

**STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG
CITY OF CHARLOTTE**

**AMENDED AND RESTATED INTERLOCAL AGREEMENT
FOR CONSOLIDATION OF FLEET MAINTENANCE OPERATIONS**

This Amended and Restated Interlocal Agreement for Consolidation of Fleet Maintenance Operations (the "Agreement") is entered into and made effective as of the 1st day of October, 2018 (the "Effective Date") by and between the COUNTY OF MECKLENBURG (the "County"), a political subdivision of the State of North Carolina and the CITY OF CHARLOTTE (the "City"), a municipal corporation organized under the laws of the State of North Carolina.

WITNESSETH:

WHEREAS, a number of local government operations in Charlotte and Mecklenburg County have been successfully consolidated such as tax collection, purchasing, planning, elections, community relations, police, utilities, building inspection, animal control, and parks and recreations programs; and

WHEREAS, the City Council and Board of County Commissioners desire to continue functional consolidation in order to improve the accountability and efficiency of local government; and

WHEREAS, the City and County vehicle fleet maintenance operations have previously been identified as appropriate for a consolidation; and

WHEREAS, the City and the County are authorized to consolidate their respective fleet maintenance operations pursuant to Article 20, Chapter 160A of the General Statutes of Chapter 1170, Session Laws of 1969; and

WHEREAS, the City and County previously entered into an "Interlocal Agreement for Consolidation of Fleet Maintenance Operations effective July 1, 2008 (the "2008 Fleet Interlocal"); and

WHEREAS, the County issued a Request for Proposal (RFP #00000019) for Fleet Maintenance and Related Services dated December 30, 2015. This Request for Proposal together with all attachments and addenda, referred herein as the "RFP," and

WHEREAS, the City submitted a proposal in response to the RFP, and

WHEREAS, the County and the City have negotiated and now desire to enter into this Agreement to amend and restate the 2008 Fleet Interlocal to incorporate the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the fulfillment of the terms of this Agreement, the County and the City agree as follows:

1. Purpose

The purpose of this Agreement is to specify the details of the consolidation of Mecklenburg County's Fleet Management Division into the City of Charlotte's Engineering and Property Management Fleet Management Division, to be operated and administered by the City. This Agreement supersedes and replaces the 2008 Fleet Interlocal. The 2008 Fleet Interlocal shall survive only with respect to any matters or events that occurred prior to the Effective Date.

2. Exhibit List

The following Exhibits are attached to this Agreement and incorporated into and made hereof by reference:

Exhibit A: Description of the Facility, with parking areas shown.

Exhibit A-1: Board of County Commissioners February 19, 2008 Resolution authorizing Exchange of Leasehold Interests with Fiber Mills, LLC.

Exhibit A-2 Amendment to Exchange of Leasehold Interest with Fiber Mills, LLC, attached hereto, is hereby incorporated into the Agreement.

Exhibit B: List of County equipment to be transferred to the City known as of April 4, 2008.

Exhibit BA: List of County equipment maintained by County as of April 4, 2008.

Exhibit C: Fleet Service Level Agreement

Each reference to this Agreement shall be deemed to include all Exhibits. The Exhibits to the 2008 Fleet Interlocal that are not included in the above list are deleted, except with respect to matters or events occurring prior to the Effective Date.

3. Functions and Facilities to be Consolidated.

The City and County have studied the various functions performed by the County's Fleet Management Division and the City's Engineering and Property Management Fleet Management Division, respectively, and have determined which functions and facilities are to be consolidated under the City's Engineering and Property Management Fleet Management Division and which functions and facilities are to remain with the County. These functions and facilities are as indicated below:

(a) Functions to remain with Mecklenburg County:

- a. Administration of the vehicle pool used by County employees traveling on County business; and
- b. Administration of the County's contract for washing County vehicles

(b) Functions to be consolidated under the City of Charlotte:

- a. Maintenance and repair of County vehicles;
- b. Parts, supplies and inventory management relating to County vehicle maintenance, including ordering, expediting, stocking, issuance and managing parts inventory; and
- c. Administrative services relating to County vehicle maintenance, including but not limited to policies and procedures administration, general management and supervision of personnel, equipment specifications and preparation, computer services, budgeting, vehicle inspections, vehicle disposal, etc.

