purchase of Motor Parts Depot in Atlanta, GA for \$40,000. He renamed the parts store Genuine Parts Company. The original Genuine Parts Company store had annual sales of just \$75,000, and only 6 employees. 2016 was GPC's 89th year in business and our distribution expertise and well positioned, regionally located distribution centers continue to provide us with the unique ability to adapt our products and services to the ever changing needs of our customers. GPC's commitment and reputation for excellent service and quality products position the Company as a critical partner to our customers' success.

GPC's 10 core values

1. Be committed to growth
2. Be committed to service and to the quality of our service
3. Be committed to the customer
4. Be committed to ongoing process improvements and Operating Margin Improvement
5. Be committed to managing by comparison
6. Be committed to improving our Working Capital Efficiencies and Return on Average Assets
7. Be committed to your people
8. Commit to yourself and to your family to keep things in perspective
9. Commit to making the right decisions even in the toughest of times
10. Be committed to living up to your commitments

GPC's business philosophy

1. Be the Employer of Choice for our Associates
2. Be the Supplier of Choice for all of our Customers
3. Be a Valued Customer to each of our Suppliers
4. Be a Respected Business Community Member in each of the communities where we operate
5. Generate above market returns and be an Investment of Choice for all of our Shareholders

About APG

The Automotive Parts Group distributes automotive replacement parts, accessory items and service items throughout North America, Australia and New Zealand. In North America, parts are sold primarily under the NAPA brand name, widely recognized for quality parts, quality service and knowledgeable people. The Company's GPC Asia Pacific business serves the Australasian markets primarily under the brand name Repco.

Our automotive network serves approx. 6,000 NAPA AUTO PARTS stores in the U.S., 700 wholesalers in Canada, 500 automotive locations in Australia and New Zealand and 27 stores in Mexico. These stores sell to both the Retail (DIY) and Commercial (DIFM) automotive aftermarket customer and cover substantially all domestic and foreign motor vehicle models.

In addition to approximately 474,000 available part numbers, the Company offers complete inventory, cataloging, marketing, training and other programs in the automotive aftermarket. The Company is the sole member of the National Automotive Parts Association ("NAPA"), a voluntary trade association formed in 1925 to provide nationwide distribution of automotive parts.

About NAPA

NAPA serves as a brand name that is widely recognized for quality parts, quality service and knowledgeable people. NAPA, which neither buys nor sells automotive parts, functions as a trade association. Among the automotive products purchased by GPC from various manufacturers for distribution are certain lines designated, cataloged, advertised and promoted as "NAPA" lines. Generally, GPC is not required to purchase any specific quantity of parts so designated and it may, and does, purchase competitive lines from the same as well as other supply sources.

NAPA Distribution

GPC in 2015 owned and operated 59 distribution centers located throughout the United States that has return privileges with most of its suppliers, which protects GPC from inventory obsolescence.

These distribution centers are located in 40 states and service approximately 1,000 domestic company-owned NAPA AUTO PARTS stores located in 45 states and approximately 5000 independently owned NAPA AUTO PARTS stores located in all 50 states. NAPA stores, in turn, sell to a wide variety of customers in the automotive aftermarket. Collectively, these independent automotive parts stores account for approximately 63% of the total U.S. APG sales and 23% of GPC's overall total sales.

- 2) Provide a detailed description of the products and services that you are offering in your proposal.

NAPA distributes replacement parts (other than body parts) for substantially all motor vehicle makes and models in service in the United States, including imported vehicles, trucks, SUVs, buses, motorcycles, recreational vehicles and farm vehicles. In addition, GPC distributes replacement parts for small engines, farm equipment and heavy duty equipment.

Our inventories also include accessory items for such vehicles and equipment, and supply items used by a wide variety of customers in the automotive aftermarket, such as repair shops, service stations, fleet operators, automobile and truck dealers, leasing companies, bus and truck lines, mass merchandisers, farms, industrial concerns and individuals who perform their own maintenance and parts installation.

- 3) What are your company's expectations in the event of an award?

NAPA's expectation is to be the sole award winner of this contract and we intend to further grow and market our long term relationship with NJPA to leverage the cooperative contract for Automotive and Truck Replacement Parts to states, counties, cities, and other nonprofit entities. This expectation is teamed with the education and mobilization of our sales force to understand and utilize this contract with NJPA members and other political subdivisions that are not members, by making them members and utilizing this contract.

- 4) Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters.

NAPA has had 89 years of continued financial growth and stability to surpass fifteen Billion dollars in sales in 2015. Genuine Parts Company further improved its financial strength in 2015 with a continued emphasis on sales and earnings growth initiatives and effective management of the balance sheet. Our focus in these key areas produced strong cash flows, with cash from operations reaching a record \$1.2 billion and, after dividends paid of \$368 million and capital expenditures of \$110 million, our free cash flow was \$682 million, also a record for us. At December 31, 2015, our total cash on hand was \$212 million and total debt of \$625 million was a modest 16.5% of total capitalization.

See Attached Annual Report 2015 for more details.

FINANCIAL HIGHLIGHTS

	2015	Increase	2014	Increase	2013
Net Sales	\$ 15,280,044,000	-0.4%	\$ 15,341,647,000	9%	\$ 14,077,843,000
Income Before Taxes	1,123,681,000	1%	1,117,739,000	7%	1,044,304,000
Income Taxes	418,009,000	3%	406,483,000	13%	359,345,000
Net Income	705,672,000	-1%	711,286,000	4%	684,959,000
Shareholders' Equity	3,159,242,000	-5%	3,312,364,000	-1%	3,358,768,000
Rate Earned on Shareholders' Equity at the Beginning of the Year	21.3%	-	21.2%	-	22.8%
Average Common Shares Outstanding-Assuming Dilution	152,496,000	-	154,375,000	-	155,714,000
PER COMMON SHARE:					
Diluted Net Income	\$4.63	0.4%	\$4.61	5%	\$4.40
Dividends Declared	\$2.46	7%	\$2.30	7%	\$2.15

5) Has your business ever petitioned for bankruptcy protection? Please explain in detail.

No, NAPA has never petitioned for bankruptcy.

6) How your organization is best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider?

Distributor

Answer whichever question (either a) or b) just below) best applies to your organization.

- a. If your company is best described as a distributor/dealer/reseller (or similar entity), please provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned?

The National Automotive Parts Association is a voluntary trade association formed in 1925 to provide nationwide distribution of automotive parts. Today GPC is the sole member of NAPA. NAPA serves as a brand name that is widely recognized for quality parts, quality service and knowledgeable people. NAPA, which neither buys nor sells automotive parts, functions as a trade association. As GPC is the sole member to NAPA, this will service as the written authorization that Genuine Parts Company, dba NAPA, has the authorization to act as a distributor for the products proposed in this RFP.

Our dealer network is both company owned and independently owned. Approximately 1000 GPC company owned locations and approximately 5000 independently owned stores.

- b. If your company is best described as a manufacturer or service provider, please describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?

N/A

7) If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.

GPC has all the licenses necessary to purchase, warehouse, transport and distribute for the commerce contemplated in this RFP. We hold these licenses and certifications in Canada, all 50 States in the US, Guam, Mexico and Australia for the products we distribute and services we provide throughout these countries.

8) Provide all "Suspension or Disbarment" information that has applied to your organization during the past ten years.

None

9) Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.

