

**AGREEMENT NO. 2015-40
ONSITE FLEET PARTS AND INVENTORY**

THIS AGREEMENT ("Agreement") is made and entered into this 17th day of December 2015, by and between the CITY OF NORTH PORT, a municipal corporation of the State of Florida, hereinafter referred to as the "CITY" and **TPH Acquisition, LLLP dba The Parts House**, 10321 Fortune Parkway, Jacksonville, Florida 32256, a Florida Limited Liability Limited Partnership, registered to conduct business in the State of Florida, hereinafter referred to as "CONTRACTOR" or "TPH."

WITNESSETH:

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. DEFINITIONS

The following words and phrases have the following meanings for purposes of this Agreement:

- A. **"AGREEMENT"** means this vehicle and equipment parts management and supply agreement, including all exhibits attached to it and incorporated in it by reference, and all amendments, modifications or revisions made in accordance with its terms.
- B. **"AGREEMENT YEAR"** means each City of North Port fiscal year, or portion thereof, during the term of this Agreement, provided that the first Agreement term shall be the period from the date of award this Agreement through and including January 31, 2019, and may be extended for two (2) additional one (1) year periods, by mutual agreement and within budgetary limitations, at the same terms and conditions.
- C. **"CITY"** means the City of North Port, Florida.
- D. **"CONTRACTOR PARTS"** means the vehicle and equipment parts, materials, supplies, tools, tires, and fluids (except for fuel) owned by CONTRACTOR or acquired by CONTRACTOR (whether manufactured by CONTRACTOR, any of its affiliates, or any other manufacturer) that CONTRACTOR will supply to the CITY to fulfill CONTRACTOR'S obligations under this Agreement.
- E. **"CONTRACTOR'S SYSTEM"** means CONTRACTOR'S software and related hardware consisting of the CONTRACTOR'S ordering and billing system, interfaces and reconciliations to and from the CITY's system, related hardware, and custom software, if any.
- F. **"CURRENT VENDOR PARTS"** means the non-TPH branded vehicle and equipment parts, materials, supplies, tools, tires, and fluids (except for fuel) owned by TPH and stocked at the CITY's location prior to the effective date of the Agreement deemed by the City usable to the City's current fleet in the next twelve months.
- G. **"EXPIRATION"** means the completion of the contract term, initially January 31, 2019, then January 31, 2020, after the first renewal period and January 31, 2021, after the second renewal period.
- H. **"FACILITY"** means the Warehouse, currently located at 1100 N. Chamberlain Boulevard, North Port, FL.
- I. **"NON-TPH PARTS"** means all parts not traditionally stocked by TPH and not on their line card.

- J. **"PART ON DEMAND"** means a part which is designated to be immediately available at the Facility unless that part is on manufacturer backorder with documentation from manufacturer.
- K. **"SERVICES"** means, collectively, the services, duties, and responsibilities described in 2 of this Agreement and any and all work necessary to complete them or carry them out fully and to the standard of performance required in this Agreement.
- L. **"SERVICE SPACE"** means the spaces licensed to the CONTRACTOR under this Agreement for conducting Services as deemed in Article 2, which may be added to, deleted from, or relocated during the term of this Agreement.
- M. **"SUBCONTRACTOR"** means any person or entity with whom the CONTRACTOR contracts to provide any part of the Services, including subcontractors of any tier, suppliers and materials providers, whether or not in privity with CONTRACTOR.
- N. **"TERMINATION"** means ending the agreement before its expiration.
- O. **"TPH PARTS"** means all parts traditionally stocked by TPH and on their line card.
- P. **"WAREHOUSE"** means the warehouse facility for Fleet currently located at 1100 N. Chamberlain Boulevard, North Port, FL.

2. **CONTRACTOR'S SERVICES**

The CONTRACTOR agrees to diligently and timely perform services of parts acquisition operations and manage the inventory of all equipment parts, materials, supplies, tools, tires and fluids (except for fuel) owned by the Contractor or acquired by the contractor (whether manufactured by contractor, any of its affiliates, or any other manufacturer) that CONTRACTOR will supply to the City to fulfill Contractor's obligations under this agreement as identified in Request for Proposal No. 2015-40 and CONTRACTOR's proposal submitted August 24, 2015. The overall Scope of Services is described in Attachment A.

This Agreement shall commence immediately upon the execution of the Agreement by both the CITY and the CONTRACTOR and will remain in effect through the completion of on January 31, 2019. The contract may be extended for two (2) additional one (1) year periods, by mutual agreement and within budgetary limitations, at the same terms and conditions.

A. **COMPENSATION AND PAYMENT FOR CONTRACTOR'S SERVICES**

1. The CITY will pay the CONTRACTOR a sum of \$16,500 per month for all services for contract year 2016. Subsequent adjustments to the base monthly fee will be tied to the "FCPI", but capped at 2% annually. The monthly fee will not exceed \$18,000 per month during the 3 year contract term or 2 optional 1 year extensions. This fee is partially based on a staffing level of **three (3)** on-site CONTRACTOR employees: one (1) manager, one (1) counter and one (1) driver/warehouse worker. Any change in staffing level mutually agreed to by both parties will result in an adjustment to this monthly fee for services.
2. The CITY will pay for all parts issued and properly reconciled during the month after invoiced by the CONTRACTOR at the end of that month. The CITY will pay the CONTRACTOR's cost for the parts as provided in Attachment "A"- Section Competitive Pricing.
3. One payment will be issued monthly for items in B1 and B2 above.

B. METHOD OF PAYMENT

The CITY shall pay the CONTRACTOR through payment issued by the Finance Department in accordance with the Florida Local Government Prompt Payment Act, Chapter 218, Florida Statutes.

3. LIABILITY OF CONTRACTOR:

The CONTRACTOR shall be fully liable for the actions of its directors, officers, members, partners, or subcontractors, and the employees and agents of each of them, and shall fully indemnify, defend and hold harmless the CITY, its commissioners, employees, agents and assigns from all demands, claims, suits, actions, judgments, damages, fines, fees, taxes, assessments, penalties, losses, expenses, costs of every type and description, and reasonable attorneys' fees (at both trial and appellate levels), of any nature or kind whatsoever caused by, or arising out of or related to the performance or breach of this Contract by the CONTRACTOR, its officers, directors, members, partners, or subcontractors, and employees or agents of any of them; provided, however, that the CONTRACTOR shall not indemnify for that portion of any loss or damages proximately caused by the negligent act or omission of the CITY.

To the extent applicable, the CONTRACTOR shall fully indemnify, defend and hold harmless the CITY, and its commissioners, agents, employees and assigns from any demands, claims, suits, actions, judgments, damages, fines, fees, taxes, assessments, penalties, losses, expenses, costs of every type and description, and reasonable attorneys' fees (at both trial and appellate level), arising from or relating to violation or infringement of a trademark, copyright, patent, trade secret or intellectual property right; provided, however, that the foregoing obligation shall not apply to the misuse or modification of CONTRACTOR'S products by the CITY or any of its commissioners, agents, employees, and assigns, or to the operation or use of CONTRACTOR'S products by the CITY or any of its commissioners, agents, employees, and assigns in a manner not contemplated by the Contract.

In the event of a claim, the CITY shall promptly notify the CONTRACTOR in writing by prepaid certified mail (return receipt requested), or by delivery through any nationally recognized courier service (such as Federal Express or UPS) which provides evidence of delivery, at the address provided in Section 10. Notification may also be provided by fax transmission to the number provided in Section 10, if provided.

The CITY shall provide all available information and assistance that the CONTRACTOR may reasonably require regarding any claim. This agreement for indemnification shall survive termination or completion of this Contract. The insurance coverage and limits required in this Contract may or may not be adequate to protect the CITY and such insurance coverage shall not be deemed a limitation on the CONTRACTOR's liability under the indemnity provided in this section. In any proceedings between the parties arising out of or related to this Indemnity provision, the prevailing party shall be reimbursed all costs, expenses and reasonable attorney fees through all proceedings (at both trial and appellate levels).

4. CONTRACTOR'S INSURANCE:

Before performing any work, CONTRACTOR shall procure and maintain, during the life of the Agreement, the insurance listed below, unless otherwise specified. The policies of insurance shall be primary and written on forms acceptable to the CITY and placed with insurance carriers approved and licensed by the Insurance Department of the State of Florida and meet a minimum financial AM Best and Company rating of no less than "Excellent." No changes are to be made to these specifications without prior written specific approval by the City Manager or designee. The City Manager or designee may alter the amounts or types of insurance policies required by this Agreement upon agreement with CONTRACTOR.

A. Workers Compensation: Coverage to apply for all employees at the statutory limits provided by state and federal laws. The policy must include Employers' Liability with a limit of \$1,000,000 each accident; \$1,000,000 each employee; and \$1,000,000 policy limit for disease.

B. Comprehensive Commercial General Liability Insurance: Occurrence form required. Aggregate must apply separately to this Agreement. Minimum \$1,000,000 each occurrence; \$1,000,000 general aggregate; \$1,000,000 products and completed ops; and \$100,000 fire damage.

C. Automobile Insurance: To include all vehicles owned, leased, hired and non-owned vehicles with limits of not less than \$1,000,000 per each accident and for property damage and bodily injury, with contractual liability coverage for all work performed under this Agreement.

The City of North Port is to be named additional insured on Comprehensive Commercial General Liability Policy and Commercial Auto Liability Policy. Certification of same shall be required. All certificates of insurance must be on file with and approved by the CITY before commencement of any work activities under this Agreement.

Any and all deductibles to the above referenced policies are to be the responsibility of the CONTRACTOR. The CONTRACTOR's insurance is considered primary for any loss, regardless of any insurance maintained by the CITY. The CONTRACTOR is responsible for all insurance policy premiums, deductibles, SIR (self-insured retentions) or any loss or portion of any loss that is not covered by any available insurance policy.

All insurance policies must be issued by companies of recognized responsibility licensed to do business in Florida and must contain a provision that prohibits cancellation unless the CITY is provided notice as stated within the policy. It is the CONTRACTOR's responsibility to provide notice to the CITY.

D. WAIVER OF SUBROGATION: All required insurance policies are to be endorsed with a waiver of subrogation. The insurance companies, by proper endorsement or thru other means, agree to waive all rights of subrogation against the CITY, its officers, officials, employees and volunteers, and the CITY's insurance carriers, for losses paid under the terms of these policies that arise from the contractual relationship or work performed by the CONTRACTOR for the CITY. It is the CONTRACTOR's responsibility to notify their insurance company of the Waiver of Subrogation and request written authorization or the proper endorsement. Additionally, the CONTRACTOR, its officers, officials, agents, employees, volunteers, and any subcontractors, agree to waive all rights of subrogation against the CITY and its insurance carriers for any losses paid, sustained or incurred, but not covered by insurance, that arise from the contractual relationship or work performed. This waiver also applies to any deductibles or self-insured retentions the CONTRACTOR or its agents may be responsible for.

POLICY FORM

1. All policies, required by this Agreement, with the exception of Workers Compensation, or unless specific approval is given by Risk Management through the CITY's Purchasing Office, are to be written on an occurrence basis, shall name the City of North Port, its Commissioners, officers, agents, employees and volunteers as additional insured as their interest may appear under this Agreement. Insurer(s), with the exception of Professional Liability and Workers Compensation, shall agree to waive all rights of subrogation against the City of North Port, its Commissioners, officers, agents, employees or volunteers.
2. Insurance requirements itemized in this Agreement, and required of the CONTRACTOR, shall be provided by or in behalf of all subcontractors to cover their operations performed under this Agreement. The CONTRACTOR shall be held responsible for any modifications, deviations, or omissions in these insurance requirements as they apply to subcontractors.

3. Each insurance policy required by this Agreement shall:
 - a. Apply separately to each insured against whom claim is made and suit is brought, except with respect to limits of the insurer's liability.
 - b. Be endorsed to state that coverage shall not be suspended, voided or cancelled by either party except after notice is delivered in accordance with the policy provisions. The CONTRACTOR is to notify the City Purchasing Office by written notice via certified mail, return receipt requested.
4. The CITY shall retain the right to review, at any time, coverage, form, and amount of insurance.
5. The procuring of required policies of insurance shall not be construed to limit CONTRACTOR's liability nor to fulfill the indemnification provisions and requirements of this Agreement. The extent of CONTRACTOR's liability for indemnity of the CITY shall not be limited by insurance coverage or lack thereof, or unreasonably delayed for any reason, including but not limited to, insurance coverage disputes between the CONTRACTOR and its carrier.
6. The CONTRACTOR shall be solely responsible for payment of all premiums for insurance contributing to the satisfaction of this Agreement and shall be solely responsible for the payment of all deductibles and retentions to which such policies are subject, whether or not the CITY is an insured under the policy.
7. Claims Made Policies will be accepted for professional liability and hazardous materials and such other risks as are authorized by the CITY's Purchasing Office. All Claims Made Policies contributing to the satisfaction of the insurance requirements herein shall have an extended reporting period option or automatic coverage of not less than two (2) years. If provided as an option, the CONTRACTOR agrees to purchase the extended reporting period on cancellation or termination unless a new policy is affected with a retroactive date, including at least the last policy year.
8. Certificates of Insurance evidencing Claims Made or Occurrences form coverage and conditions to this Agreement, as well as the Agreement number and description of work, are to be furnished to the CITY's Purchasing Office (4970 City Hall Boulevard, Suite 337, North Port, FL 34286) prior to commencement of work AND a minimum of thirty (30) calendar days prior to expiration of the insurance contract when applicable. All insurance certificates shall be received by the CITY's Purchasing Office before the CONTRACTOR will be allowed to commence or continue work. The Certificate of Insurance issued by the underwriting department of the insurance carrier shall certify compliance with the insurance requirements provided herein.
9. Notices of Accidents (Occurrences) and Notices of Claims associated with work being performed under this Agreement shall be provided to the CONTRACTOR's insurance company and the CITY's Purchasing Office as soon as practicable after notice to the insured.

5. RESPONSIBILITY OF THE CONTRACTOR

- A. The CONTRACTOR shall be responsible for the professional quality, technical accuracy, and the coordination of all reports, specifications, other documents and data used or produced by or at the behest of the CONTRACTOR under this Agreement. The CONTRACTOR shall, without additional compensation, correct or revise any errors or deficiencies in its reports, specifications, other documents and data.
- B. If the CONTRACTOR is comprised of more than one legal entity, each entity shall be jointly and severally liable hereunder.