NAPA is proposing our full line of parts (~500K). These fall into the following catalogs:

- 1. Automobile and Light Trucks**
- 2. Medium and Heavy Duty Trucks**
- 3. Agriculture/Farm/Lawn and Garden**
- 4. Off Highway/Industrial**
- 5. Recreational/Marine**

NAPA's ~500K parts fall generally into the following part categories:

Ag, Industrial & Lawn	Engine Cooling	Ignition & Electrical
Batteries	Engine Parts	Lighting
Bearings	Engines	Marine, RV & Power Sport
Belts & Hoses	Exhaust Systems	Paint, Body & Equipment
Body & Accessories	Fasteners & Hardware	Rotating Electrical
Brake System Parts	Filtration	Shop Supplies
Cable & Chain	Fittings & Hose	Specialty Programs
Chemicals & Lubricants	Fluid Caps	Steering & Suspension
Climate Control	Fuel & Emissions Systems	Tools & Equipment
Driveline & Wheels	Gaskets, Seals & O-Rings	Transmission & Clutch
		Windshield Products

NAPA also can provide the following services:

1. **Machine Shop Service at select NAPA Stores**
2. **Technician Training**
3. **Shop Management Training**
4. **Multiple Distribution Channels**
5. **Electronic Ordering through ProLink (Web Application)**
6. **Shop management system integration**
7. **EProcurement platform integration**

Industry Recognition & Marketplace Success

10) Describe any relevant industry awards or recognition that your company has received in the past five years.

AAA Industry Award for 20 Years Top Partner with NAPA Auto Parts program 2016
City of Sacramento, CA (NJPA IBS contract Holder) -- 2014 National Association of Fleet Administrators - Fleet Excellence Award and 100 Best Fleets #1 Fleet in America 2015
Government Fleet Magazine Leading Fleets - 2015 Leading Fleets Awards (in alphabetical order):

- **City of Boise, ID, Fleet Services (Craig Croner, CPFP)**
- **City of Boston, MA Central Fleet Management (Jim McGonagle)**
- **City of Dublin, OH (J. Darryl Syler)**
- **City of Fort Worth, TX (Wayne Corum)**
- **New York City Police Department, NY (Robert Martinez)**
- **City of New York City Department of Citywide Administrative Services**

11) Supply three references/testimonials from your customers who are eligible for NJPA membership. At a minimum, please include the entity's name, contact person, and phone number.

City of Louisville: Matt Maskey, 502-571-3180
State of Iowa: Nancy Wheelock D.O.A.S., 515-725-2268
City of Sacramento: Keith Leech – Fleet Director, 916-808-5869

12) Provide a list of your top five governmental or educational customers (entity name is optional), including entity type, the state the entity is located in, scope of the projects, size of transactions, and dollar volumes from the past three years.

The following list is comprised of states that have a contract and are tracked in NAPA's Major Account Program.

<u>State</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Georgia	\$15,778,389	\$14,586,419	\$12,581,944
Washington	\$7,640,110	\$6,844,024	\$5,484,653
Massachusetts	\$4,093,966	\$3,968,074	\$3,466,711
California	\$3,609,911	3,414,486	\$3,028,652
Colorado	\$1,107,171	\$1,011,731	\$172,655

13) Indicate separately what percentages of your sales are to the government and education sectors in the past three years?

NAPA tracks sales relative to this RFP response, in a specific system relating to Major Account Sales. The percentages expressed below will be government and education sales compared to all Major Accounts.

2013	2014	2015
5.4%	5.36%	5.47%

14) List any state or cooperative purchasing contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?

Account	2015	2014	2013
NJPA	\$ 20,608,990	\$ 17,891,631	\$ 13,047,544
State of Georgia	\$ 15,778,390	\$ 14,586,419	\$ 12,581,945
State of NJ	\$ 9,228,487	\$ 9,589,791	\$ 11,644,327
State of Washington	\$ 7,640,110	\$ 6,844,024	\$ 5,484,654
State of Massachusetts	\$ 4,093,967	\$ 3,968,075	\$ 3,466,711
State of Indiana	\$ 3,657,152	\$ 2,976,629	\$ 1,698,279
State of California	\$ 3,609,912	\$ 3,414,486	\$ 3,028,653
State of Arizona	\$ 2,882,014	\$ 2,668,360	\$ 2,726,992
State of Idaho	\$ 1,697,604	\$ 1,593,223	\$ 1,496,699
State of S.Carolina	\$ 1,594,327	\$ 1,375,179	\$ 740,239
State of Kansas	\$ 1,386,103	\$ 1,574,210	\$ 1,564,064
State of Alabama	\$ 1,308,532	\$ 1,178,422	\$ 681,812
State of Penn.	\$ 1,293,812	\$ 1,453,333	\$ 1,080,218
State of Alaska	\$ 1,268,766	\$ 1,255,251	\$ 9,475
State of Delaware	\$ 1,148,985	\$ 1,053,435	\$ 935,193
State of Utah	\$ 1,124,388	\$ 1,026,697	\$ 1,005,740
State of Colorado	\$ 1,107,171	\$ 1,011,731	\$ 172,656
State of West Virginia	\$ 932,479	\$ 839,181	\$ 905,984
State of Montana	\$ 916,819	\$ 858,185	\$ 726,230
State of Hawaii	\$ 878,697	\$ 810,175	\$ 354,676
State of Arkansas	\$ 827,581	\$ 857,454	\$ 691,827
State of Iowa	\$ 808,428	\$ 862,313	\$ 925,152
State of Louisiana	\$ 729,403	\$ 597,861	\$ -
State of Minnesota	\$ 595,079	\$ 667,206	\$ 645,588
State of Rhode Island	\$ 377,024	\$ 294,066	\$ -
State of Nevada	\$ 263,058	\$ 294,880	\$ 237,354
State of Oklahoma	\$ 139,929	\$ 166,474	\$ 149,397
State of Nebraska	\$ 65,309	\$ 65,431	\$ -
State of North Dakota	\$ 34,019	\$ 21,938	\$ 19,877
State of New Hampshire	\$ 24,319	\$ 23,604	\$ -
State of Missouri	\$ 15,843	\$ 19,909	\$ 15,870

15) List any GSA contracts that you hold. What is the annual sales volume for each of these contracts over the past three years

The Genuine Parts Company, dba NAPA holds no GSA contracts.

Proposer's Ability to Sell and Deliver Service Nationwide

- 16) Describe your company's capability to meet NJPA Member's needs across the country. Your response should address at least the following areas.
- a. Sales force.
 - b. Dealer network or other distribution methods.
 - c. Service force.

Napa's capability to meet NJPA Member's needs across the country is predicated by our Store and Distribution Center (DC) footprint.

From a product availability standpoint, having 59 DCs enables NAPA to provide product as close to the customer as possible in most markets including Alaska, Hawaii and Guam. This is facilitated through the DC delivery process of deliveries to all 6000 stores a minimum of 5 times per week. NAPA uses a process of vehicle registration and product data to stock our DCs and stores by ZIP code. This ensures that we have a market specific product mix in each of our stores. NAPA's DCs have on average \$6 - \$10M in inventory. Store sizes vary in size and scope, but with ~6000 in the US alone, we have one of the best if not the best store footprints in the Automotive Aftermarket.

Our personnel in each DC also provides a comprehensive mixture of sales and product specialists that are available to service the NJPA member. The list below illustrates the positions and percentage of the time that the individual is focused on the sales and services contemplated in this RFP.