C. The CONTRACTOR warrants that it has not employed or retained any company or person (other than a bona fide employee working solely for the CONTRACTOR), to solicit or secure this Agreement and that it has not paid or agreed to pay any person, company, corporation, individual, or firm other than a bona fide employee working solely for the CONTRACTOR, any fee, commission, percentage, gift or any other consideration, contingent upon or resulting from the award of this Agreement.

D. CONTRACTOR shall perform its services in accordance with generally accepted industry standards and practices customarily utilized by competent Contractor firms in effect at the time CONTRACTOR's services are rendered. The CONTRACTOR covenants and agrees that it and its employees shall be bound by the Standards of Conduct of Florida Statutes, Section 112.313, as it relates to work performed under this Agreement. The CONTRACTOR agrees to incorporate the provisions of this paragraph in any subcontract into which it might enter with reference to the work performed.

E. The CONTRACTOR shall comply with all federal, state, and local laws, regulations and ordinances applicable to the work or payment for work thereof, and shall not discriminate on the grounds of race, color, religion, sex, or national origin in the performance of work under this Agreement.

F. The CONTRACTOR shall maintain books, records, documents, and other evidence directly pertaining to or connected with the services under this Agreement which shall be available and accessible at the CONTRACTOR's offices for the purpose of inspection, audit, and copying during normal business hours by the CITY, or any of its authorized representatives. Such records shall be retained for a minimum of three (3) years after completion of the services.

G. Security of Information: Contractor shall maintain security of information in order to safeguard confidentiality of undercover law enforcement vehicles including special equipment inside these vehicles. Security is delineated as a prohibition on idle discussion about these vehicles, prohibition on tampering with these vehicles or their equipment, and vehicle documentation remaining on the City's premises and secured at all times.

H. In accordance with F.S. §119.0701, CONTRACTOR shall comply with all public records laws, and shall specifically:

(1) Keep and maintain public records that ordinarily and necessarily would be required by the City in order to perform the service.

(2) Provide the public with access to public records on the same terms and conditions that the City would provide the records and at a cost that does not exceed the cost provided in chapter 119 or as otherwise provided by law.

(3) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law.

(4) Meet all requirements for retaining public records and transfer, at no cost, to the City all public records in possession of the Contractor upon termination of the Agreement and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the City in a format that is compatible with the information technology systems of the City.

Failure of the CONTRACTOR to comply with these requirements shall be a material breach of this Contract.

6. TIMELY PERFORMANCE OF CONTRACTOR'S PERSONNEL:

The timely performance and completion of the required services is vitally important to the interest of the CITY. The CONTRACTOR shall assign a Project Manager, together with such other personnel as are necessary, to assure faithful prosecution and timely delivery of services pursuant to the requirements of this Agreement. The personnel assigned by the CONTRACTOR to perform the services of this Agreement shall comply with the information presented in the professional services response proposal made a part hereof by reference. The CONTRACTOR shall ensure that all key personnel, support personnel, and other agents are fully qualified and capable to perform their assigned tasks. Any change or substitution to the CONTRACTOR's key personnel must receive the CITY's Administrative Agent's written approval before said changes or substitution can become effective.

A. The services to be rendered by the CONTRACTOR shall commence within one (1) week of the CONTRACTOR's receipt of written Notice to Proceed from the CITY.

B. The CONTRACTOR specifically agrees that all work performed under the terms and conditions of this Agreement shall be completed within the time limits as set forth, subject only to delays caused through no fault of the CONTRACTOR or the CITY. Time is of the essence in the performance of this Agreement.

7. OBLIGATIONS OF CITY

A. The CITY's Administrative Agent is designated to serve as project coordinator and to do all things necessary to properly administer the terms and conditions of this Agreement. If necessary, a specific program manager will be authorized to perform the responsibilities of the CITY's Administrative Agent. The CITY shall designate any specific program manager in the Notice to Proceed. The responsibility of the CITY's Administrative Agent shall include:

1. Examination of all reports, sketches, drawings, estimates, proposals, and other documents presented by the CONTRACTOR, and render in writing, decisions pertaining thereto within a reasonable time.
2. Transmission of instructions, receipt of information, interpretation and definition of CITY policies and decisions with respect to design, materials, and other matters pertinent to the work covered by this Agreement.
3. Review for approval or rejection all of the CONTRACTOR's documents and payment requests.

B. The CITY shall, upon request, furnish the CONTRACTOR with all existing data, plans, studies and other information in the CITY's possession which may be useful in connection with the work of this Project, all of which shall be and remain the property of the CITY and shall be returned to the CITY's Administrative Agent upon completion of the services to be performed by the CONTRACTOR.

C. The CITY's Administrative Agent shall conduct periodic reviews of the work of the CONTRACTOR necessary for the completion of the CONTRACTOR's services during the period of this Agreement, and may make other CITY personnel available, where required and necessary to assist the CONTRACTOR. The availability and necessity of said personnel to assist the CONTRACTOR shall be determined solely within the discretion of the CITY. The CITY's technical obligations to this Project, if any, are stated in Specific Authorizations and Work Authorizations.

D. The CITY shall not provide any services to the CONTRACTOR in connection with any claim brought on behalf of or against the CONTRACTOR.

8. TERMINATION

A. The City Manager or designee shall have the right at any time upon thirty (30) calendar days written notice to the CONTRACTOR to terminate the services of the CONTRACTOR; and in that event, the CONTRACTOR shall cease work and shall deliver to the CITY all keys, identification cards and any other items that were originally provided to the CONTRACTOR in connection with its services.

B. **FUNDING IN SUBSEQUENT FISCAL YEARS:** It is expressly understood by the CITY and the CONTRACTOR that funding for any subsequent fiscal year of the Agreement is contingent upon appropriation of monies by the City Commissioners, and the continuing receipt of state or federal grant funding, if applicable. In the event that funds are not available or appropriated, the CITY reserves the right to terminate the Agreement. The CITY will be responsible for payment of any outstanding invoices and work completed by the CONTRACTOR prior to such termination.

C. In the event that the CONTRACTOR has abandoned performance under this Agreement, then the City Manager or designee may terminate this Agreement upon three (3) calendar days' written notice to the CONTRACTOR indicating its intention to do so. The written notice shall state the evidence indicating the CONTRACTOR's abandonment.

D. The CONTRACTOR shall have the right to terminate services only in the event of the CITY failing to pay the CONTRACTOR's properly documented and submitted invoice within ninety (90) calendar days of the approval by the CITY's Administrative Agent, or if the project is suspended by the CITY for a period greater than ninety (90) calendar days.

E. The City Manager or designee reserves the right to terminate and cancel this Agreement in the event the CONTRACTOR shall be placed in either voluntary or involuntary bankruptcy, a receiver is appointed for the CONTRACTOR or an assignment is made for the benefit of creditors.

F. In the event CONTRACTOR breaches this Agreement, the CITY shall provide written notice of the breach and CONTRACTOR shall have ten (10) days from the date the notice is received to cure. If CONTRACTOR fails to cure within the ten (10) days, the City Manager or designee shall have the right to immediately terminate the Agreement and/or refuse to make any additional payment, in whole or in part, and, if necessary, may demand the return of a portion or the entire amount previously paid to CONTRACTOR due to:

1. The quality of a portion or all of the CONTRACTOR's work not being in accordance with the requirements of this Agreement;
2. The quantity of the CONTRACTOR's work not being as represented in the CONTRACTOR's Payment Request, or otherwise;
3. The CONTRACTOR's rate of progress being such that, in the CITY's opinion, substantial or final completion, or both, may be inexcusably delayed;
4. The CONTRACTOR's failure to use Agreement funds, previously paid the CONTRACTOR by the CITY, to pay CONTRACTOR's project related obligations including, but not limited to, subcontractors, laborers and material and equipment suppliers;
5. Claims made, or likely to be made, against the CITY or its property;

6. Loss caused by the CONTRACTOR;

7. The CONTRACTOR's failure or refusal to perform any of the obligations to the CITY, after written notice and a reasonable opportunity to cure as set forth above.

The CITY's rights hereunder survive the term of this Agreement, and are not waived by final payment and/or acceptance.

9. INDEPENDENT CONTRACTOR:

The CONTRACTOR is, and shall be, in the performance of all work services and activities under this Agreement, an independent contractor, and not an employee, agent or servant of the CITY. All persons engaged in any of the work or services performed pursuant to this Agreement shall at all times, and in all places, be subject to the CONTRACTOR'S sole direction, supervision, and control. The CONTRACTOR shall exercise control over the means and manner in which it and its employees perform the work, and in all respects the CONTRACTOR'S relationship and the relationship of its employees to the CITY shall be that of an independent contractor and not as employees or agents of the CITY. The CONTRACTOR does not have the power or authority to bind the CITY in any promise, agreement or representation other than as specifically provided for in this Agreement. The CONTRACTOR shall not pledge the CITY'S credit or make it a guarantor of payment of surety for any contract, debt, obligation, judgment, lien or any form of indebtedness. The CONTRACTOR further warrants and represents that it has no obligation or indebtedness that would impair its ability to fulfill the terms of this Agreement.

10. EQUAL EMPLOYMENT OPPORTUNITY:

The City of North Port, Florida, in accordance with the provisions of Title VII of the Civil Rights Act of 1964 (78 Stat. 252) and the Regulations of the Department of Commerce (15 CFR, Part 8) issued pursuant to such Act, hereby notifies all bidders that it will ensure that in any Contract entered into pursuant to this advertisement, minority business enterprises will be afforded full opportunity to submit replies in response to this advertisement and will not be discriminated against on the ground of race, color or national origin in consideration for an award.

11. NON-DISCRIMINATION:

The City of North Port does not discriminate on the basis of race, color, national origin, sex, age, disability, family or religious status in administration of its programs, activities or services. Pursuant to F.S. §287.134(2)(a), an entity or affiliate who has been placed on the discriminatory vendor list may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids, proposals, or replies on leases of real property to a public entity; may not be awarded or perform work as a Contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity.

12. ENTIRE AGREEMENT:

This Agreement constitutes the sole and complete understanding between the parties and supersedes all agreements between them, whether oral or written with respect to the subject matter.

13. AMENDMENT:

No amendment, change or addendum to this Agreement is enforceable unless agreed to in writing by both parties and incorporated into this Agreement. For any increase in the compensation for the services, the City Commissioners for the CITY and the duly authorized representative for the CONTRACTOR shall agree in writing to this change. For all other changes, the CITY's Administrative Agent and the CONTRACTOR's representative shall agree in writing to the change.

14. GOVERNING LAW, VENUE AND SEVERABILITY:

The rights, obligations and remedies of the parties under this Agreement shall be governed by the laws of the State of Florida and the exclusive venue for any legal or judicial proceedings in connection with the enforcement or interpretation of this Agreement shall be in Sarasota County, Florida. If any term, condition or covenant of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this Agreement shall be valid and binding on each party.

15. ASSIGNMENT:

The CONTRACTOR shall not assign any interest in this Agreement and shall not transfer any interest in same (whether by assignment or novation) without prior written consent of the City Manager or designee, except that claims for the money due or to become due the CONTRACTOR from the CITY under this Agreement may be assigned to a financial institution or to a trustee in bankruptcy without such approval from the CITY. Notice of such transfer or assignment due to bankruptcy shall be promptly given to the CITY.

16. WAIVER:

The exercise by either party of any rights or remedies provided herein shall not constitute a waiver of any other rights or remedies available under this Agreement or any applicable law. The rights and obligations of the parties under this Agreement shall be governed by the laws of the State of Florida and the exclusive venue for any legal or judicial proceedings in connection with the enforcement or interpretation of this Agreement shall be in Sarasota County, Florida. If any term, condition or covenant of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this Agreement shall be valid and binding on each party.

17. AUTHORITY:

The parties covenant and agree that each is duly authorized to enter into and perform this Agreement and those executing this Agreement have all requisite power and authority to bind the parties.

18. NO HIRE:

The CONTRACTOR shall not hire any CITY employee associated with this project throughout the duration of the Agreement and for a period of one (1) year after completion.

19. NOTICES:

Any notices, invoices, reports, or any other type of documentation required by this Agreement shall be sent by certified mail, return receipt requested, or via a recognized national courier service in a manner that provides for written or electronic record of delivery, to the addresses listed below:

CONTRACTOR'S REPRESENTATIVE:

The Parts House
Corporate Headquarters
10321 Fortune Headquarters
Jacksonville, Florida 32256
TEL 904.731.3034 ext. 80205
FAX 904.448.6690
EMAIL: dhonig@thepartshouse.com

CITY'S ADMINISTRATIVE AGENT:

Fleet Manager
City of North Port, Public Works
1100 N. Chamberlain Blvd
North Port, FL 34286
TEL .941. 240.8531
FAX .941.240.8541
EMAIL: rheseler@cityofnorthport.com

20. PARAGRAPH HEADINGS:

Paragraph headings are for the convenience of the parties and for the reference purposes only and shall be given no legal effect.

21. ATTORNEY'S FEES:

In any proceedings between the parties arising out of or related to this Agreement, the prevailing party shall be reimbursed all costs, expenses and reasonable attorney fees through all proceedings (at both trial and appellate levels).

22. INCORPORATION OF BID DOCUMENTS AND CONFLICTS:

The Request For Proposal No. 2015-40, including specifications, attachments and addendums, and Contractor's response to RFP, are specifically made a part of this Agreement and are incorporated herein. In the event of a conflict between or among the documents or any ambiguity or missing specifications or instruction, the following priority is established:

1. First, this Agreement (Agreement No. 2015-40) dated 12-14-15, and any attachments.
2. Second, Request for Proposal, including any and all attachments and addenda.
3. Third, Contractor's response to this solicitation.
4. Fourth, specific direction from the City Manager.

23. GOVERNING LAW, VENUE AND SEVERABILITY:

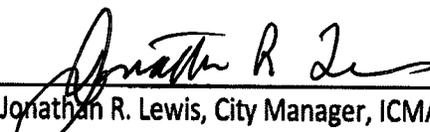
The rights, obligations and remedies of the parties under this Agreement shall be governed by the laws of the State of Florida and the exclusive venue for any legal or judicial proceedings in connection with the enforcement or interpretation of this Agreement shall be in Sarasota County, Florida. If any term, condition or covenant of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this Agreement shall be valid and binding on each party.

IN WITNESS WHEREOF, the parties have executed the agreement as of the date first above written.

ATTEST:

By: 
Helen Raimbeau, City Clerk, MMC

CITY OF NORTH PORT, FLORIDA

By: 
Jonathan R. Lewis, City Manager, ICMA-CM

APPROVED AS TO FORM AND CORRECTNESS:



By: _____
Mark Moriarty, City Attorney

WITNESS:

By: Jackie McNally

CONTRACTOR:

By: Richard H. [Signature]

ATTACHMENT A

TPH SUBMITTAL AND PRICING



City of North Port On-site Fleet Parts and Inventory Program

Request for Proposal No. 2015-40

TPH Acquisition, L.L.P. d.b.a.
The Parts House
Corporate Headquarters
10321 Fortune Parkway
Jacksonville, Florida 32256
Ph.: 904-731-3034
Fax: 904-448-6690
www.thepartshouse.com

Regional Headquarters
6868 118th Avenue
Largo, Florida 33773
Ph.: 727-573-1580
Fax: 727-573-8935

Richard Kilpatrick
Cell: 727-647-0933
rkilpatrick@thepartshouse.com

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Parts Cost Tabulation Sheets **PAGE 50 - 52**

PART V: PROPOSAL SUBMITTAL SIGNATURE FORM

The undersigned attests to his/her authority to submit this proposal and to bind the firm herein named to perform as per contract, if the firm is awarded the contract by the City.

The undersigned further certifies that he/she has read the Request for Proposal, Terms and Conditions, Insurance Requirements and any other documentation relating to this request and this proposal is submitted with full knowledge and understanding of the requirements and time constraints noted herein.

As addenda are considered binding as if contained in the original specifications, it is critical that the firm acknowledge receipt of same. The submittal may be considered void if receipt of an addendum is not acknowledged.

Addendum No. 1 Dated 7/24 Addendum No. 3 Dated 8/12

Addendum No. 2 Dated 7/29 Addendum No. 4 Dated 8/19

TPH Acquisition, LLLP d.b.a. The Parts House
Company Name

904-231-3034 Telephone # 904-448-6690 Fax #

10321 Fortune Parkway Bldg. 400
Main Office Address

Jacksonville City Florida State 32256 Zip Code

6868 118th Avenue
Address of Office Servicing City of North Port, if different than above

Largo City FL State 33773 Zip Code

Richard Kilpatrick Vice President, Fleet and Contract Sales
Name & Title of Firm Representative

727-573-1580 ext 85122 Telephone # 727-572-8935 Fax #

Richard Kilpatrick Signature 8/17/15 Date

This page must be submitted with Proposal

STATEMENT OF ORGANIZATION
(Information Sheet for Transactions and Conveyances Corporation Identification)

The following information will be provided to the City of North Port for incorporation in legal documents. It is, therefore, vital all information is accurate and complete. Please be certain all spelling, and capitalization is exactly as registered with the state or federal government.

Name of Respondent: TPH Acquisition, LLLP
DBA (if any): The Parts House
Type of Entity (Sole Proprietor, Corporation, LLC, LLP, Partnership, etc): Limited Liability Limited Partnership
Business Address: 10321 Fortune Parkway, Bldg 400
Jacksonville, Florida 32256
Phone: 904-731-5034 Fax: 904-448-6690
E-Mail: r.kilpatrick@thepartshouse.com
Print Name and Title of person authorized to bind: Richard Kilpatrick VP, fleet and Contract Sales
Federal Identification Number: 61-1436406
Signature: [Signature]

Respondent shall submit proof that it is authorized to do business in the State of Florida unless registration is not required by law.

Is this a Florida Corporation: Yes or No (Please Check One)

If not a Florida Corporation,
In what state was it created: _____
Name as spelled in that State: _____

What kind of corporation is it: "For Profit" or "Not for Profit"

Is it in good standing: Yes or No

Authorized to transact business
in Florida: Yes or No

State of Florida Department of State Certificate of Authority Document No.: A02000001598

Does it use a registered fictitious name: Yes or No

THIS PAGE MUST BE SUBMITTED WITH PROPOSAL

Names of Officers:

CEO + President: David Honig Secretary: _____

C.O.O Vice President: David Miller Treasurer: _____

Controller Director: Connie Jezual Director: _____

Other: _____ Other: _____

Name of Corporation (As used in Florida):

TPH Acquisition, LLC

(Spelled exactly as it is registered with the state or federal government)

Corporate Address:

Post Office Box: _____
City, State Zip: _____
Street Address: 10321 Fortune Parkway Bldg 400
City, State, Zip: Jacksonville, Fla. 32256

STATE OF FL
COUNTY OF Pinellas

Sworn to and subscribed before me this 19 day of August, 2015, by Richard Kilpatrick who is personally known to me or has produced his/her driver's license as identification.

Lindy Gomillion
Notary Public - State of Florida
Print Name: LINDY Gomillion
Commission No: _____



THIS PAGE MUST BE SUBMITTED WITH PROPOSAL

() Offeror shall submit proof that the company is authorized to do business in the State of Florida.

This page must be submitted with Proposal

Florida Limited Partnership

TPH ACQUISITION LLLP

Filing Information

Document Number	A02000001598
FEI/EIN Number	61-1436406
Date Filed	12/04/2002
State	FL
Status	ACTIVE
Last Event	LTD AMENDED AND RESTATED CERTIFICATE
Event Date Filed	05/15/2007
Event Effective Date	NONE

Principal Address

10321 FORTUNE PKWY, BLDG 400
JACKSONVILLE, FL 32256

Changed: 03/23/2009

Mailing Address

10321 FORTUNE PKWY, BLDG 400
JACKSONVILLE, FL 32256

Changed: 03/23/2009

Registered Agent Name & Address

BSPA CORPORATE SERVICES, INC.
350 EAST LAS OLAS BLVD., SUITE 1000
FORT LAUDERDALE, FL 33301

General Partner Detail**Name & Address**

Document Number L02000022898

TPH ACQUISITION LLC
7909 PINE LAKE ROAD
JACKSONVILLE, FL 32256

Annual Reports

Report Year	Filed Date
2013	04/10/2013
2014	03/13/2014
2015	04/15/2015

2015 FLORIDA LIMITED PARTNERSHIP ANNUAL REPORT

DOCUMENT# A02000001598

Entity Name: TPH ACQUISITION LLLP

Current Principal Place of Business:

10321 FORTUNE PKWY, BLDG 400
JACKSONVILLE, FL 32256

Current Mailing Address:

10321 FORTUNE PKWY, BLDG 400
JACKSONVILLE, FL 32256

FEI Number: 61-1436406

Certificate of Status Desired: Yes

Name and Address of Current Registered Agent:

BSPA CORPORATE SERVICES, INC.
350 EAST LAS OLAS BLVD., SUITE 1000
FORT LAUDERDALE, FL 33301 US

The above named entity submits this statement for the purpose of changing its registered office or registered agent, or both, in the State of Florida.

SIGNATURE:

Electronic Signature of Registered Agent

Date

General Partner Detail :

Document # L02000022898

Name TPH ACQUISITION LLC

Address 7909 PINE LAKE ROAD

City-State-Zip: JACKSONVILLE FL 32256

I hereby certify that the information indicated on this report or supplemental report is true and accurate and that my electronic signature shall have the same legal effect as if made under oath; that I am a general partner of the limited partnership or the receiver or trustee empowered to execute this report as required by Chapter 620, Florida Statutes; and that my name appears above, or on an attachment with all other like empowered.

SIGNATURE: DAVID HONIG

PRESIDENT

04/15/2015

Electronic Signature of Signing General Partner Detail

Date

P.5

AFFIDAVIT
Claiming Status as a Local Business

State of Florida
County of Pinellas } SS.

Before me, the undersigned authority, personally appeared:
Richard Kilpatrick who, being first duly sworn, deposes and says that:

1. I am the Representative (Owner, Partner, Officer, Representative or Agent) of TPH Acquisition, LLC, the Proposer that has submitted the attached proposal;

AND

2. I am fully informed respecting the operation and employees of the Proposer;

AND

3. I affirm that the Proposer has maintained a physical business address located within the limits of Sarasota County, Charlotte County or Desoto County for a period of six (6) months or more before submitting this proposal, from which the Proposer operates or performs business. The qualifying local address is

1100 N. Chamberlain Blvd
North Port, FL. 34286

AND

4. I affirm that at least fifty percent (50%) of the Proposer's employees are residents of the City of North Port.

Signed, sealed and delivered this 19th day of August, 2015.

By: [Signature]

Richard Kilpatrick (Printed Name)

VP, Fleet and Contract Sales (Title)

State of Florida
County of Pinellas

Sworn to and subscribed before me this 19 day of August, 2015, by Richard Kilpatrick who is personally known to me or has produced his driver's license as identification.

NOTARY SEAL:



[Signature]
Notary Public - State of Florida

Print Name: Lindy Gomillion

Commission No: _____

This page to be returned only if Proposer is claiming a Local Business Status.

AFFIDAVIT
Claiming Status as a North Port Local Business

State of Florida
County of Pinellas } SS.

Before me, the undersigned authority, personally appeared:

Richard Kilpatrick who, being first duly sworn, deposes and says that:

1. I am the Representative (Owner, Partner, Officer, Representative or Agent) of TPI Acquisition, LLC, the Proposer that has submitted the attached proposal;

AND

2. I am fully informed respecting the operation and employees of the Proposer;

AND

3. I affirm that the Proposer has maintained its primary physical business address within the limits of the City of North Port for a period of six (6) months or more before submitting this proposal, from which the Proposer operates or performs business. The qualifying local address is 1100 N. Chamberlain Boulevard
North Port, FL 34286.

AND

4. I affirm that at least fifty percent (50%) of the Proposer's employees are residents of the City of North Port.

Signed, sealed and delivered this 19th day of August, 2015.

By: [Signature]
Richard Kilpatrick (Printed Name)
V.P. Fleet and Contract Sales (Title)

State of Florida
County of Pinellas

Sworn to and subscribed before me this 19 day of August, 2015, by Richard Kilpatrick who is personally known to me or has produced his driver's license as identification.

NOTARY SEAL:



[Signature]
Notary Public - State of Florida
Print Name: LINDY GOMILLION
Commission No: _____

This page to be returned only if Proposer is claiming a North Port Local Business Status.

CITY OF NORTH PORT
BUSINESS TAX RECEIPT
Valid Thru September 30, 2015

TPH ACQUISITION LLP
10321 FORTUNE PKWY

JACKSONVILLE FL 32256

HONIG, DAVID
1100 N CHAMBERLAIN BLVD
NORTH PORT FL 34286

Issue Date: October 01, 2014

This Business Tax Receipt is hereby issued for the occupation of MERCHANT FIXED BUSINESS UP TO 1000 SF. The Business Tax Receipt Number is 15-00008761 and is valid with the City of North Port at 4970 City Hall Blvd, North Port, FL 34286.

COMMENTS: AUTO & TRUCK PARTS WHOLESALE
RESTRICTIONS:

The person, firm or corporation named above is granted this Business Tax Receipt to the provision of Chapter 34 of the North Port Code of Ordinances. Issuance of this tax receipt is not an endorsement, or certification of compliance with other ordinances or laws. This tax receipt does not assure quality of work or confirm that regulatory or zoning requirements have been met. Holder must comply with all city ordinances and state codes.

This Business Tax Receipt must be exhibited conspicuously at your place of business.

DRUG FREE WORKPLACE FORM

The undersigned, Proposer in accordance with Florida Statute 287.087 hereby certifies that
TPH Acquisition, LLP does:
(Company Name)

1. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
2. Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
3. Give each employee engaged in providing the commodities or contractual services that are under proposal a copy of the statement specified in subsection (1).
4. In the statement specified in subsection (1), notify the employees that, as a condition of working on the commodities or contractual services that are under proposal, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Chapter 893 or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.
5. Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is so convicted.
6. Make a good faith effort to continue to maintain a drug free workplace through implementation of this section.

As the person authorized to sign the statement, I certify that this firm complies fully with the above requirements.

Abel K. Guter
Signature

8/17/15
Date

This page must be submitted with Proposal

PUBLIC ENTITY CRIME INFORMATION

A person or affiliate who has been placed on the convicted Proposer list following a conviction for a public entity crime may not submit a proposal on a contract to provide any goods or services to a public entity, may not submit a proposal on a contract with a public entity for the construction or repair of a public building or public work, may not submit proposals on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or Consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287, for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted Proposer list.

I, Richard Kilpatrick, being an authorized representative of the firm of
TPH Acquisition, LLP, located at
10321 Fortune Parkway Bldg 400 City:
Jacksonville State: Florida Zip Code: 32256, have read and
understand the contents above.

Signature: [Signature] Date: 8/19/15
Telephone #: 727-573-1580 ext 8512 Fax #: 727-572-8935
Federal ID #: 61-1436406

STATE OF Florida
COUNTY OF Pinellas

Sworn to and subscribed before me this 19 day of August, 2015, by Richard Kilpatrick
who is personally known to me or has produced his/her driver's license as identification.



[Signature]
Notary Public - State of Florida
Print Name: LINDY GOMILLION
Commission No: _____

This page must be submitted with Proposal

NON-COLLUSIVE AFFIDAVIT

State of Florida

County of Pinellas

} SS.

Before me, the undersigned authority, personally appeared:

Richard Kilpatrick who, being first duly sworn, deposes and says that:

1. He He/She is the Representative (Owner, Partner, Officer, Representative or Agent) of TRT Acquisition, LLC the offeror that has submitted the attached proposal;
2. RL He/She is fully informed respecting the preparation and contents of the attached proposal and of all pertinent circumstances respecting such proposal;
3. RL Such proposal is genuine and is not a collusive or sham proposal;
4. RL Neither the said offeror nor any of its officers, partners, owners, agents, representatives, employees or parties in interest, including this affiant, have in any way colluded, conspired, connived or agreed, directly or indirectly, with any other offeror, firm, or person to submit a collusive or sham proposal in connection with the work for which the attached proposal has been submitted; or have in any manner, directly or indirectly sought by agreement or collusion, or communication or conference with any offeror, firm, or person to fix the price or prices in the attached proposal or of any other offeror, or to fix any overhead, profit, or cost elements of the proposal price or the proposal price of any other offeror, or to secure through any collusion, conspiracy, connivance, or unlawful agreement any advantage against (Recipient), or any person interested in the proposal work.