DC Personnel

- **General Manager -1 ~60%**
- **Sales Manager-1 ~80%**
- **District Manager-1 ~80%**
- **Wholesale Manager-1~ 80%**
- **Major Account Government Sales Manager – 1 ~100%**
- **Territory Sales Managers 3 to 5 ~90%**
- **Commercial Sales Pro (Outside Sales Representative) one per GPC owned store, 2 to 25, depending on the number of company owned stores ~ 90%**
- **Store Sales Counter people 80%**
- **Independent NAPA store owners, outside sales people, and counter people ~75%**
- **Sales Support Group Personnel ~ 1 per DC per support group**
 - Filters - 70- 75%**
 - Electrical Sales (Batteries and Rotating Electrical) & Underhood 65 ~75%**
 - Undercar – 65 ~75%**
 - Brakes – 65 ~75%**
 - Heavy Duty-65-75%**
 - Balkamp-65~75%**
 - Paint and Body -30 ~75%**
 - Heating and Cooling – 65 ~75%**
 - Tools and Equipment -150 (including manufacture Representatives) ~75%**

Totals

Total Estimated GPC (NAPA Employees) ~ 1700

Total non GPC Employees, still dedicated to selling NJPA program ~ 7,000 to 8,000

(NON GPC employees are Independent NAPA Store Owners, outside sales and counter people)

Total Sales/Service Force representing NAPA would equate to approximately 9,000 to 10,000

- 17) Describe in detail the process and procedure of your customer service program, if applicable. Please include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.

Customer Service happens as close to the sales transaction in the NAPA system. The first line of customer service is at the servicing store.

Delivery, warranty decisions, problem resolution all start at the local level. Escalation protocol follows one of two channels depending on store ownership. If the store is a GPC owned NAPA store, then the issue is escalated to the District Manager, then to the GM of the DC. If the store is an Independent Owned NAPA store, then it goes to the store Owner. Further escalation from there will include the Wholesale Manager or Sales Manager, who then will involve the DC GM or other divisional or headquarter representatives.

Should specific manufacturer issues arise, it is common for one of the Sales Support group representatives to engage directly with customer and store personnel to resolve concerns. At any time, as NAPA employs an open door policy, store, DC, or Divisional representatives may contact resources from internal GPC, manufacturer or Sr. Management representatives to resolve issues not otherwise resolved.

Response Time

NAPA will generally deliver to an ordering site within 30-45 minutes for in stock items at the servicing NAPA store if the store is within 3-5 miles of the ordering site. This is only an estimate, local traffic conditions and weather may impact that delivery time. For out of stock items, NAPA will determine if the requested part is in the NAPA system or if a local purchase would be preferred by the ordering site to be expedited by the NAPA Store, then the NAPA Store would confirm with the appropriate representative of the ordering site the estimated date and time of delivery. For regular stocking orders the NAPA Store generally will can provide in stock parts within two - four hours. Orders for stock can be delivered on a weekly basis via the effacing NAPA store from the servicing NAPA Distribution Center. Direct NAPA DC stock orders can be facilitated to an ordering site depending on individual circumstances including but not limited to size of order, distance from the DC, route of the NAPA DC truck, etc. Direct NAPA vendor to ordering site is also available depending on the specific circumstances of the order and vendor.

- 18) Identify any geographic areas of the United States or NJPA Member sectors (i.e., government, education, not-for-profit) that you will NOT be fully serving through the proposed contract. Please explain. For example, does your company have only a regional presence, or do other cooperative purchasing contracts limit your ability to promote another contract?

There are no areas of the United States that NAPA will not or does not serve geographically. We have no cooperative contracts that would limit us to promote NJPA in all 50 States.

- 19) Define any specific contract requirements or restrictions that would apply to our Members in Hawaii and Alaska and in US Territories.

There are no specific contract requirements to NJPA members in Hawaii or Alaska. NAPA has served all NJPA Member segments in 50 states under the current contract and will be continuing to serve all NJPA Member segments in all 50 states and all Member segments going forward (if awarded). Hawaii has its own Distribution Center as well as two in Alaska (Anchorage and Seattle) that enables NAPA to conduct business virtually the same as other States. Shipping some items to Alaska may incur additional freight charges, depending on the location of the NAPA store, (if it can only be serviced by plane or LTL), or based on the size and weight of the product.

Marketing Plan

- 20) If you are awarded a contract, how will you train your sales management, dealer network, and direct sales teams (whichever apply) to ensure maximum impact? Please include how you will communicate your NJPA pricing and other contract detail to your sales force nationally.

If awarded, NJPA contract details will be communicated through our national bulletin process.

This program bulletin communicates to all 6000 stores, Field Sales Management, and all direct sales teams the specifics of the new contract, the contract pricing and the intent of the program through the contract award.

Once published, the bulletin will be available through our internal website entitled the "Major Account Support Site". This site is where all stores and field management go to see and understand all of the Major Account Programs that NAPA has. If awarded, NJPA will continue to be classified in our National Major Account Programs.

NAPA has a great deal of system or legacy knowledge built into our culture based on the number of years that we have enjoyed the contractual relationship, but our communication will not take that for granted.

NAPA will continue to inform our stores and sales management through our "Program Video of the Month" This is video that goes out across the US highlighting a chosen Major Account programs. NJPA has been the focus of this medium on our existing contract and we are in the process of updating and adding pertinent information on a new Video focused on NJPA in September 2016 (if awarded).

NAPA will provide additional training for sales management through the use of quarterly Web X and "Get to Know You", "NJPA Newsletter" and other training conducted and supported by the NAPA Major Account Sales Manager. In addition, NAPA will instigate the "train the trainer" model employed by NJPA through the Major Account Sales Manager at NAPA with a systematic process at the DC's around the country. Each Division is encouraged to have a Divisional NJPA Cooperative contract expert. We have a dedicated Government Sales manager that will work closely with each divisional manager and their sales staff to focus on growth with NJPA. Outlook circulates to all stores, DC, Divisions, etc. in the NAPA world. There is a recent copy enclosed in our RFP response.

- 21) Describe your marketing strategy for promoting this contract opportunity. Please include representative samples of your marketing materials in electronic format.

NAPA's general marketing program strategy to promote the Contract (if awarded) nationally will be to provide a full array of marketing flyers, sales sheets and announcements through announcement bulletin utilization for both the new award and updates during the contract period. The implementation of those aspects will bring visibility to the NJPA Member in our stores through the mobilization of our field sales force. Specific training videos have already been put in place in support of the contract we currently have to train sales Management, store owners, outside sales people, and store employees. This training will directly increase the marketability of the contract throughout our sales Organization. Co-branding of our logos will be incorporated on these pieces to inform the recipients of our "regular" marketing collateral to inform that NAPA is a NJPA contract holder.

- 22) Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.

NAPA's technology and the internet will be utilized to provide marketing and product awareness. This will start at www.napaonline.com. A dedicated link to our government page, highlighting our government contracts, where NJPA will be the primary focus. In addition, Major Accounts has developed its own Major Account Support Website, where our key accounts are highlighted.

This structure and flow will be created at public visited and shop visited sites, but also on sites such as www.napastore.net, a proprietary site used for the relaying of information to our ~6000 stores. Links from within these various locations will direct the public, stores, and sales managers to obtain NJPA material, co-branded NJPA/NAPA material and other account and marketing support material.

- 23) In your view, what is NJPA's role in promoting contracts arising out of this RFP? How will you integrate an NJPA-awarded contract into your sales process?