STATE OF Florida

COUNTY OF Pinellas

Sworn to and subscribed before me this 19 day of August, 2015, by Richard Kilpatrick who is personally known to me or has produced his/her driver's license as identification.

Lindy Gomillion
Notary Public, State of Florida

Print Name: LINDY GOMILLION

Commission No: _____



This page must be submitted with Proposal

CONFLICT OF INTEREST FORM

F.S. §112.313 places limitations on public officers (including advisory board members) and employees' ability to contract with the City either directly or indirectly. Therefore, please indicate if the following applies:

PART I.

- I am an employee, public officer or advisory board member of the City
_____ (List Position Or Board)
- I am the spouse or child of an employee, public officer or advisory board member of the City
Name: _____
- An employee, public officer or advisory board member of the City, or their spouse or child, is an officer, partner, director, or proprietor of Respondent or has a material interest in Respondent. "Material interest" means direct or indirect ownership of more than 5 percent of the total assets or capital stock of any business entity. For the purposes of [§112.313], indirect ownership does not include ownership by a spouse or minor child.
Name: _____
- Respondent employs or contracts with an employee, public officer or advisory board member of the City
Name: _____
- None Of The Above

PART II:

Are you going to request an advisory board member waiver?

- I will request an advisory board member waiver under §112.313(12)
- I will NOT request an advisory board member waiver under §112.313(12)
- N/A

The City shall review any relationships which may be prohibited under the Florida Ethics Code and will disqualify any vendors whose conflicts are not waived or exempt.

COMPANY: TPH Acquisition, LLC d.b.a. The Parts House
SIGNATURE: [Signature]

THIS PAGE MUST BE COMPLETED AND SUBMITTED WITH PROPOSAL

LOBBYING CERTIFICATION

"The undersigned hereby certifies, to the best of his or her knowledge and belief, that":

STATE OF Florida

COUNTY OF Pinellas

This 19th day of August of 2015

Richard Kilpatrick being first duly sworn, deposes and says that he or she is the authorized representative of TPT Acquistory LLC (Name of the contractor, firm or individual), and that the vendor and any of its agents agree to have no contact or communication with, or discuss any matter related in any way to any active City of North Port solicitation, with any City of North Port elected officials, officers, their appointees or their agents or any other staff or outside individuals working with the city in respect to this request other than the designated Procurement Official Contact and to abide by the restrictions outlined in the General Terms and Conditions of the Solicitation. Technical questions directed to the project manager, is prohibited. These persons shall not be lobbied, either individually or collectively, regarding any questions for bid, proposal, qualification and/or any other solicitations released by the city. To do so is grounds for immediate disqualification from the selection process. The selection process is not considered final until such a tome as the Commission has made a final and conclusive determination.

(a) No City appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence either directly or indirectly an officer or employee of the City, City Commission in connection with the awarding of any City Contract.

(b) If any funds other than City appropriated funds have been paid or will be paid to any person for influencing or attempting to influence a member of City Commission or an officer or employee of the City in connection with this contract, the undersigned shall complete and submit Standard Form-L "Disclosure Form to Report Lobbying", in accordance with its instructions.

Signed, sealed and delivered this 19 day of August, 2015.

By: [Signature]

Richard Kilpatrick
(Printed Name)

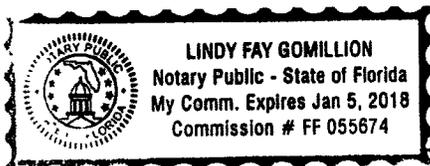
VP, Fleet and Contract Sales
(Title)

STATE OF Florida
COUNTY OF Pinellas

Sworn to and subscribed before me this 19 day of August, 2015, by Richard Kilpatrick who is personally known to me or has produced his/her driver's license as identification.

Lindy Gommillion

Notary Public - State of Florida
Print Name: LINDY GOMILLION
Commission No: _____



THIS PAGE MUST BE SUBMITTED WITH BID

Executive Summary

TPH Acquisition, LLLP d.b.a. The Parts House ("TPH") is the largest privately-held automotive and heavy duty parts distributor in the State of Florida and one of the top 30 distributors in the country. TPH has grown through strategic acquisitions and organically, by providing unique services to a very diversified customer base which includes New Car Dealerships, Tire Store Chains, Fleets, Municipalities, Theme Parks, Army & Air Force Exchange Services ("AAFES"), Independent Installers, Auto Parts Jobbers and Internet Providers. In addition TPH has bid and been awarded On-Site Turn Key Vehicle and Equipment Parts Supply Operations, also known as COPARS, operations throughout the country, including military bases in New Mexico, South Dakota and Maryland, and has operated COPARS ground support equipment facilities for American Airlines in the hubs of Miami and San Juan. Currently TPH manages four such operations, two for Walt Disney World, one for the City of Jacksonville and one for the City of North Port.

Headquartered in Jacksonville Florida, TPH was founded in 1970 and was purchased by longstanding members of the management team in 2002. In 2005 TPH purchased Orlando Truck Parts which provided the sales team with access to parts for Class 1 – 8 trucks and off-highway equipment through their OEM vendors. Local management and ownership provides TPH with the quick decision making that is crucial to high levels of customer service. TPH currently operates over forty locations in Florida (36), Georgia (3), Alabama (1) and Puerto Rico (1). Sales in '14 were in just under 180 million dollars. Budgeted sales in '15 are in excess of 190 million and are on pace to exceed that number comfortably. Daily operations and sales are led by a team of 6 Regional Vice Presidents, a Vice President of Sales and Vice President of Fleet and Contract Sales, all of whom report to the COO, David Miller and CEO, David Honig. The RVP's maintain offices in their regional hub warehouses which support surrounding store locations by providing multiple daily deliveries from very deep and broad inventories. We believe that our footprint, hands on management team and financial capabilities provide TPH with the advantages of doing business with a larger company AND the ability to deal directly with the executive team on a daily basis if necessary.

One of the core competencies of TPH is converting the sourcing of dealer supplied Original Equipment ("OE") numbers to our Original Equipment Manufacturer ("OEM") lines such as ACDelco ("General Motors"), Motorcraft ("Ford"), and Mopar ("Chrysler") as well as Bosch and Denso. Most fleet managers prefer OE parts and we have the ability to provide that for Ford, GM and Chrysler vehicles at distributor pricing. In addition, our dealer relationships provide competitive sourcing and pricing for items that are truly "dealer only".

TPH saves its customers thousands of dollars annually by finding alternate sources for OEM parts and by providing operating efficiencies through proper inventory control, automated ordering and resupply, tool crib management, and freight movement. Inventory control is monitored with a real-time, highly specialized data management system that is designed to both maintain accurate inventories and pricing

and allow for efficient replenishment of product, daily. Based on historical demand and with input from both City of North Port ("City") and the parts professionals at TPH, custom model inventories will be developed for the City's requirements.

TPH is among the world's largest distributors of OEM parts under the Ford (Motorcraft), GM (AC-Delco), Chrysler (Mopar), Denso and Bosch brands along with complete lines of Original Equipment Services ("OES") Suppliers like Federal Mogul (Abex, National, Moog, Champion, Anco, Fel-Pro), Baldwin, Bendix, Meritor, Spicer, Timken, Stemco and Monroe. Supplying high quality parts is a trademark of TPH.

In addition to the OEM and OES suppliers mentioned TPH also maintains relationships with well over 200 vendors. Our purchasing department manages in excess of \$45 million of inventory assets. Our ability to source unique products has proven to be a key component in TPH's ability to maintain long-term customer contracts. We maintain and track data on over 2-million records (i.e., part numbers).

TPH's extensive history with fleets and COPARS operations has given us significant opportunities to develop reporting specific to each customer's requirements. The information system currently utilized by TPH provides detailed reports to customers that include, but are not limited to:

- Vehicle usage reports
- Ship fill reports
- Cost savings reports
- Slow moving inventory reports
- Availability reports
- Warranty reports
- Invoice reports
- Other reports designed to meet specific customer needs and requests

Many companies utilize an outside service to provide IT support for its locations. However, the Information Technology ("IT") department at TPH is experienced at new location start-ups, interfacing with various customer software providers and programming to the customers' requests. The current information system used by TPH is a highly customized version of the "Ultimate Auto Shims" software owned by Activant (Epicor). Activant (Epicor) is the largest provider of automotive parts distribution systems in the country and is the dominant catalog company. TPH enjoys the distinct advantage of owning source code, allowing us to program to very specific customer requirements.

X 

Richard Kilpatrick
Vice President of Fleet and Contract Sales

Qualifications and Experience

The Parts House "TPH" is the largest privately held automotive and heavy duty parts distributor in the State of Florida and one of the top 30 distributors in the country. The company was founded in May, 1970 in Jacksonville, Florida. In December 2002 members of the management team finalized the purchase of The Parts House and formed TPH Acquisition, LLLP d.b.a. The Parts House. TPH Acquisition LLLP is a Limited Liability Limited Partnership registered in Florida with headquarters in Jacksonville. David Honig serves as President and CEO and retains controlling interest in the company. Other minority partners include members of the Executive Management Team, all of whom work in the company on a daily basis in various positions. The Executive Management Team consists of Chief Operating Officer, David Miller, six Regional Vice Presidents, VP of Sales, VP of Fleet and Contract Sales and the company Controller, Connie Mussels. TPH has no formal Board of Directors. The Executive Management Team serves in that capacity.

TPH sells approximately \$20 million annually to a hundreds of fleets, municipalities and county government agencies throughout Florida, Georgia, Alabama and Puerto Rico. Most of the business we enjoy is the result of providing a combination of value, service and competitive pricing above and beyond that of our competitors. TPH has also been awarded numerous competitive bids from Lee County, Manatee County, Manatee County Schools, Sarasota County Schools, Marion County Sheriff, Marion County Schools, City of Margate, City of Miami and many more. Our valued On-Site Managed Inventory customers are:

Client: **City of Jacksonville**

Address: 2581 Commonwealth Avenue, Jacksonville, Florida 32254

Contact: Karim Kurji - Chief of Fleet Management

E-mail: KKurji@coj.net

Phone: 904-255-7437

Contract Term: Effective 2013 for 3 years with 2 one year renewal options.

Description of Services: TPH is the on-site vendor for the City providing parts for a diverse fleet of over 3500 cars, light duty trucks, HD trucks, garbage trucks, fire and rescue vehicles, police vehicles, motorcycles, boats, trailers, off-road equipment and small engines. TPH employs a staff of eight and operates two shifts, five days per week. Annual contract is valued at over \$3 million.

Client: City of North Port

Address: 1100 N. Chamberlain Blvd, North Port, Florida 32486

Contact: Ralf Heseler – Fleet Manager

E-Mail: rheseler@cityofnorthport.com

Phone: 941-240-8531

Contract Term: Effective 2010 for 3 years with 2 one year renewal options.

Description of Services: TPH is the on-site vendor of the City providing part for a diverse fleet of approximately 585 cars, light duty trucks, HD trucks, garbage trucks, fire and rescue vehicles, police vehicles, boats, trailers, small engine repair and off road equipment. TPH employs a staff of three and operates one shift five days per week. Annual contract is valued at \$900,000.

Client: Walt Disney World

Address: 2451 Recycle Way & 5275 North Center Drive, Lake Buena Vista, FL 32830

Contact: Jim Sanders – Fleet Maintenance Supervisor

E-mail: james.d.sanders@disney.com

Phone: 407-824-5495

Contract Term: Effective August, 1998. Current contract is for 2013 to 2016 with 2 one year renewal options.

Description of Services: TPH is the on-site vendor for **two** vehicle maintenance and repair facilities at Disney. The North location services over 2500 vehicles and pieces of equipment throughout the park including cars, light duty trucks, medium duty trucks, parking lot trams, trailers, monorail parts, steam trains and lift equipment. This location operates two shifts Monday thru Friday and one shift Saturday and Sunday 365 days per year. The South location services nearly 400 transit buses that operate on Disney property. This location operates 3 shifts per day, 7 days per week, and 365 days per year. TPH stocks virtually every item used in these facilities including tires. Annual contract is valued at \$7 million.

TPH will retain Joel Miro as the On-Site Fleet Parts and Inventory Manager at the City of North Port if awarded the contract resulting from RFP 2015-40. Joel takes his responsibilities very seriously. Joel and his subordinates are committed to delivering high levels of customer service every day. He is very aware of the contractual requirements of this RFP and knows that he has the autonomy to take whatever actions are necessary to keep the City vehicles in service. An outline of Joel's qualifications and experience are listed below.

Joel Miro – Joel is an 18 year veteran of the auto, truck and industrial parts business. Joel began his career at Steve's Truck and Industrial Parts, Brooklyn, NY in 1997. At Steve's, Joel worked in various positions including warehousing, machine shop and the parts counter fulfilling parts requests for light duty through heavy duty and industrial vehicles.

From 2000 – 2003 Joel worked at Danken Auto Parts, also in Brooklyn NY as the assistant manager where he was responsible for the companies' largest wholesale accounts and recruiting and training of new hires.

Joel moved his family to North Port in July 2003 and began his career at The Parts House in Sarasota in the same month. From 2003 to 2005 Joel worked as a customer service representative and quickly became the "go to guy" in Sarasota. In 2005 Joel became the location manager at our Sarasota store. He quickly developed a "customer first" attitude among his team that resulted in the Sarasota location becoming one of our most successful locations in sales and profitability.

In 2010 when TPH was awarded the City of North Port contract Joel was the first person contacted about the opening. His leadership and industry knowledge have been invaluable to both the City and TPH.

Joel and all TPH inside and outside sales associates participate in monthly web-based training seminars sponsored by our vendors. The purpose of these is to introduce new products and provide technical training from the manufacturers. Joel has completed training from companies such as AC-Delco, Motorcraft, Federal Mogul, Denso, Timken and many more.

Joel Miro has the following Parts Specialist certifications from the National Institute for Automotive Service Excellence (ASE).

P1 – Medium/Heavy Truck Parts – Expiration 6/30/20

P2 – Automotive Parts – Expiration 12/31/18



July 10, 2015

To whom it may concern;

TPH Acquisition LLLP, dba The Parts House (TPH) has been under contract with the City of North Port through the Department of Public Works, Fleet Management Division for a period of five years.

During that time, the management and personnel of TPH have demonstrated a vast and sufficient knowledge of the automotive and heavy truck/equipment components as well as various specialty items. TPH has consistently met the criteria and expectations as defined in our contractual agreement and we are satisfied with their overall performance.

Should you need any further information, please contact me at 941-240-8531 or rheseler@cityofnorthport.com

A handwritten signature in black ink, appearing to read "Ralf Hesel".

Ralf Hesel
Fleet Manager



Achieve Anything
www.cityofnorthport.com

Department of Public Works



941.240.8050, 1100 North Chamberlain Boulevard, North Port, FL 34286

INTRA-GOVERNMENTAL SERVICES
FLEET MANAGEMENT DIVISION



Date: July 14, 2015

To: Whom it may concern

From: Karim Kurji, Chief of Fleet Management Division

A handwritten signature in black ink, appearing to read "Karim Kurji".

Re: The Parts House LLC.

The Parts House has been performing Vehicle Parts Management for the City of Jacksonville, Florida since the October 1, 2013 contract date. Vehicle Parts Management includes all procurement, receiving, inventory, issuance, and returning for the City of Jacksonville. If you have any questions please feel free to contact me at 904-255-7437 or e-mail at kkurji@coj.net. Our address is 2581 Commonwealth Avenue, Jacksonville, FL 32254.

Walt Disney World

Disney employees are prohibited from giving written letters of referral or recommendation for their contractors and contractor employees. However, Mr. Sanders will respond to telephone inquiries pertaining to The Parts House.

Financial Stability and Inventory Capabilities

TPH operates 36 locations throughout Florida and 41 in total. Resupply is accomplished through a combination of vendor direct shipments and daily transfers of merchandise from our 156,000 sq. ft. Distribution Center in Jacksonville, FL and regional hub locations in Orlando, Largo and Miami. The combined inventory value is in excess of \$45 million and consists of over 100,000 SKUs. The Gulfcoast Region is comprised of a 50,000 sq. ft. hub warehouse in Largo and warehouse/store locations in Tampa, Brandon, St. Petersburg, Bradenton, Sarasota, Port Charlotte, Ft. Myers and Naples plus Heavy Duty Truck parts locations in Largo, Bradenton and Ft. Myers for a combined inventory value in excess of \$12 million. The Gulfcoast Region locations (including the City of North Port) are resupplied twice daily from Largo and include store to store transfers on those same delivery trucks. TPH owns or leases 334 vehicles. Our ability to pick up and move product from virtually any metropolitan city in Florida and to a customer or another TPH location within 24-48 hours without incurring any freight charges is unmatched by any of our competitors. Items delivered on a TPH truck regardless of origin would not incur freight charges for that service.

Our trained parts professionals at the City will have access to all the tools provided by our associations with Vihar Heavy Duty "Vihar" and the Automotive Distribution Network ("ADN") who are among the largest buying groups in their respective industries. TPH parts counter professionals commonly utilize the websites of multiple vendors daily. The most common tools used are the interchange data from 3rd party suppliers that go much further than those commonly found on a catalog providers' site. TPH employees are very open to reaching out to their peers for help with hard to find parts. Networking through our fellow Vihar and ADN member warehouses is also an invaluable tool when looking for a back ordered or even obsolete item. Sourcing of hard to find parts is part of the everyday culture at TPH and our team is very adept at providing results. TPH employees are encouraged and empowered to "put the customer first" in every situation.

Access to the OEM product lines offered by TPH is not common. Motorcraft and AC Delco product lines are available to very few distributors outside of their New Car Dealership network. The Ford Motor Company has provided incentives to The Parts House and any other FAD, or Ford/Lincoln dealer who wishes to bid this contract. TPH will pass through 100% of the applicable incentives for training, equipment and sales growth of Ford and Motorcraft products during each year of the contract. Details will be outlined in the pricing proposal pages. The combination of OEM and OEM equivalent aftermarket products stocked at TPH is truly unique. TPH works very closely with our vendors to provide our customers with solutions to the daily challenges faced in their operations. At TPH we consider our vendors to be our partners and an asset to our business.

TPH On-Site Fleet Parts Operations at the City of Jacksonville and Walt Disney World are similar to the operation at the City of North Port in the diversity of the fleet and the high level of service required to meet the expectations of the Fleet Manager. As was previously outlined in the references provided, the

operation at Walt Disney World consists of two facilities providing service for over 2500 vehicles and equipment at the North Service Area. The North Service Area location stocks inventory for common auto and light truck vehicles as well as specialized equipment including parking lot trams, lift equipment, steam trains, monorail, sweepers and the marinas. At the South Service Area TPH stocks parts for the second largest transit bus fleet in Florida, consisting of almost 400 buses. This facility never closes. TPH has passed the Disney fill rate requirement of 85% off the shelf in every test conducted by Disney personnel. Our total inventory investment on property is currently \$1.25 million excluding cores. There are additional items stocked at the Orlando hub, Orlando Truck Parts and Jacksonville DC which are quickly available in the event of unforeseen spikes in demand.

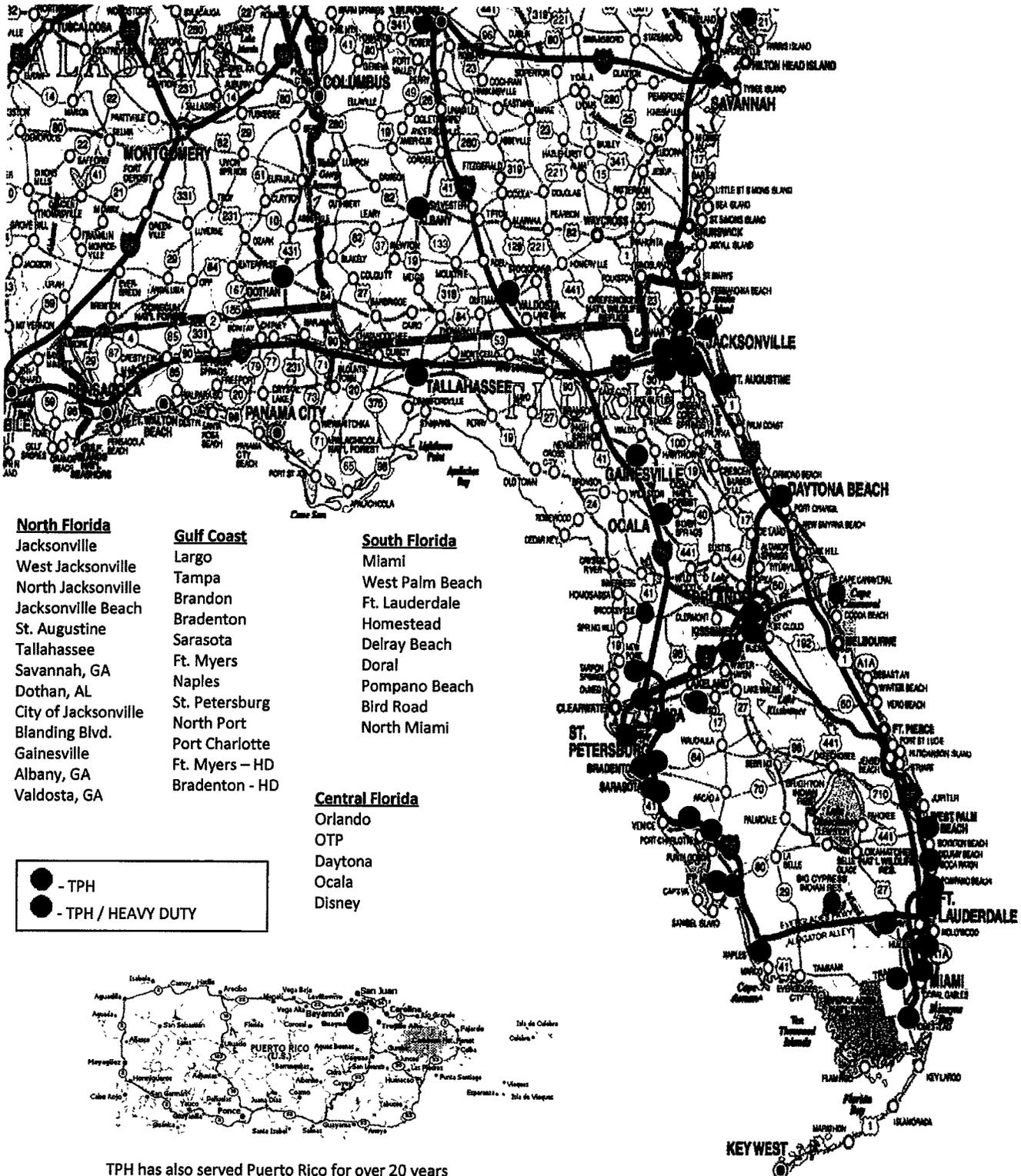
TPH at the City of Jacksonville services a fleet very similar to that of the City of North Port. We supply parts for fleet cars, light and medium duty trucks, heavy duty trucks, police cars, rescue vehicles, fire trucks, boats, motorcycles, heavy equipment, trailers and small engine repair. We do not supply tires, petroleum, or lubricants in this contract. The fill rate requirements vary by equipment type in this contract. TPH has exceeded the requirement of each and they are described as; light duty parts, 90% immediate fulfillment, medium/heavy duty parts, 80% immediate fulfillment and specialty/off road equipment and vehicles, 70%. Our total inventory investment on property is \$749,000 excluding cores and also does not include additional items stocked at the Jacksonville, DC and Orlando Truck Parts.

Inventory modeling and forecasting for a diverse fleet such as the one operated by the City is not an easy task. Managing vast inventories from hundreds of vendors is part of our daily culture. The Parts House, unlike some of our competitors sources directly from the OEM or aftermarket vendor. We own and control the inventory levels at each of our locations rather than relying on an intermediate supplier to maintain inventory and pricing on our behalf. Inventory modeling and resupply will be handled by our 11 member purchasing team based at headquarters in Jacksonville, FL. The team has over 150 years combined automotive purchasing experience. They are responsible for all of the inventory assets within TPH's very diverse network that includes domestic automotive, heavy duty and import applications. TPH's procurement is unmatched in its vast network of vendors. We routinely source from more than 200 vendors. The ability to source unique products has proven to be a key component in TPH's ability to maintain long-term customer contracts. The purchasing department currently maintains data on over 2.3 million records (i.e., different part numbers) and annual purchases are in excess of \$100 million from hundreds of suppliers located across the globe. Inventory control is monitored with a real time highly specialized data management system designed to both maintain accurate inventories, pricing and allow for efficient replenishment of product. Based on historical demand and with input from both City personnel and the parts professionals at TPH model inventories would be developed in accordance with the fill rate requirements of this RFP. These inventories would be replenished daily based on the previous days purchase patterns. The system will automatically recommend changes to the model as a result of either increases or decreases in demand from City facilities. Inventory value at all TPH locations is based on turns and lead time. Fast movers will always be stocked locally with overstock and slower moving items available same day from the regional hub warehouse in Largo.

TPH

THE PARTS HOUSE

Headquarters: 10321 Fortune Parkway
Jacksonville, FL 32256



North Florida

- Jacksonville
- West Jacksonville
- North Jacksonville
- Jacksonville Beach
- St. Augustine
- Tallahassee
- Savannah, GA
- Dothan, AL
- City of Jacksonville
- Blanding Blvd.
- Gainesville
- Albany, GA
- Valdosta, GA

Gulf Coast

- Largo
- Tampa
- Brandon
- Bradenton
- Sarasota
- Ft. Myers
- Naples
- St. Petersburg
- North Port
- Port Charlotte
- Ft. Myers - HD
- Bradenton - HD

South Florida

- Miami
- West Palm Beach
- Ft. Lauderdale
- Homestead
- Delray Beach
- Doral
- Pompano Beach
- Bird Road
- North Miami

Central Florida

- Orlando
- OTP
- Daytona
- Ocala
- Disney

- TPH
- TPH / HEAVY DUTY

TPH has also served Puerto Rico for over 20 years

TPH Acquisition, LLLP (d/b/a The Parts House)

Financial Statements as of and for the Years
Ended December 31, 2014 and 2013, and
Independent Auditors' Report

TPH ACQUISITION, LLLP
(d/b/a The Parts House)

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Years Ended December 31, 2014 and 2013

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- Independent Auditors' Report -

To the Partners of
TPH Acquisition, LLLP
Jacksonville, Florida

We have audited the accompanying financial statements of TPH Acquisition, LLLP d/b/a The Parts House (the "Partnership"), which comprise the balance sheets as of December 31, 2014 and 2013, and the related statements of income and partners' capital, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TPH Acquisition, LLLP as of December 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Dixon Hughes Goodman LLP

Jacksonville, Florida
April 23, 2015

TPH Acquisition, LLLP
(d/b/a The Parts House)

Balance Sheets

December 31, 2014 and 2013

Assets

	<u>2014</u>	<u>2013</u>
Current Assets:		
Cash	\$ 687,872	\$ 273,445
Accounts receivable	16,877,465	14,089,132
Inventory	45,892,010	40,624,520
Other current assets	129,137	218,838
	<u>63,586,484</u>	<u>55,205,935</u>
Total Current Assets		
Property and Equipment:		
Automotive equipment	4,269,488	1,629,311
Furniture and equipment	3,986,958	3,099,574
Leasehold improvements	755,531	604,256
	<u>9,011,977</u>	<u>5,333,141</u>
Less: Accumulated depreciation	<u>4,080,944</u>	<u>3,158,103</u>
Net Property and Equipment	<u>4,931,033</u>	<u>2,175,038</u>
Other Assets:		
Goodwill	3,229,907	3,229,907
Other assets	365,750	312,313
	<u>3,595,657</u>	<u>3,542,220</u>
Total Other Assets		
Total Assets	<u>\$ 72,113,174</u>	<u>\$ 60,923,193</u>

Liabilities and Partners' Capital

	<u>2014</u>	<u>2013</u>
Current Liabilities:		
Cash overdraft	\$ -	\$ 4,023,182
Accounts payable	23,352,015	16,935,264
Line of credit	19,497,644	13,191,583
Note payable	11,313	901,320
Capital lease obligations	713,707	217,792
Accrued expenses	2,009,700	2,497,544
	<u>45,584,379</u>	<u>37,766,685</u>
Total Current Liabilities		
Non-Current Liabilities:		
Derivative instrument	200,584	252,276
Note payable	21,767	-
Capital lease obligations	2,342,093	790,747
	<u>2,564,444</u>	<u>1,043,023</u>
Total Non-Current Liabilities		
Partners' Capital	<u>23,964,351</u>	<u>22,113,485</u>
Total Liabilities and Partners' Capital	<u>\$ 72,113,174</u>	<u>\$ 60,923,193</u>

The Notes to Financial Statements are an integral part of these statements.