NAPA believes that NJPA's role in promoting contracts from this RFP would be to promote them as they have on the NJPA Website, Seminars, Trade Shows, Get to Know Us meetings, etc. NAPA will integrate this awarded contract into our sales process by promoting this contract at all levels of our sales organization through training, awareness, public awareness and sponsorship. NJPA (if awarded) would be the only national cooperative contract where all of NAPA's ~500K SKUS would be on contract. That alone positions this contract (if awarded) into a predominate position in the sales process where any political subdivision or nonprofit is seeking to or will allow a cooperative solution.

- 24) Are your products or services available through an e-procurement ordering process? If so, describe your e-Procurement system and how governmental and educational customers have used it.

NAPA Auto Parts has capabilities to support a variety of the most common electronic commerce transactions and protocols from procurement to pay.

Our transactions capabilities include: Purchase Orders in X12, Cxml, OCI and other formats; Invoices in Cxml and X12 (810) formats and Remittance Advice /ACH (820's) using traditional EDI and other formats. NAPA also integrates with leading E-procurement solutions such as Ariba, Scquest, Coupa and others. Our capabilities include both a standalone Internet based ordering portal (www.napaprolink.com) as well as integrated catalog shopping options (punchout). We support XML, Cxml, OCI, OAG and OSN protocols. We also provide direct ordering integration with many of the leading shop management and POS systems such as Mitchell 1, ROWriter, and in support of our fleet and installer customers. Please visit <http://www.napaibiz.com> for more information.

We also provide software and professional solutions for shop management and Integrated business services.(www.napa-ibs.com)

Specifically with government entities we support integrations with Scquest, Ariba, Perfect Commerce, Coupa, GEP, Transcepta, Oracle and others as statewide and Educational Marketplace integrations. Our capabilities also include integrations with local shop / fleet management systems (such as found in fleet/Bus repair shops) – all the way up to Statewide Procurement marketplaces. We also provide on-site Integrated solutions (on-site) as a cost effective solution for outsourcing your parts procurement operations. We can prove the NAPA Value.

With over 6000 retail outlets, Custom Integrated business services, the largest available product selection (over 450,000skus including heavy duty, light truck, PWC, etc.) in our catalogs along with ability to transact business in a fully paperless manner, NAPA Auto parts is your best choice for your Electronic Commerce and integration partnership.

Value-Added Attributes

25) Describe any product, equipment, maintenance, or operator training programs that you offer to NJPA Members. Please include details, such as whether training is standard or optional, who provides training, and any costs that apply.

NAPA provides training on many levels.

- 1. Technician Training**
 - a. **Designed for the professional technician.**
 - b. **See Form P question 18 for a detailed explanation**
 - c. **Optional, but recommended**
 - d. **Provided by professional certified trainers**
 - e. **This would be at an additional charge**
- 2. Shop Management Training**
 - a. **Designed for the professional technician, service advisor, shop manager.**
 - b. **See Form P question 18 for a detailed explanation**
 - c. **Optional, but recommended**
 - d. **Provided by professional certified trainers**
 - e. **This would be at an additional charge**
- 3. Automotive Basic System Training (Brakes, AC, Diagnostics, etc.)**
 - a. **Designed for the entry level technician**
 - b. **Optional, as needed**
 - c. **Provided by professional certified trainers**
 - d. **This would be at an additional charge**
- 4. ASE Training & Assessments**
 - a. **Designed for technicians to gain/increase their ASE certification levels**
 - i. **Aids management in assessing and promoting ASE certifications through their shops**
 - ii. **Normally taken on-line**
 - iii. **This would be for an additional charge**
- 5. Product Training**
 - a. **Designed for shop management and procurement and for technician awareness**
 - b. **Optional, but recommended**
 - c. **Provided by NAPA Sales System Selling Groups**
 - i. **See Form A, question 16**
 - d. **This has no additional cost to the NJPA Member**
- 6. Automotive Basic System Training (Brakes, AC, Diagnostics, etc.)**

There are multiple variables that can affect the cost of the items above that normally have a charge. It is best to review with NAPA's training department. See www.NAPAtraining.com or your NAPA Major Account Manager if NAPA is awarded the contract.

26) Describe any technological advances that your proposed products or services offer.

NAPA's proposal covers multiple technological advances in the following:

- **Electronic Ordering**
- **Product Information**
- **Diagnostic Repair**
- **eProcurement (see question 24 above)**
- **Audit process (see Form P question 16 below)**
- **Mechanical Shop and Body Shop Estimators**
- **System integration, Shop management integration, ordering**
 - **NAPA currently integrates with dozens of shop management programs**
- **ProLink is one of the industry's best electronic ordering interfaces. It provides catalog lookups, part images, and job "kits", recalls last and common orders, and loads specific vehicles (which are perfect with fleets with the same type vehicles) and more.**
- **ProLink shows parts price and availability at the local NAPA store, as well as the store's supplying DC ProLink can be used to compare contract price with that of list so that price verification can be utilized at the time of ordering Eliminates the need for calling and faxing; ordering is done right through the internet**
- **GPC is partial owner of Mitchell OnDemand.**
 - **This is a web and PC based program that aids NJPA members to estimate repairs for authorization**
 - **Provide OE repair procedures and diagnostic aids**
 - **Track labor and supplies to a specific asset**
 - **Color wiring diagrams**
 - **Technical specifications that includes optional Medium and Heavy Duty applications**
 - **Flow Charts**
 - **Technical Service Bulletins**
 - **Maintenance Schedules**

27) Describe any “green” initiatives that relate to your company or to your products or services, and include a list of the certifying agency for each.

RCI-Safe Solutions -Our new Sustainability partner - has officially launched GPC’s new sustainability awareness efforts. Look for GPC’s new GROW program to highlight specific environmental efforts made by employees. The GROW program focuses on targeted campaigns that emphasize personal responsibility and spotlights GPC’s environmental heroes. GROW promotes a renewed approach of how to Reduce, Reuse and Recycle.

GPC has the following priorities in place in terms of our Green Program

- **Reduce Air Emissions/Efficient Delivery Routing**
- **Identify Pollution Prevention Opportunities**
- **Communicate the Message**
- **Practice Water Conservation**
- **Reduce Fuel Consumption**
- **Minimize Operational Waste**
- **Implement Energy Conservation**
- **Provide Green Products and Services**

NAPA Markets and Sells Many Green Initiative Products

- **Smart Washers**
- **Challenger Water In-Ground Lifts**
- **3M lead free wheel weight system**
- **Schumacher solar battery charger/maintainers**
- **Energy Logic - waste oil burners**
- **Vortex waterborne auto paint - no solvents**
- **Valvoline Next Gen oil - made with recycled oil**
- **Recycled Batteries, remanufactured electrical and steering components**
- **Nature's Broom absorbent - absorbs shop floor oil and lubricants and is environmentally disposable**

28) Describe any Women or Minority Business Entity (WMBE) or Small Business Entity (SBE) accreditations that your company or hub partners have obtained.

Genuine Parts Company is a publically traded corporation. Thus we are not a WMBE or SBE.

However, expanding opportunities for small and women and minority owned businesses is important at NAPA. Not counting our IBS initiatives, our main distribution and sales channel to NJPA members and prospective members will be through ~5,000 independently owned and operated NAPA Automotive and Truck Parts stores. Based on the size and locations of these locations, some could be SBEs, some WMBEs and some in HUB Zones. We do have a planned initiative to start tracking the statuses of our Independent partners and then our supplies. But as of the date of this RFP submittal, we do not have that initiative completed.

29) What unique attributes does your company, your products, or your services offer to NJPA Members? What makes your proposed solutions unique in your industry as it applies to NJPA members?

GPC has the capability to offer the following custom and unique value adds.

- **Integrated Business Solutions: existing NJPA Contract 061015- GPC**
- **Motion Industries**
 - ~4,800,000 SKUs of MRO and Industrial components and supplies to 150,000 MRO and OEM Customers through 10 distribution centers, through ~470 branches and 53 Service Centers, www.motionindustries.com
- **SP Richards**
 - ~50,000 SKUs of Office Supplies to 4000 business through 42 distribution centers, www.sprichards.com
- **Electrical Insulator Suppliers (EIS)**
 - ~100,000 SKUs of Electrical and Electronic supplies to 20,000 customers, through 39 branches and 3 fabrication facilities, www.eis-inc.com
- **Traction HD Truck Parts – www.traction.com**
- **United Auto Parts – NAPA Canada and Traction Canada – www.uapinc.com**
- **AutoTech, (NAPA Training) Most comprehensive training program for LD, MD, and HD technicians**
 - Described above www.napaautotech.com 800-292-6428
- **Sales Support Groups**
 - NAPA Filters - www.napafilters.com,
 - NAPA Heavy Duty - www.napaonline.com
 - NAPA Undercar, www.napaonline.com
 - NAPA Electrical Sales and Under hood, www.napaonline.com
 - Martin Senour Paint, www.martinsenour.com
 - Balkamp, www.balkamp.com
 - NAPA Tools and Equipment, www.napaonline.com
 - NAPA Brakes, www.napabrakes.com
 - NAPA Heating and Cooling, www.napabeltshose.com
- **ProLink – Described above www.napaprolink.com**
- **NAPA TRACS- Total Repair Automotive Computer System – powerful estimating, technical information and shop management solutions – www.napatracs.com**
- **IBIZ – described above www.napaibiz.com**
- **NAPA AutoCare Centers, www.napaautocare.com**
 - Largest network of independently owned automotive technicians in the US. ~15,000 automobile, truck and collision centers
- **MIC- Market Place Inventory Classification**
 - This is the process that uses RL Polk data and additional registrations of fleet and leased vehicles in all NAPA markets to determine proper stocking levels in stores and DCs. This means less downtime at the NJPA Member's repair facility due to NAPA having more and more of the right parts on the shelves.
- **Mitchell 1, and Mitchell On Demand - Described above – www.mitchell1.com**

30) Identify your ability and willingness to provide your products and services to NJPA member agencies in Canada.

Genuine Parts Company, Automotive Parts Group has two distributors in Canada. NAPA Canada, which distributes parts in almost the exact same process as NAPA US through – 425 independent and ~ 175 GPC owned stores.

GPC, also has a network of Class 7 and 8 HD stores known as Traction Canada. 90 stores total, of which 45 are independently owned, and the remainder being GPC owned. In Canada, Traction Canada supports a repair facility chain entitled “Truck Pro”. These are akin to the US NAPA Auto Care Centers.

NOTE: The Truck Pro name in the US is the same name and spelling of a NAPA competitor. The US “Truck Pro” and the GPC owned “Truck Pro” in Canada are of NO affiliation.

NOTE: Questions regarding Payment Terms, Warranty, Products/Equipment/Services, Pricing and Delivery, and Industry Specific Items are addressed on Form P.

Signature: Am P. John Date: 7-6-16



PROPOSER INFORMATION

Company Name: Genuine Parts Company dba NAPA Auto Parts

Address: 2999 Wildwood Parkway

City/State/Zip: Atlanta, Georgia 30339

Phone: (678)-934-5057 _____ Fax: (770)859-2920 _____

Toll-Free Number: _____ E-mail: don_lachance@genpt.com

Website Address: www.genpt.com

COMPANY PERSONNEL CONTACTS

Authorized signer for your organization

Name: Dennis P. Tolivar

Email: dennis_tolivar@genpt.com Phone: (678)934-5451

The person identified here must have proper signing authority to sign the "Proposer's Assurance of Compliance" on behalf of the Proposer.

Who prepared your RFP response?

Name: Don Lachance Title: Major Accounts Government Sales Manager

Email: don_lachance@genpt.com Phone: (678)934-5057

Who is your company's primary contact person for this proposal?

Name: Don Lachance Title: Major Accounts Government Sales Manager

Email: don_lachance@genpt.com Phone: (678)934-5057

Other important contact information

Name: Jim Weaver Title: Director Major Accounts Fleet-Government

Email: jim_weaver@genpt.com Phone: (678)934-5664

Name: _____ Title: _____

Email: _____ Phone: _____

**EXCEPTIONS TO PROPOSAL, TERMS, CONDITIONS,
AND SOLUTIONS REQUEST**



Company Name: Genuine Parts Company dba NAPA Auto Parts

Any exceptions to the terms, conditions, specifications, or proposal forms contained in this RFP must be noted in writing and included with the Proposer's response. The Proposer acknowledges that the exceptions listed may or may not be accepted by NJPA or included in the final contract. NJPA will make reasonable efforts to accommodate the listed exceptions and may clarify the exceptions in the appropriate section below.

Section/page	Term, Condition, or Specification	Exception	NJPA ACCEPTS
5.18,5.35,5.29-5.34 page 15,16	Product & Price Changes 5.18 or services be offered under this Contract prices may be reduced 5.29 Awarded Vendors may term. All requests must be made an authorized Vendor representative and related services may be delivered PRICE CHANGES. A Vendor a request for a 3% increase in a required petroleum products has increase in a cost-of-living index in raw material costs, prospecting proposing pricing that will be e	Proposer's prices on individual products shall increase and decrease throughout the term of the Contract. The pricing profile/methodology shall, however, remain firm. Proposer passes on both price increases and decreases it receives from its suppliers on to the NJPA Members. Proposer cannot provide written notice to NJPA and its Members every time an individual product increases in price.	*See Clarification #1

Proposer's Signature: *Am P. John*

Date: 7-6-16

NJPA CLARIFICATIONS:

Any proposed exception not explicitly accepted is hereby rejected and will not be incorporated into the NJPA contract.

1. All price and product changes must follow the process outlined in the RFP. NJPA must approve all price and product changes.



Contract Award
RFP #062916

FORM D



Formal Offering of Proposal
(To be completed only by the Proposer)

**AUTOMOTIVE AND TRUCK REPLACEMENT PARTS AND TIRES WITH RELATED EQUIPMENT,
ACCESSORIES, AND SERVICES**

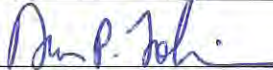
In compliance with the Request for Proposal (RFP) for AUTOMOTIVE AND TRUCK REPLACEMENT PARTS AND TIRES WITH RELATED EQUIPMENT, ACCESSORIES, AND SERVICES, the undersigned warrants that the Proposer has examined this RFP and, being familiar with all of the instructions, terms and conditions, general and technical specifications, sales and service expectations, and any special terms, agrees to furnish the defined products and related services in full compliance with all terms and conditions of this RFP, any applicable amendments of this RFP, and all Proposer's response documentation. The Proposer further understands that it accepts the full responsibility as the sole source of solutions proposed in this RFP response and that the Proposer accepts responsibility for any subcontractors used to fulfill this proposal.