TPH Acquisition, LLLP
(d/b/a The Parts House)

Statements of Income and Partners' Capital

December 31, 2014 and 2013

	2014		2013	
Net Sales	\$ 179,631,771	100.0 %	\$ 154,834,665	100.0 %
Cost of Sales	133,582,590	74.4	114,895,495	74.2
Gross Profit	46,049,181	25.6	39,939,170	25.8
Selling, general and administrative expenses	42,223,728	23.5	36,646,733	23.7
Income from Operations	3,825,453	2.1	3,292,437	2.1
Other Expenses and (Income):				
Interest expense	601,563	0.3	387,455	0.3
Gain on derivative instrument	(51,692)	-	(177,872)	0.1
Other income	(280,100)	(0.2)	(182,896)	(0.1)
Other Expenses, Net	269,771	0.1	26,687	0.1
Net Income	3,555,682	2.0 %	3,265,750	2.0 %
Distributions to Partners	(1,704,816)		(1,683,833)	
Partners' Capital, Beginning	22,113,485		20,531,568	
Partners' Capital, Ending	\$ 23,964,351		\$ 22,113,485	

The Notes to Financial Statements are an integral part of these statements.

TPH Acquisition, LLLP
(d/b/a The Parts House)

Statements of Cash Flows

December 31, 2014 and 2013

	2014	2013
Cash Flows from Operating Activities:		
Net income	\$ 3,555,682	\$ 3,265,750
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1,142,529	597,643
Gain on sale of property and equipment	(23,717)	(12,931)
Gain on derivative instrument	(51,692)	(177,872)
Changes in operating assets and liabilities:		
Accounts receivable	(1,716,167)	(988,684)
Inventory	(2,867,126)	366,436
Other current assets	89,701	796,679
Other assets	(53,437)	(49,095)
Accounts payable and accrued expenses	5,928,907	(2,958,264)
Net Cash Provided By Operating Activities	6,004,680	839,662
Cash Flows from Investing Activities:		
Proceeds from sale of property and equipment	12,581	3,750
Purchase of property and equipment	(1,188,722)	(726,230)
Purchase of assets through acquisitions	(3,595,530)	(683,173)
Net Cash Used In Investing Activities	(4,771,671)	(1,405,653)
Cash Flows from Financing Activities:		
Net overdraft repayments	(4,023,182)	(83,276)
Net borrowings on line of credit	6,306,061	2,604,881
Repayments of notes payable	(868,240)	-
Repayments of capital lease obligations	(528,405)	(118,461)
Distributions to partners	(1,704,816)	(1,683,833)
Net Cash (Used In) Provided By Financing Activities	(818,582)	719,311
Net Increase in Cash	414,427	153,320
Cash, Beginning of Year	273,445	120,125
Cash, End of Year	\$ 687,872	\$ 273,445
Supplemental Disclosures:		
Cash paid for interest	\$ 609,563	\$ 395,455
Financing of property and equipment	\$ 2,575,666	\$ 889,669

The Notes to Financial Statements are an integral part of these statements.

1. Nature of the Business and Significant Accounting Policies

General – TPH Acquisition, LLLP (“Partnership”) was organized on December 4, 2002 as a limited liability limited partnership. The Partnership sells auto and truck parts to dealerships and automotive repair facilities throughout the southeastern continental United States of America and Puerto Rico.

Basis of Accounting – Assets, liabilities, revenues and expenses are recognized on the accrual basis of accounting.

Use of Estimates in the Preparation of Financial Statements – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect (1) the reported amounts of assets and liabilities; and (2) disclosure of contingent assets and liabilities at the date of the financial statements; and, (3) the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash – The Partnership considers all highly liquid investments purchased with a remaining maturity of three months or less at purchase to be cash equivalents. The Partnership regularly maintains bank deposits in excess of the Federal Deposit Insurance Corporation (FDIC) limits.

Accounts Receivable – Accounts receivable are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from the invoice date. Accounts receivable are stated at the amount billed to the customer. Trade credit is generally extended on a short-term basis; thus trade accounts receivable do not bear interest.

The Partnership maintains allowances against accounts receivable for doubtful accounts and for customer returns for the purchase of products for a major vendor. The allowance for doubtful accounts is based upon historical bad debt experience and an evaluation of the periodic aging of the accounts. The allowance for customer returns for the purchase of products for a major vendor is based on an estimate of returns due to historical obsolescence of products from the vendor. Allowances for doubtful accounts and customer returns totaled \$663,392 and \$343,087 as of December 31, 2014 and 2013, respectively.

Inventory – Inventories are valued at the lower of cost (utilizing the last-in, first-out inventory method) or market. Inventory values were reduced by the LIFO reserve of \$728,064 and \$768,663 as of December 31, 2014 and 2013, respectively. Total allowances for inventory obsolescence were \$2,211,738 and \$991,923 as of December 31, 2014 and 2013, respectively.

Property and Equipment – Property and equipment are recorded at cost or fair value on the date of acquisition for acquired assets. Depreciation is computed principally using the straight-line method applied to individual property items based on estimated useful lives ranging from three to seven years.

Revenue Recognition – Sales are recorded when products are shipped to customers. Revenue is recorded net of discounts, rebates to customers, estimated returns and allowances, and does not include sales taxes.

Rebates – The Partnership accounts for allowances received from vendors as an adjustment to the prices of the vendor's products. This adjustment is characterized as either a reduction of the carrying amount of inventory when the rebate is applied to the vendor invoice, or as a reduction to cost of sales when the rebate credit is received from the vendor. Terms of vendor allowance arrangements vary among vendors. Cost of sales includes allowances from vendors of \$4,504,200 and \$4,242,793 for the years ended December 31, 2014 and 2013, respectively.

Delivery Costs – Delivery costs are accounted for as selling, general and administrative expenses in the statements of income and partners' capital. Delivery costs totaled \$3,855,791 and \$6,214,474 for the years ended December 31, 2014 and 2013, respectively. Delivery costs included \$1,482,514 and \$4,599,705 of courier costs for the years ended December 31, 2014 and 2013, respectively. During 2014, the Partnership changed its product delivery model by replacing third party courier contractors with employee drivers. The related payroll expense for employee drivers and vehicle depreciation are not included in the delivery cost amounts disclosed.

Guaranteed Payments – Guaranteed payments to partners that are intended as compensation for services rendered are accounted for as selling, general and administrative expenses rather than as allocations of partners' net income. Guaranteed payments in the amount of \$1,017,173 and \$994,813 were made to certain partners for the years ended December 31, 2014 and 2013, respectively.

Swap Agreement – Interest rate swap contracts designated as derivative instruments are reported at fair value. The net gain or loss on derivative instruments is included as a component of current earnings.

Income Taxes – Earnings of the Partnership are taxed directly to the partners; accordingly, the accompanying financial statements do not reflect a provision or liability for federal income taxes. Provision for branch profit taxes totaling \$77,564 and \$9,146 for 2014 and 2013, respectively, are related to branch operations in Puerto Rico and recorded in selling, general and administrative expenses. The Partnership recognizes all potential accrued interest and penalties for income taxes, if any, in selling, general and administrative expenses. The Partnership has determined that it does not have any material unrecognized tax benefits or obligations as of December 31, 2014 and 2013. Fiscal years ending on or after December 31, 2011 remain subject to examination by federal and state tax authorities.

Fair Value Measurements – Fair value as defined under generally accepted accounting principles is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Partnership utilizes market data or assumptions that market participants would use in pricing the asset or liability. Generally accepted accounting principles establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers

include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Fair Value of Financial Instruments – The Partnership’s financial instruments include variable-rate debt obligations that repriced frequently with no significant change in credit risk; therefore, management believes that the carrying value of these financial instruments approximates their estimate of fair value.

Variable Interest Entities – The Partnership adopted the provisions of Accounting Standards Update (ASU) No. 2014-07, *Consolidation (Topic 810): Applying Variable Interest Entities Guidance to Common Control Leasing Arrangements* during 2013. This ASU provides an accounting alternative for private companies, whereby if certain criteria are met, an entity need not evaluate a related lessor entity under Variable Interest Entity (VIE) accounting guidance.

The Partnership has relationships with certain entities which would have been consolidated under VIE guidance. Because the relationship with Bird Road Warehouse, LLP, Fortune Warehouse Realty, LLP, Sawyer Warehouse, LLP, and Amelia Realty, LLC (the “VIEs”) meets the criteria in ASU 2014-07, the Partnership is no longer required to evaluate whether the entities need to be consolidated.

2. **Goodwill**

The Partnership evaluates goodwill using an impairment-only approach. The goodwill impairment model requires a comparison of the book value of net assets to the fair value of the related operations that have goodwill assigned to them. The Partnership estimates the fair value of its operations using an estimated capitalization rate. The rate is derived from market sources reporting rates for similarly capitalized companies and are considered Level 3 fair value inputs.

Goodwill is required to be tested for impairment annually at the same time every year, and when an event occurs or circumstances change such that it is reasonably possible that impairment may exist. The Partnership selected December 31 as its annual testing date. As a result of the Partnership’s assessment as of December 31, 2014 and 2013, no impairment triggers were identified.

3. Acquisitions

On February 3, 2014, the Partnership acquired certain assets from Suburban Florida Accessory Center, LLC d/b/a Florida Automotive Distributing (“Suburban”) that was financed through the Partnership’s line of credit. Suburban operates a motor vehicle parts and accessory sales distribution business located in Florida. The following table summarizes the consideration paid for the assets:

<u>Recognized amounts of assets acquired</u>	
Inventory	\$ 1,930,842
Accounts receivable	833,700
Equipment	208,000
Other	26,574
	<u>\$ 2,999,116</u>

On October 17, 2014, the Partnership acquired certain assets of Miller Auto Parts and Supply Company, Inc. (“Miller Auto”) for business expansion purposes. Miller Auto is engaged in the business of selling automotive accessories, parts and related services. The aggregate purchase price for the Miller Auto assets was \$724,893 in cash. The following table summarizes the related assets recognized in connection with the acquisition.

<u>Recognized amounts of assets acquired</u>	
Inventory	\$ 469,522
Accounts receivable	238,466
Equipment	10,000
Other assets	6,905
	<u>\$ 724,893</u>

November 25, 2013, the Partnership acquired certain assets of Uni-Select USA, Inc. (“Uni-Select”) for business expansion purposes. Uni-Select is a privately-owned corporation involved in the sale and distribution of automotive replacement parts. The aggregate purchase price for the Uni-Select assets was \$1,287,818. The following table summarizes the consideration paid and related assets recognized in connection with the acquisition.

<u>Consideration</u>	
Cash	\$ 386,498
Note payable	901,320
	<u>\$ 1,287,818</u>
<u>Recognized amounts of assets acquired</u>	
Inventory	\$ 901,320
Accounts receivable	336,498
Goodwill	50,000
	<u>\$ 1,287,818</u>

On June 30, 2013, the Partnership acquired certain assets of Butler Supply Company (“Butler”) for business expansion purposes. Butler is engaged in the business of selling automotive accessories, parts and related services. The aggregate purchase price paid was \$296,675 in cash. The following table summarizes the related assets recognized in connection with the acquisition.

<u>Recognized amounts of assets acquired</u>	
Inventory	\$ 260,198
Accounts receivable	24,432
Other assets	12,045
	<u>\$ 296,675</u>

4. Line of Credit

The Partnership has a revolving line of credit with Bank of America, N.A. to borrow up to \$22 million. The maturity date of this agreement is September 30, 2015. The line of credit bears interest at the LIBOR Daily Floating Rate plus applicable margin ranging from 1.40% to 1.80% based on the Partnership’s leverage rating. This obligation has certain limitations regarding the maximum available credit based on accounts receivable and inventory. The financing agreement contains various restrictive covenants and the obligation is collateralized by all of the Partnership’s assets. At December 31, 2014 and 2013, the Partnership met all of the required covenants.

5. Retirement Plans

The Partnership sponsors a qualified profit sharing plans, which covers substantially all full-time employees in the United States and Puerto Rico. The plans provide for contributions by the Partnership in such amounts as management may annually determine. They may be terminated at any time without further obligation to the Partnership. The Partnership’s contributions under the plan in the United States totaled \$65,337 and \$54,972 for the years ended December 31, 2014 and 2013, respectively. The Partnership’s contributions under the plan in Puerto Rico totaled \$5,974 and \$6,946 for the years ended December 31, 2014 and 2013, respectively.

6. Concentrations

Transactions with two major vendors accounted for approximately 57% and 59% of purchases for the years ended December 31, 2014 and 2013, respectively.

7. Note payable

On November 25, 2013, the Partnership acquired certain assets of Uni-Select USA, Inc. The aggregate purchase price for the Uni-Select assets was \$1,287,818, of which \$901,320 was financed through a promissory note payable in six consecutive monthly installments with the first payment due February 25, 2014. The note was fully repaid in 2014. See Note 3 for additional information.

On October 24, 2014, the Partnership purchased two forklifts for a purchase price of \$36,361 that was financed through Regents Capital Corporation. The note bears interest at 6.78% and will be repaid in quarterly installments of principal and interest totaling \$3,318. The note matures in July 2017.

8. Capital Lease Obligations

These capital lease obligations represent the present value of estimated future lease payments discounted at rates ranging from 3.44% to 9.44%. The liabilities are payable in monthly installment including interest.

The following is a schedule by years of the present value of the future minimum lease payments under the capital lease obligations for the year ended December 31:

2015	\$ 905,133
2016	893,829
2017	875,870
2018	739,697
2019	<u>16,203</u>
Total future minimum lease payments	3,430,732
Less: Amount representing interest	<u>(374,931)</u>
Present value of lease payments	3,055,801
Less: Current capital lease obligations	<u>(713,707)</u>
Long-term capital lease obligations	<u>\$2,342,094</u>

The net book value of leased property under capital lease at December 31, 2014 and 2013 was \$2,225,265 and \$1,054,645, respectively.