Company Name: Genuine Parts Co. dba NAPA auto Date: 7/1/16

Company Address: 2999 Wildwood Parkway

City: Atlanta State: Georgia Zip: 30339

Contact Person: Don Lachance Title: Major Accounts Government Sales Manager

Authorized Signature:  DENNIS P. TOLIVAR
(Name printed or typed)

FORM E
CONTRACT ACCEPTANCE AND AWARD



(Top portion of this form will be completed by NJPA if the vendor is awarded a contract. The vendor should complete the vendor authorized signatures as part of the RFP response.)

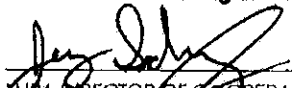
NJPA Contract #: 062916-GPC

Proposer's full legal name: Genuine Parts Company dba NAPA Auto Parts

Based on NJPA's evaluation of your proposal, you have been awarded a contract. As an awarded vendor, you agree to provide the products and services contained in your proposal and to meet all of the terms and conditions set forth in this RFP, in any amendments to this RFP, and in any exceptions that are accepted by NJPA.

The effective date of the Contract will be September 6, 2016 and will expire on September 6, 2020 (no later than the later of four years from the expiration date of the currently awarded contract or four years from the date that the NJPA Chief Procurement Officer awards the Contract). This Contract may be extended for a fifth year at NJPA's discretion.

NJPA Authorized Signatures:



NJPA DIRECTOR OF COOPERATIVE CONTRACTS
AND PROCUREMENT/CPO SIGNATURE

Jeremy Schwartz
(NAME PRINTED OR TYPED)



NJPA EXECUTIVE DIRECTOR/CEO SIGNATURE

Chad Coauette
(NAME PRINTED OR TYPED)

Awarded on September 6, 2016

NJPA Contract # 062916-GPC

Vendor Authorized Signatures:

The Vendor hereby accepts this Contract award, including all accepted exceptions and amendments.

Vendor Name Genuine Parts Company

Authorized Signatory's Title Vice President of Major Accounts



VENDOR AUTHORIZED SIGNATURE

Dennis P. Tolivar
(NAME PRINTED OR TYPED)

Executed on Sept. 9, 2016

NJPA Contract # 062916-GPC

PROPOSER ASSURANCE OF COMPLIANCE



Proposal Affidavit Signature Page

PROPOSER'S AFFIDAVIT

The undersigned, authorized representative of the entity submitting the foregoing proposal (the "Proposer"), swears that the following statements are true to the best of his or her knowledge.

1. The Proposer is submitting its proposal under its true and correct name, the Proposer has been properly originated and legally exists in good standing in its state of residence, the Proposer possesses, or will possess before delivering any products and related services, all applicable licenses necessary for such delivery to NJPA members agencies. The undersigned affirms that he or she is authorized to act on behalf of, and to legally bind the Proposer to the terms in this Contract.
2. The Proposer, or any person representing the Proposer, has not directly or indirectly entered into any agreement or arrangement with any other vendor or supplier, any official or employee of NJPA, or any person, firm, or corporation under contract with NJPA, in an effort to influence the pricing, terms, or conditions relating to this RFP in any way that adversely affects the free and open competition for a Contract award under this RFP.
3. The Proposer has examined and understands the terms, conditions, scope, contract opportunity, specifications request, and other documents in this solicitation and affirms that any and all exceptions have been noted in writing and have been included with the Proposer's RFP response.
4. The Proposer will, if awarded a Contract, provide to NJPA Members the /products and services in accordance with the terms, conditions, and scope of this RFP, with the Proposer-offered specifications, and with the other documents in this solicitation.
5. The Proposer agrees to deliver products and services through valid contracts, purchase orders, or means that are acceptable to NJPA Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to NJPA Members under an awarded Contract.
6. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.
7. The Proposer understands that NJPA will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statute §13.591, Subd. 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals generally become public data. Minnesota Statute §13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.
8. The Proposer understands that it is the Proposer's duty to protect information that it considers nonpublic, and it agrees to defend and indemnify NJPA for reasonable measures that NJPA takes to uphold such a data designation.

[The rest of this page has been left intentionally blank. Signature page below]

By signing below, Proposer is acknowledging that he or she has read, understands, and agrees to comply with the terms and conditions specified above.

Company Name: Genuine Parts Company dba NAPA Auto Parts

Address: 2999 Wildwood Parkway

City/State/Zip: Atlanta Georgia. 30339

Telephone Number: (678)934-5057

E-mail Address: Don_lachance@genpt.com

Authorized Signature: x 

Authorized Name (printed): Dennis P. Tolivar

Title: Vice President Major Accounts


Date: 7/1/16

Notarized

Subscribed and sworn to before me this 7th day of July, 20 16

Notary Public in and for the County of Cobb State of Georgia

My commission expires: June 30th, 2016

Signature: 



Form P

PROPOSER QUESTIONNAIRE

Payment Terms, Warranty, Products and Services, Pricing and Delivery, and Industry-Specific Questions

Proposer Name: Genuine Parts Company dba NAPA Auto Parts

Questionnaire completed by: Don Lachance

Payment Terms and Financing Options

1) What are your payment terms (e.g., net 10, net 30)?

NAPA Auto Parts General Payment Terms are Net 30 days

2) Do you provide leasing or financing options, especially those options that schools and governmental entities may need to use in order to make certain acquisitions?

NAPA does offer Leasing options as part of NAPA's Tool and Equipment Program, Leasing options are available by Great America Financial Services at www.greatamerica.com. 1-800-487-6262. Leasing can be provided for tools and equipment, shop systems, technology and more. Individual qualifications are subject to credit approval.

3) Briefly describe your proposed order process. Please include enough detail to support your ability to report quarterly sales to NJPA. For example, indicate whether your dealer network is included in your response and whether each dealer (or some other entity) will process the NJPA Members' purchase orders.

The order process for this proposal and contract will be determined upon the NJPA Member preference. Generally, the majority of orders placed by NJPA members will be directed at their local NAPA store. The pathway in which those orders will be received by the NAPA store would be via phone, fax, e-mail, ProLink (www.napaprolink.com), TRAX, eProcurement integration (EDI or XML) or even a walk in order. For NJPA members with larger volume commitments, orders could be routed directly to one of 59 NAPA DCs where the order would be filled at that DC, a combination of DCs or even directly at the NAPA vendor where the component is either manufactured or a non-NAPA distribution point.

All resulting invoices from orders are captured at the NAPA AutoParts Store, and the line item detail is transmitted to NAPA Headquarters where the data is rolled up from all the NJPA member's invoices into the NJPA Major Account. This allows NAPA to report back to NJPA on a quarterly basis.

NAPA's entire dealer network is included in our response. The individual NAPA Auto Parts Store will process the NJPA Member's purchase orders.

4) Do you accept the P-card procurement and payment process? If so, is there any additional cost to NJPA Members for using this process?

Napa does accept P-card payments and does not charge additional fees for using P-cards.

Warranty

- 5) Describe in detail your manufacture warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may include in your response a copy of your warranties, but at a minimum please also answer the following questions.

All automotive parts supplied are subject to the terms of written warranties provided by the manufacturer of each part, and NAPA shall use reasonable commercial efforts to assist NJPA Member locations and technicians in processing all warranty claims. The manufacturer's warranty will be the sole and exclusive remedy of NJPA Member locations in connection with any claims concerning the parts supplied to NJPA Member locations pursuant to a future or potential Agreement. All other warranties, both express and implied, including any implied warranties or merchantability or fitness for a particular purpose are hereby excluded.

- Do your warranties cover all products, parts, and labor?

NAPA's warranties cover all products and parts, but not all the labor. Most NAPA manufacturers will reimburse for reasonable labor costs to the extent the damage was solely attributable to a defect in the NAPA product.

- Do your warranties impose usage restrictions or other limitations that adversely affect coverage?
NAPA has different warranties for different parts, plus different warranties for different grades of parts. As an example, NAPA utilizes both new and remanufactured components. There will be a different warranty on a new vs. a reman part. The new may have a limited lifetime, whereas the warranty on a remanufactured component may be 2 years/24,000 miles. Every one of NAPA's individual parts warranties on on-line at our two websites (www.napaonline.com and www.napaprolink.com), plus warranty information is provided in the original NAPA packaging. Certain components, like filters and brake pads have warranties dependent on the level (good, better, best), but might have restrictions that could affect coverage. Example an air filter that was used in a harsh environment, say extremely dusty or in a rugged industrial setting (drilling environment) might be seen as a limitation compared to one that is strictly on road/highway usage.
- Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?
NAPA's warranties do not have specific coverage that covers the expense of technician's travel time and mileage. However, we will provide a review and attempt to assist a NJPA member in working with our manufacturers to determine if the aforementioned expense and individual circumstances warrant such a claim. The defective part and repair information will need to be retained and provided upon request.
- Are there any geographic regions of the United States for which you cannot provide a certified technician to perform warranty repairs?
NAPA is responding only to the parts portion of this RFP. Thus this question does not apply.
- How will NJPA Members in these regions be provided service for warranty repair?
NAPA is responding only to the parts portion of this RFP. Thus this question does not apply.
- Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?
If NAPA was engaged by a NJPA Member to locally source a non-NAPA part, NAPA will pass along the warranty from whom NAPA procured such part.
- What are your proposed exchange and return programs and policies?
NAPA will accept back any undamaged, unused normally stocked product whose packaging is undamaged and can be re-inventoried. Special order items may be subject to restocking fees even if the packaging is never opened. NJPA Members should personally review special orders with their servicing NAPA Store to make sure there are no questions un-answered regarding pricing, shipping, and delivery.

6) Describe any service contract options for the items included in your proposal.

NAPA is responding only to the parts portion of this RFP. Thus this question does not apply.

Pricing, Delivery, Audits, and Administrative Fee

- 7) Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the NJPA discounted price) on all of the items that you want NJPA to consider as part of your RFP response. Provide a SKU for each item in your proposal. (Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract. See the body of the RFP and the Price and Product Change Request Form for more detail.)

NAPA’s pricing model is a product – category discount model off list price. As NAPA has with the previous contract, we will continue to offer a competitive nationwide ceiling or “not to exceed” price that serves as a contractual maximum price paid by NJPA Members. We have however, have made improvements in our classification process which will simplify the category discount structure. We have classified our ~500,000 parts into 31 categories and are providing a discount percentage based on that category. More importantly, we are proposing a price decrease for this proposed contract. The below table illustrates the new categories and displays the new price profile discount structure versus the old discount structure.

Part Category	Proposed average discount %	031212-GPC average discount %	Difference
Ag, Industrial & Lawn	50%	45%	-5%
Batteries	46%	44%	-2%
Bearings	53%	50%	-3%
Belts & Hoses	48%	43%	-5%
Body & Accessories	47%	47%	0%
Brake System Parts	50%	50%	0%
Cable & Chain	49%	47%	-2%
Chemicals & Lubricants	47%	47%	0%
Climate Control	54%	54%	0%
Driveline & Wheels	49%	48%	-1%
Engine Cooling	51%	49%	-2%
Engine Parts	48%	47%	-1%
Engines	33%	35%	2%
Exhaust Systems	50%	49%	-1%
Fasteners & Hardware	52%	44%	-8%
Filtration	56%	55%	-1%
Fittings & Hose	50%	50%	0%
Fluid Caps	49%	48%	-1%
Fuel & Emissions Systems	50%	49%	-1%
Gaskets, Seals & O-Rings	49%	48%	-1%
Ignition & Electrical	51%	50%	-1%
Lighting	47%	44%	-3%
Marine, RV & Power Sport	48%	40%	-8%
Paint, Body & Equipment	48%	39%	-9%
Rotating Electrical	49%	47%	-2%
Shop Supplies	46%	44%	-2%
Specialty Programs	49%	46%	-3%
Steering & Suspension	51%	50%	-1%
Tools & Equipment	47%	47%	0%
Transmission & Clutch	48%	48%	0%
Windshield Products	51%	50%	-1%
Grand Total	50%	48%	-2%

8) Please quantify the discount range presented in this response. For example, indicate that the pricing in your response represents is a 50% percent discount from the MSRP or your published list.

NAPA's proposed average discount percentages range up to 85% off list depending on the product. The table below illustrates the 31 categories with the average, min and max shown.

Part Category	Proposed average discount %	Min of Proposed Discout from List	Max of Proposed Discout from List
Ag, Industrial & Lawn	50%	18%	60%
Batteries	46%	0%	72%
Bearings	53%	33%	70%
Belts & Hoses	48%	16%	75%
Body & Accessories	47%	0%	84%
Brake System Parts	50%	17%	84%
Cable & Chain	49%	17%	74%
Chemicals & Lubricants	47%	7%	70%
Climate Control	54%	18%	72%
Driveline & Wheels	49%	9%	83%
Engine Cooling	51%	18%	72%
Engine Parts	48%	5%	70%
Engines	33%	5%	50%
Exhaust Systems	50%	17%	67%
Fasteners & Hardware	52%	17%	84%
Filtration	56%	5%	72%
Fittings & Hose	50%	0%	79%
Fluid Caps	49%	16%	79%
Fuel & Emissions Systems	50%	7%	83%
Gaskets, Seals & O-Rings	49%	2%	77%
Ignition & Electrical	51%	8%	83%
Lighting	47%	14%	69%
Marine, RV & Power Sport	48%	17%	53%
PB&E	48%	15%	73%
Rotating Electrical	49%	0%	77%
Shop Supplies	46%	10%	73%
Specialty Programs	49%	32%	83%
Steering & Suspension	51%	17%	85%
Tools & Equipment	47%	0%	80%
Transmission & Clutch	48%	8%	67%
Windshield Products	51%	17%	67%
Grand Total	50%	0%	85%

9) The pricing offered in this proposal is

- a. the same as the Proposer typically offers to an individual municipality, university, or school district.
- b. the same as the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.
- c. better than the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.
- d. other than what the Proposer typically offers (please describe).

- 10) Describe any quantity or volume discounts or rebate programs that you offer.

Special volume discounts may be offered on an individual basis, depending on the individual circumstances and the potential volume of the NJPA member. Direct DC distribution could be offered depending on stocking opportunities with the NJPA member, distance away from the NAPA DC and or NAPA manufacturer. Other factors may come into play such as delivery patterns from the DC to the NJPA Members point of receipt as well as the amount of business presently running through the local NAPA store from the NJPA member(s) in question.

Napa may offer special one-off pricing for volume or stocking orders if requested by the NJPA Member.

These prices will be handled on an individual basis and they will not exceed the contract price (if awarded).