9. Operating Leases

The Partnership leases office space, vehicles, and equipment under various agreements. These leases expire at various dates through September 2024. Rent expense totaled \$4,025,601 and \$3,661,603 for the years ended December 31, 2014 and 2013, respectively.

The Partnership also leases warehouse and office facilities from various related party entities. See Note 12 to the financial statements for additional information.

The future minimum rental payments required under the lease terms remaining for the years ending December 31 are as follows:

2015	\$	3,587,624
2016		2,887,745
2017		2,402,273
2018		1,723,101
2019		1,405,399
Thereafter		4,068,280
	\$	<u>16,074,422</u>

10. Derivative Instrument

In November 2012, the Partnership entered into an interest rate swap arrangement with Bank of America, N.A. Under the terms of the agreement, the Partnership paid interest at a fixed rate of 2.46% on \$5,000,000 of borrowings. The new termination date is November 1, 2017. The estimated fair value of the interest rate swap derivative was a liability totaling \$200,584 and \$252,276 at December 31, 2014 and 2013, respectively.

11. Assets and Liabilities Measured at Fair Value on a Recurring Basis

Fair value for the interest rate swap is determined on a recurring basis based on inputs that are readily available in public markets or can be derived from information available in publicly quoted markets and is categorized as Level 2.

There were no changes during the years ended December 31, 2014 and 2013 to the Partnership's valuation techniques used to measure asset and liability fair values on a recurring basis.

The following table sets forth by level within the fair value hierarchy the Partnership's financial liabilities accounted for at fair value on a recurring basis as of December 31, 2014 and 2013. Liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Partnership's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair values and their placement within the fair value hierarchy levels.

Liabilities at Fair Value as of December 31, 2014

	Significant Other Observable Inputs (Level 2)
Interest rate swap	\$ 200,584

Liabilities at Fair Value as of December 31, 2013

	Significant Other Observable Inputs (Level 2)
Interest rate swap	\$ 252,276

The Partnership has \$687,872 and \$273,445 of cash as of December 31, 2014 and 2013, respectively, which was not classified as a level as prescribed within the fair value hierarchy.

The determination of fair value above incorporates various factors including not only the credit standing of the counterparties involved and the impact of credit enhancements, but also the impact of the Partnership’s nonperformance risk on its liabilities.

12. Related-Party Transactions

The Partnership leases warehouse and office facilities from Bird Road Warehouse, LLP, Fortune Warehouse Realty, LLP, Sawyer Warehouse, LLP, and Amelia Realty, LLC (the “VIEs”) which are entities that are under common control. The leases require monthly rental payments plus amounts for real estate taxes, insurance and maintenance costs under agreements that expire at various dates through September 2024. Future minimum lease payments are summarized as follows:

2015	\$	994,738
2016		995,694
2017		988,612
2018		893,994
2019		903,516
Thereafter		3,996,244
		\$ 8,772,798

Rental expense for these leases totaled \$948,617 and \$957,040 for the years ended December 31, 2014 and 2013, respectively.

The Partnership is a co-guarantor of a real estate loan collateralized by a leased facility under which Bird Road Warehouse, LLP is the borrower. The loan matures in November 2017 and requires monthly principal and interest payments of \$8,425. The loan bears interest at 6.725%. The outstanding balance of the real estate loan was approximately \$1,200,000 and \$1,256,000 as of December 31, 2014 and 2013, respectively.

13. **Subsequent Events**

The Partnership evaluated the effect subsequent events would have on the financial statements through April 23, 2015, which is the date the financial statements were available to be issued.

Method of Approach and Implementation Plan

The Parts House operates 41 "wholesale" auto and truck parts locations in Florida, Georgia, Alabama and Puerto Rico. Budgeted sales for 2015 are in excess of \$190 million and the company is on pace to exceed that comfortably. We continue to look at opportunities for growth through acquisition and those created by customer demand through the efforts of our sales team. In the past two years TPH has acquired two competitors with a total of eight locations and opened two new stores. In the same period we have moved three of the hub locations to larger facilities so that we can stock more inventory and support the regions surrounding stores. The Gulfcoast Region is geographically located in Southwest Florida with the regional hub in Largo. Richard Kilpatrick who is the Vice President of Fleet and Contract Sales has been a Pinellas County resident for 29 years and keeps his office in the Largo hub. The TPH staff at the City of North Port report directly to him and he will serve as the contract administrator.

In the event of an emergency requiring additional staffing at the City of North Port, TPH would utilize personnel from the regions surrounding stores in Port Charlotte, Ft. Myers, Sarasota and beyond if necessary. Upon award of this RFP, TPH will begin cross-training personnel from those locations so they will be competent replacements during emergencies, vacations and illness. We have sufficient staff in the immediate area to operate 24/7 if required.

The procurement of non-stock items would be handled by the on-site staff at the City of North Port. If the parts are available locally we will dispatch the assigned driver from the City facility or arrange a pickup and delivery from one of the surrounding warehouses in the Gulfcoast Region. Our market presence in Florida will allow for pickup and delivery via our internal resupply system from any metro area in the state. Other items will be shipped via ground or air at the discretion of the Fleet Maintenance Director.

As the incumbent supplier to the City, TPH can assume operations immediately upon award. Under the new contract we will conduct a current fleet review utilizing the City's most recent vehicle inventory list. Model inventories will be updated to delete items for out of service vehicles and to include common maintenance products for the recently purchased vehicles such as the Chevrolet Tahoe and Nissan Frontier. TPH will utilize modeling tools from General Motors and aftermarket suppliers alike to create custom inventories for these vehicles. This will be completed within 30 days of the award.

TPH will employ one manager, one counter worker, and one driver/warehouse worker at the City of North Port. Staff will be dedicated to the City and will perform work only on behalf of the City of North Port. No TPH employee at the City of North Port will receive a bonus based on profit or sales to the City. TPH staff at the City will be available as needed including necessary overtime to insure that the City Fleet Departments needs are met in every way. Reasonable overtime will be permitted without additional charges. If the scope of work or hours of operation result in a change of staffing

requirements TPH will adjust the next monthly fee commensurate with the additional expense or savings.

TPH has a reputation as a distributor who stocks parts from the industry leaders who are known for their exceptional quality and first to market strategy. Our longtime relationship with OEM manufacturers insures that a majority of the vehicles operated by the City will have parts that fit and function exactly as the auto and truck manufacturer intended. In the event the need of a warranty repair arises, TPH will

- Issue full credit for the alleged defect when returned to the parts counter.
- File labor claims with vendors as required by the City.
- Issue credit to the City for 100% of the recovered funds upon receipt.

Parts warranties and labor policies vary by manufacturer. TPH passes all applicable manufacturer warranties through to the City. Two of our largest OEM suppliers, AC-Delco and Motorcraft have recently adopted generous warranty periods and labor policies on their replacement parts. All other returns for wrong parts or items not needed will be credited at full price when returned to the counter in the original package and in resalable condition.

TPH is a large distributor of lead acid batteries for several manufacturers. We currently operate 11 battery sales and service trucks in Florida and are DOT compliant. Each driver is trained in the handling of spent batteries and hazardous materials. All battery cores are shipped to an authorized and compliant lead smelter. TPH is the responsible party for cores until they are received at the smelter. TPH utilizes several large tire distributors (primarily McGee Tire in SW FL) who bill TPH at the State of Florida contract pricing and pick up used tires for proper shredding and disposal. TPH has not received any violations in the past five years concerning the shipment or storage of waste products.

TPH leads the industry in the use of information technology, taking an evolutionary approach to data processing, management and reporting. TPH systems are based on industry-standard modules from Epicor and WHI, two of the largest providers of catalog and data systems for automotive parts distribution. Building on that base, TPH employs a hybrid public/private cloud architecture to quickly meet any customer's specific requirements for order entry and tracking, inventory management, and reporting. The ability to provide timely information at the required level of detail via the customer's preferred delivery mode and with the highest levels of security is a proven strength of TPH. Continued success with "fleet" customers such as Disney and AAFES, demonstrates the value of this approach. Customized reporting has long been an advantage of TPH and it affords us the ability to meet all of the City's reporting requirements both timely and accurately.

IT Integration with R.T.A. is not expected to be a major hurdle. It is the opinion of both teams that a successful integration for the upload of data can be achieved provided that sufficient resources are provided by the City, TPH and R.T.A. TPH has already successfully interfaced with another fleet software

provider, MAXIMO which is utilized by Disney and the City of Jacksonville. TPH's IT team provides scheduled uploads of invoices directly into MAXIMO. The upload frequency is flexible and can be changed to the customers' preference, in this case daily. This service has provided customers with additional savings in clerical costs related to processing of invoices.

Ability to Inventory and Supply Non-automotive Parts and Added Value Items

TPH has years of experience in the business of providing parts solutions at COPARS, Vehicle Parts Inventory Management and Supply Services and On-site Fleet Parts and Inventory Programs. That experience has provided TPH with an experienced labor pool and an understanding of the specific skills required to meet the needs of the customer in an efficient manner. Improved operating efficiency yields the desired results for both the company and the customer. One of the key competencies of the company and our fleet parts professionals is the sourcing of "non-automotive" parts. TPH currently purchases a wide variety of "non-automotive" products from over 200 vendors. TPH has supply agreements in place with vendors of communication equipment, emergency lighting, fire apparatus, law enforcement specific parts, safety equipment, marine equipment, aquatic spray equipment, pump repair parts, excavation/land clearing equipment parts, aerial bucket parts, and refuse equipment systems. Wherever possible the agreements are with companies within a 100 mile radius of North Port and who are able to provide same day service. For vendors outside a local delivery area but within The Parts House statewide footprint we are able to utilize our fleet of vehicles to pick up and shuttle parts.

The fact that a part is a "non-automotive" item does not have any bearing on whether or not it is designated as a stocking item at TPH. We currently stock thousands of "non-automotive" products valued at over a million dollars for our contract customers. These products have set inventory guidelines and are reviewed on a weekly basis for re-order by our purchasing team just as any other item. In addition to these fast moving items required for stock, TPH understands that there are frequently items that the Fleet Manager deems "mission critical." In most cases these are items available from a sole source with longer than normal order lead times and are for a critical piece of equipment, such as a fire truck. While these items would not meet anyone's normal inventory turn criteria, when requested TPH has and will keep such items in stock.

TPH has longtime relationships with the OEM's and in many cases has leveraged that relationship on behalf of our customer to get additional consideration beyond the stated warranty period. TPH will credit all alleged defects when returned to the parts counter and contact the manufacturer to begin the warranty process. TPH will pass through 100% of the funds from paid warranty and labor claims. If warranty is denied for items improperly installed, abused or beyond the stated warranty period TPH will request a written detail of the reason for denial and forward it along with a chargeback invoice to the Fleet Manager.

TPH has always been very open to doing whatever it takes to assist our customers. In the five years that we have been the On-site Fleet Parts Supplier at the City of North Port we have taken on several additional "out of contract" responsibilities. Among those are:

- Shuttling technicians to and from dealers to drop off and pick up vehicles for warranty repairs.

- Deliver parts to the field when mobile technicians are on service calls.
- Drop off and pick up hydraulic cylinders and motors to be serviced and rebuilt.
- Contact McGee Tire to schedule service calls when requested.
- Source and provide quotes to other departments for non-fleet related items.
- Eliminated several direct bill vendors and assumed stocking responsibility for the City.
- Provides the use of a TPH owned forklift for the City as needed.

TPH will provide all necessary tools, equipment, computers, printers and shelving required to stock and dispense the parts required in support of this RFP in addition to one truck and one 5,000lb capacity forklift.

Vendor supplied training is available from many aftermarket suppliers in several different formats. TPH **will not** charge the City of North Port technicians for any training supplied through a TPH aftermarket supplier. Ford Motor Company has offered a training reimbursement plan for the City which will be outlined in the next section. Ford Training will be scheduled and paid for through TPH. AC-Delco has a program called Key Fleet. The main advantage of the Key Fleet Program is the factory training available in the classroom and on the web. There is a \$1500 minimum monthly purchase requirement to enroll in the program that was previously unattainable by the City due to the vehicle population consisting primarily of non-GM makes. Recent vehicle purchases may make that minimum more easily attainable. There is no cost to enroll in the program and no cost for the training if conditions are met. We will monitor purchases and keep Ralf Heseler advised.

Competitive Pricing – Including Discounts and Incentives

TPH will utilize its 40+ years of industry experience, product knowledge, inventory expertise, database of vendors and hands-on approach while leveraging its distribution model to provide the City with a positive vendor/customer relationship during the contract term.

As a Florida based company with 4 current COPARS or On-site Fleet Parts and Inventory Programs, TPH is continually working with our customers and vendors to reduce costs. TPH has negotiated reductions in cost by utilizing our regional fleet of vehicles to pick up product and thus eliminating in-bound freight charges, leveraging our purchase power and consolidating purchases for all contract locations, or even providing price comparisons between vendors of the same product. TPH enjoys strong relationships with many vendors including our OEM and Aftermarket partners. Experience with these vendors has proven that a number of aftermarket products are engineered to perform at or better than OEM products. In many cases the aftermarket has enhanced characteristics of the OEM items that were prone to failure. Aftermarket products might be an ideal choice for vehicles not subject to severe duty and can provide a cost savings to the City. TPH will assist the City in selecting and approving products where our experience has proven that to be the case.

TPH pricing at each company owned location is loaded at true WD cost. Our costs to distribute product and provide the services at corporate HQ such as purchasing, HR, accounting and management are included below the Cost of Goods Sold line on the location financials, therefor not adversely affecting our locations ability to compete in the marketplace.

Costing can be broken down into 3 segments: 1) invoice cost, 2) special quote, and 3) warehouse distributor “WD” cost.