Propose a method of facilitating “sourced” products or related services, which may be referred to as “open market” items or “nonstandard options”. For example, you may supply such items “at cost” or “at cost plus a percentage,” or you may supply a quote for each such request.

NAPA agrees to deliver from time to time Sourced Goods and Services to be sourced and shall include all actual net costs including our actual cost and inbound shipping. We agree to make available all sourced goods and services to NJPA Members with a cost plus calculation not to exceed cost of the aforementioned plus 15%. This cost plus will be calculated and agreed upon at the local NAPA Store on an individual basis.

- 11) Identify any total cost of acquisition costs that are **NOT** included in the pricing submitted with your response. This cost includes all additional charges that are not directly identified as freight or shipping charges. For example, list costs for items like installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.

None, generally any set-up or installation cost for equipment or training will be quoted at the time of purchase.

- 12) If delivery or shipping is an additional cost to the NJPA Member, describe in detail the complete shipping and delivery program.

For normal delivery via Just In Time deliveries, of stocked merchandise at a servicing NAPA store, all product is FOB, special order and out of stock merchandise may have an additional freight charge if delivery of the ordered item is requested and agreed upon with the NJPA Member. For stocking deliveries shipping charges will generally be included. However, those arrangements will be considered a “one off” and thus will be completely documented prior to starting that special distribution program and agreed to by the NJPA member and the servicing NAPA Store.

- 13) Specifically describe those shipping and delivery programs for Alaska, Hawaii, Canada, or any offshore delivery.

Shipping items to Alaska and Hawaii may incur additional freight charges, depending on the location of the NAPA store. Exchange and returns are the same. Canada and off shore delivery will be determined by the store that does the shipping. Canada has their own shipping processes. Offshore shipping will be established as “as needed” and agreed to by the NAPA store and the NJPA Member.

- 14) Describe any unique distribution and/or delivery methods or options offered in your proposal.

Based upon the volume commitment of larger NJPA Members, GPC is willing to investigate and discover a direct distribution model that would either deliver directly as a drop ship from our manufacturer or closest Distribution Center. Handling the product less will eliminate handling costs normally associated with delivering product through a NAPA store. Please understand that a volume requirement from an NJPA member may be necessary. Other factors also come into this distribution method determination including but not limited to distance to the NJPA Member’s shop(s) from the NAPA DC, delivery patterns from the DC to the NJPA Members point of receipt as well as the amount of business presently running through the local NAPA store from the NJPA member(s) in question.

- 15) Please specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with NJPA. This process includes ensuring that NJPA Members obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to NJPA.

Contract Price Compliance Self Audit

NAPA has developed programing that will at the end of every month take the sales by NJPA members and

compare them to the profile price. This new programing will enable for exception reporting to be accomplished so that NAPA will ensure that each NAPA Store is in contract compliance with the new contract price (if awarded).

Quarterly Sales Reporting and Administrative Fee Self Audit

To ensure that NAPA reports all sales under the contract each quarter and that NAPA remits the proper administrative fee to NJPA, a quarterly process has been instigated to ensure that all entities under contract have been flagged and reported appropriately. The aforementioned exception reporting will be used in addition to the normal reporting process outlined in Question 3 of Payment Terms and Financing Options, will be utilized to ensure that NAPA stays within 100% compliance of this requirement.

The responsible parties for this new process are Tim Brown, Operations Manager who is responsible for sales reporting, his Director, Jim Welch, Director of Business Development & Program Administration, Don Lachance, Major Account Sales Manager, and Jim Weaver, Director Major Account Sales.

- 16) Identify a proposed administrative fee that you will pay to NJPA for facilitating, managing, and promoting the NJPA Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract; it is not a line item addition to the Member's cost of goods.

NAPA will pay NJPA 2% of net qualified purchases for the entire contract period (if awarded). NAPA shall issue rebates to NJPA based on total annualized net sales of all registered NJPA Members that NAPA US operations sells to. The 2% administrative fee on qualified purchases shall be paid to NJPA within forty-five (45) days after the end of each calendar quarter. In the Event that the Award is for a Single Source Vendor NAPA may add an additional 1% on qualified sales each quarter. "Qualified Purchases" are Products for which NAPA provides a rebate. Qualified Purchases generally do not include value lines, product distributed through NAPA from our Traction warehouse, tools, equipment, oil, grease, Freon, and non-NAPA merchandise.

Industry-Specific Questions

- 17) Describe in detail any training programs you propose as they pertain to the products offered in your response. (For example, do you offer training on how to best maintain a vehicle's A/C system? Or do you offer training to a fleet manager that includes examining the fleet vehicles and recommending which air and oil filters to keep in stock?) In describing your training services, explain any costs associated with them and whether these trainings are held at the member's or proposer's locations, through webinars (or similar remote medium), or through a combination of these methods?

Training Programs Proposed

NAPA has a stand-alone business unit dedicated to training NAPA customers with technical and shop management. We are proposing as part of this RFP response, that both be provided to NJPA Members.

- 1. AutoTech Training described, documented Value Added Attributes (page 44), see attached "2016 AutoTech Class Schedule" and "AutoTech Site Quick Reference"**
- 2. Shop Management Training, documented Value Added Attributes (page 44), see attached "Shop Training Brochure"**
 - a. Both AutoTech and Shop Management Classes are available through the following mediums**
 - i. Instructor**
 - ii. Webinar**
 - iii. E-learning**
 - iv. Self-Study**
 - v. Publications**
 - vi. On the job**
 - b. These classes will have a cost associated with them**
 - i. Cost will be determined on the medium chosen**
 - 1. Some pre-existing classes are sponsored by NAPA DC, and part of their training budget.**
 - a. For these classes, the charges would significantly less or zero**
 - b. NAPA will make available the training schedules by NAPA DC.**
 - c. We recommend that we initiate a communication protocol that would enable either**
 - i. We publish the training schedule on the NJPA website**
 - ii. NJPA push out training schedule to its members**
- 3. PROLink training**
 - a. This training is highly recommended**
 - b. This is at no cost, performed on site at the shop by local sale people**
- 4. Available SSG Team Categorical Training**
 - a. Provides basic product information and product specifications, features and benefits**
- 5. General training as in the example above**
 - a. Refer to attachment "Napa Training Best Practices" for practical tips on where to start**
 - b. NAPA offers a manifold of options to maintain vehicles and their sub systems**

19) Please provide a "market basket" price for common replacement/wear parts (see below) each for the following three vehicles:

- a. 2015 Ford Focus with a 2.0L Ti-VCT I-4 Flex Fuel engine
- b. 2015 Dodge Charger with a 3.6L Pentastar® V6 Engine
- c. 2015 Chevrolet Silverado K1500 king cab with a 5.3L V8 engine

Include these parts in your pricing submission for all three vehicle types:

1. A/C compressor
2. Alternator
3. Starter
4. Battery
5. Serpentine belt
6. Radiator hose
7. Spark plugs
8. Front brake pads
9. Oil filter
10. Fuel filter
11. Water pump
12. Wiper blades

Signature: _____



Date: 7/1/2016

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Pricing, financials and marketing material were submitted with the response and is available upon request. Due to the difficulty in emailing such a large file they were not included.

As a public agency, NJPA proposals, responses and awarded contracts are a matter of public record, except for that data included in the proposals, responses and awarded contracts that is classified as nonpublic; thus, pursuant to NJPA policies and RFP terms and conditions, all documentation, except for data which is nonpublic, is available for review through a formal request process including a written request.