- Invoice Cost – The City will require many specific OE items that are dealer captive (GM, Ford, Chrysler, Toyota, etc.) and for off-highway and maintenance equipment (Case, New Holland, Caterpillar, John Deere, Kubota, Stihl, etc.). There is also a requirement for other items, most notably Pierce and E-One for the fire truck fleet, that have very limited resources. Collectively these type items are considered “non-traditional”. These ‘non-traditional’ items encompass products that do not typically flow through the automotive or heavy duty aftermarket distribution channel. “Non-traditional” items will be priced at **INVOICE COST** at the time of purchase. TPH will use its extensive dealer relationships and purchasing leverage to negotiate the most competitive price from these specialized vendors. One of the reasons for our success has been our ability to cross reference high priced, difficult to source items to traditional alternatives that are identical in quality, faster to acquire and lower priced. TPH will always review these items with Fleet Management and get the proposed substitution approved prior to re-sourcing.
- Special Quotes - In some instances, special quotes may be obtained for the City account. For example, Baldwin Filter has offered a special quote for this contract, Jobber less 58% which is well below WD cost. Baldwin is a traditional vendor that will maintain special quote pricing

based on their relationship with TPH and the potential volume generated by the City of North Port. TPH has relationships with several tire distributors throughout the state who will honor the State of Florida contract pricing on their product lines. These will also be sold to the City at **INVOICE COST.**

- Warehouse Distributor "WD" cost – TPH is a member of two of the largest buying groups in North America, Vipar Heavy Duty "Vipar" and Automotive Distribution Network "ADN". The value provided by these memberships who cumulatively represent over 400 distributors and 1000 locations is the access to many product lines and the combined purchasing leverage of all the companies with those vendors. TPH has access to a vast offering of product lines that are purchased on a "warehouse distributor" direct basis, thus eliminating the layers of mark-up incurred as product is moved between channels. TPH will charge the City **Warehouse Distributor "WD" cost** on all traditional items sourced directly from one of these manufacturers. **TPH will retain all volume purchase, special buy, prompt pay discounts and rebates on these items.**
- Incentives – Ford Motor Company has provided an incentive package available only through a Ford Dealer, or Ford Authorized Distributor such as TPH. The incentive package is offered as an incentive to use OEM Ford and Motorcraft replacement parts for the maintenance and repair of City owned Ford and Lincoln vehicles. In each of the three years of the contract and two extension years Ford will provide assistance as described below.
Tech Web-based Training - \$3,000 in each contract year to purchase any combination of Ford technical training (on-site, STST, NGPI police etc.) and / or Ford technical bulletins.
Rotunda Diagnostic Equipment - \$5,000 assistance provided in each contract year for the purchase of any Rotunda brand diagnostic equipment used for the purpose of improving diagnostics, repair efficiency and reduced downtime.
Variable Program – An incentive paid for the incremental parts purchases of OEM Ford and Motorcraft Brand parts. The value of this incentive is **\$20,000 in each of the contract years.** The incentive provided by Ford is a reward for shifting purchases of aftermarket brands to a Ford or Motorcraft product and applies to all product lines and categories. Ford feels very strongly that by using their OEM products which fit and function exactly as those which came on the vehicle assembly line, the customer will have a longer more satisfying ownership experience. Motorcraft products carry a 24 month / 24,000 mile warranty and up to \$150 in labor re-imbusement.

The potential value of the Ford incentives available if the contract is awarded to a Ford Dealer or Ford Authorized Distributor (TPH) is \$140,000.

TPH will:

1. Sell all product purchased from an outside vendor (non-traditional, single source and not from TPH inventories) at **Invoice Cost.**
2. Sell tires at State of Florida contract pricing.
3. Sell all products purchased through traditional TPH vendors and stocked at TPH locations at **Warehouse Distributor "WD" cost.**
4. Sell Baldwin Filters ("special quote") at **Jobber less 58%**
5. Retain all volume purchase discounts, prompt pay discounts and rebates associated with sales to a municipal fleet.

TPH's unique concept based on a monthly fee has proven successful with each of the contract customers referenced previously as well as others in years past. Our proposal is a **firm fixed price billed monthly** for all of the services provided by our staff, including salaries, benefits, vehicles, computers, office supplies, taxes, insurance (operating expenses) and **profit**. Our proposal allows the City to budget more accurately for the expenditures related to the Fleet operations and is not driven by sales volume in any way. We do not receive any additional benefit of a higher priced item since we do not mark up the parts we sell. Our team is driven to provide sources for the lowest cost, highest quality products available for the City.

In the course of a long term contract many factors can affect the operating cost of the location including but not limited to; recruiting and retaining quality employees (raises), benefits, liability and workers compensation insurance, health insurance, vehicle expense, fuel cost etc. Therefor TPH proposes the following monthly fee structure with increases tied to the Florida Consumer Price Index "FCPI".

The monthly fee for TPH services excluding parts sales, but inclusive of all employee costs, overhead and **profit** for contract year 2016 is \$16,500.

Subsequent adjustments to the base monthly fee will be tied to the "FCPI", but capped at 2% annually and based on the contract value of \$900,000 per year. The monthly fee will not exceed \$18,000 during the 3 year contract term or 2 optional 1 year extensions.

Overtime expense, defined as more than 45 hours worked in a work week and required by the City due to high demand or emergencies will be billed at \$25 per hour.

TPH staff will be available for call out 24 hours per day/seven days per week. The Fleet manager will be given cell phone numbers for facility staff as well as area managers. Call outs will be billed a minimum of \$25 regardless of the hours reported. TPH understands the responsibilities of Fleet during times of emergency and is prepared to staff the parts room around the clock if required.

TPH will staff the facility at the City of North Port with one ASE Certified manager, one counter sales worker and one driver/warehouse worker, a full sized truck and forklift.

If the scope of work or hours of operation result in a change of staffing requirements TPH will adjust the **next** monthly fee commensurate with the additional expense or savings.



CITY OF NORTH PORT
UNOFFICIAL TABULATION
ONSITE FLEET PARTS AND INVENTORY PROGRAM

VENDOR NAME:

TPH Acquisition, LLLP d.b.a. The Parts House

Category	Item #	Manufacturer Part Number	Description	Est. Qty	Unit Price	Extension
Oils/ Lubricants	1	3373	10W30 QT	72	1.65	\$ 118.80
	2	836-91076-56	10W30 SD QUART	36	1.67	\$ 60.12
	3	845-04444-25	5 GAL AW68 HYD OIL	8	26.3	\$ 210.40
	4	836-91066-56	5W30 SEMI SYN QUART	36	1.77	\$ 63.72
	5	836-93126-56	80W-90 HDX QUART	24	2.2	\$ 52.80
	6	BT223	Full-Flow Lube	5	2.44	\$ 12.20
	7	SENTRYGAS	GASOLINE PLUS TREATMENT	48	5	\$ 240.00
	8	5005	PWR LUBE 9OZ	24	1.95	\$ 46.80
	9	3381	QUART BRAKE FLUID	12	3.12	\$ 37.44
	10	12346290	COOLANT,ENGINE	6	8.9	\$ 53.40
	11	FF5000	DEF 030FX BULK	275	2.06	\$ 566.50
	12	10301-30	X-TRA H/D GREASE/30X1/14.	50	2.7	\$ 135.00
Filters	13	PA2326	Air Element	4	50.59	\$ 202.36
	14	PA4985	Cab Air Element	4	9.54	\$ 38.16
	15	FA1884	ELEMENT ASY - A	4	9.35	\$ 37.40
	16	4G3Z-9601-A	ELEMENT ASY - A	4	39.19	\$ 156.76
	17	FA1032	ELEMENT ASY - A	8	7.48	\$ 59.84
	18	EG986B	FILTER ASY - FU	6	6.79	\$ 40.74
	19	FL820S	FILTER ASY - OI	6	2.85	\$ 17.10
	20	PF2232	FILTER OIL	6	7.42	\$ 44.52
	21	PF13	FILTER OIL	6	2.87	\$ 17.22
	22	BF9885	Fuel Spin-on	6	24.53	\$ 147.18
	23	BF7924	Fuel Spin-on	6	9.15	\$ 54.90
	24	BF7903	In-Line Fuel Fi	4	1.26	\$ 5.04
Tires	25	11R225G287	G287 TIRES	4	390.15	\$ 1,560.60
	26	225/70R195G	G647 TIRE	12	275.13	\$ 3,301.56
	27	P225/70R15	GOODYEAR TIRE	4	93.18	\$ 372.72
	28	LT245/75R17-AT	GOODYEAR TIRES	4	184.08	\$ 736.32
	29	11R225G661-P	GOODYEAR TIRES	4	349.54	\$ 1,398.16
	30	245/70R19.5 G661	GOODYEAR TIRES	4	272.16	\$ 1,088.64
	31	P225/60R18RS-A	GY RS-A V-RATED TIRE	8	134.08	\$ 1,072.64
	32	425/65R22.5G296 P	NEW TIRE/PAINTD RIM	4	578.88	\$ 2,315.52

	33	11R225RRP	RECAP G289 W/PNT RIM	24	195	\$	4,680.00
	34	11R22.5RR	RECAP G362 TIRE	10	195	\$	1,950.00
	35	11R225RCP	RECAP/CASING/PAIN TD	8	195	\$	1,560.00
	36	11R225R	RETREAD G289 WHA	24	195	\$	4,680.00
	37	425/65R225G296	TIRE	10	578.88	\$	5,788.80
	38	P235/55R17	TIRE RSA	10	111.9	\$	1,119.00
	39	P235/70R17SRA	TIRE SR-A	8	132.95	\$	1,063.60
	40	225/70R19.5M	XZE MICHELIN TIRE	6	332.34	\$	1,994.04
Lighting/ Electrical	41	40203	40 Series Dome	10	3.81	\$	38.10
	42	92846	Bulbs	10	27.98	\$	279.80
	43	U-7682	CLEAR SPOT LIGHT LENS KIT	10	24.75	\$	247.50
	44	3157	GT-8 MINI LAMP	20	0.31	\$	6.20
	45	46044	MINI FUSE TAPA	12	4.92	\$	59.04
	46	H6054C1	SealBeam 1pk Commercial	4	4.3	\$	17.20
	47	ATC-15	ATC BLADE FUSE -15 AMP	10	0.11	\$	1.10
Cameras	48	TEA-2	3RD EYE ADP TO CAMERA	1	41	\$	41.00
	49	C1200A	SINGLE CAMERA REAR	2	119.56	\$	239.12
Wipers	50	31-24	Wiper Blade	10	1.85	\$	18.50
	51	31-22	WIPRE BLADE	60	1.85	\$	111.00
Brakes	52	3807AX	16.50x8.62 Brake Drum	6	155.99	\$	935.94
	53	9641	NON-CHLOR BRAKE CLEAN	48	1.48	\$	71.04
	54	6507824AA	NUT WHEEL	20	5.23	\$	104.60
	55	YF1Z 1V125-FA	ROTOR ASY	2	34.63	\$	69.26
	56	BC3Z 2C026-A	ROTOR ASY - BRA	4	63.73	\$	254.92
	57	55-0126	5 CLAMPS"	2	17.3	\$	34.60
Hardware	58	29693	5/16X2-1/2 TORX FLT HD	300	0.56	\$	168.00
	59	84273	5/8X1/2 AR BRK BRSS CNNT	4	11.17	\$	44.68
	60	14400-0808	B2 FITTINGS	6	3.52	\$	21.12
	61	251-201	BLADE BOLT & NUT	6	44.2	\$	265.20
	62	B571044	BOLT KIT, BLADE	6	31.39	\$	188.34
	63	85-1	GREASE CAP PLUG	6	0.58	\$	3.48
	64	431595.11	NYLON RIVETS	50	1.12	\$	56.00
	65	1205946	SPACER	2	12.76	\$	25.52
	66	99291	SPACER	2	4.58	\$	9.16
	67	256-011	WASHER	4	0.46	\$	1.84
Batteries	68	BP/HHH-RP	ADD-A-CIRCUIT FOR ATM B	10	4.92	\$	49.20
	69	824-4	ALK-AAA-CD-	6	2.29	\$	13.74

Grease	70	BXT65850	BATTERY	10	85.51	\$	855.10
	71	GR2SN-06X50	SAE 100R2AT/2SN	50	0.18	\$	9.00
	72	GR2SN-08X50	SAE 100R2AT/2SN	50	0.21	\$	10.50
	73	GR2SN-12X50	SAE 100R2AT/2SN	50	0.35	\$	17.50
	74	GR2SN-16X50	SAE 100R2AT/2SN	50	0.43	\$	21.50
Brakes/Front End	75	3785465M1	BEARING	2	85.72	\$	171.44
	76	72436363	BUSH	2	28.2	\$	56.40
	77	3907155M1	BUSHING	2	90.84	\$	181.68
	78	PH712-10A	CV BOOT POLARIS	2	11.95	\$	23.90
	79	K80338	Sway Bar Link Kit	4	22.48	\$	89.92
	80	7481	Roloc Condition Disc 2 in, M	25	0.81	\$	20.25
	81	1396	Roloc Disc 01396, 2 in, 50YF	25	0.93	\$	23.25
Hoses/Tubing	82	165-0016	XT3 ES HOSE	12	0.51	\$	6.12
	83	60200-0031	HYDRAULIC HOSE	50	0.13	\$	6.50
	84	20064	NYLON TUBING 1/4ODX 100' COIL BLACK	100	0.21	\$	21.00
	85	6V-0743	GM GUARD HOSE	40	0.09	\$	3.60
Cylinders	86	544648	CYL HYD CAB TILT	2	889.97	\$	1,779.94
	87	1400121	UPPER COMPACT CYL	1	1754.3	\$	1,754.30
Misc.	87	17-413-500	1 1/4" RUBBER SNAP IN V	50	0.15	\$	7.50
	88	24X24AV	24X24 FLAP	4	4.11	\$	16.44
	89	CW4069	CONTACT TIP 67.030	2	3.25	\$	6.50
	90	CW4070	CONTACT TIP 68.035	2	3.25	\$	6.50
	91	PIE-99-2076	DIAPHRAM AIR HORN	2	44.13	\$	88.26
	92	ES70599	FUEL INJ O RINGS	4	1.74	\$	6.96
	93	BF1259	Fuel/Water Sepa	4	7.88	\$	31.52
	94	84-2150	HEAT SHRINK BUTT, 22	6	5.67	\$	34.02
	95	BF7815	High Efficiency	4	6.32	\$	25.28
	96	2493	PAG Oil 46 with Dye	4	3.5	\$	14.00
	97	V34057300	PIN	2	117.63	\$	235.26
	98	4W7Z13C788BB	Processor	2	141.87	\$	283.74
	99	3785543M1	SEAL	2	65.4	\$	130.80
	100	LM67010	TAPER CUP TIMKEN	2	1.75	\$	3.50
101	2W7Z 6B209-A	TENSIONER	2	27.33	\$	54.66	
TOTAL PRICE						\$	46,472.04