4. Lease of Space for Fleet Maintenance Operations / Agreements Regarding Facilities.

(a) The County agrees to lease to the City for \$1.00 per year for the duration of this Agreement the building located at the current Mecklenburg County fleet maintenance facility, located at 900 W. 12th Street, Charlotte, N.C. 28206, as shown more particularly on **Exhibit A** and including approximately 32,225 square feet of building space (the "Facility"). The City agrees to use the Facility for fleet maintenance-related operations. The parties acknowledge that: (a) County Health Department/LUESA can continue to use the outbuilding located on the same site as the Facility for storage and other business purposes; and (b) County employees will have access, use of upstairs office space, and parking privileges, should the need arise. The County shall be allowed ingress and egress for the purposes set forth in the preceding sentence, provided that the County shall be responsible for all environmental or other liabilities associated with such use, and provided further that such use shall not interfere with the City's use of the Facility.

(b) The County retains ownership of the Facility and the site on which it is located and shall be responsible for all on-going maintenance of the Facility and surrounding grounds. The County shall further remain responsible for all environmental remediation efforts required in connection with the Facility and surrounding grounds, except to the extent such remediation is required due to acts or omissions on the part of the City. The County shall conduct any such remediation in a manner that does not interfere with

the City's use of the Facility for providing the services contemplated by this Agreement.

If new facilities are required, due to a sale of the existing Facility, then:

- (1) unless otherwise agreed in writing by the City, the County will procure the new facilities (the "New Facilities") and have them ready for use on or before the City is required to vacate the current Facility, and the New Facilities will be subject to the City's reasonable approval as to the suitability for operations; and
- (2) the County will lease the New Facilities to the City at a cost of one dollar (\$1.00) per year under terms that are reasonably acceptable to the Parties.

(c) The County will secure and make available to the City for use by the public and employees of the City in connection with the City's performance of this Agreement approximately 266 parking spaces in the locations shown on **Exhibit A**, provided, however, the County has the right, without the necessity for obtaining any additional consent from the City, to enter into the leasehold exchange transaction with Fiber Mills, LLC described in the Board of County Commissioners Resolution which is attached as **Exhibit A-1** (the "Fiber Mills Lease") so long as the Fiber Mills Lease authorizes the City to use the Location B parking lot which is shown on the Preliminary Site Plan attached to said Resolution in **Exhibit A-1** (such Preliminary Site Plan in the form shown on **Exhibit A-1** being referred to as the "Fiber Mills Site Plan"). Should the County enter into the Fiber Mills Lease, then during the term of the Fiber Mills Lease **Exhibit A** shall be deemed amended to reflect the changes in parking locations shown on the Fiber Mills Site Plan as shown in **Exhibit A-1**; and (b) the County shall submit the improvement design plans for both Location A and Location B (as shown on **Exhibit A-1**) to the City for review and comment, and will work within reason to incorporate any suggestions the City may have. The City will have use of all parking spaces referenced in this provision twenty-four (24) hours a day, seven (7) days a week.

(d) The City's obligation to provide Maintenance Service under this Agreement is contingent on: (a) having use of the Facility as provided herein, or having use of New Facilities that are reasonably acceptable to the City for providing such Service; and (b) having parking reasonably sufficient for the City to provide such Service. If any of these contingencies are not met, the City will be entitled to delay or decline to provide Maintenance Service.

(e) The County will pay all charges for electricity, gas, water, sewer, security and other utilities provided to the Facility.

(f) Notwithstanding the foregoing, the County shall have the right to sell or lease the Facility and the site on which it is located to a third party upon providing at least fourteen (14) months prior written notice to the City of the intent to sell. Upon the City's receipt of such notice, the parties shall attempt in good faith to agree on: (i) an alternative location for the City to provide fleet maintenance services to the County; and (ii) any changes to this Agreement or any Fleet Service Level Agreement that are reasonably necessary or appropriate due to the change in location. The parties acknowledge that upon sale of the Facility and the site on which it is located, the County will need to provide an equivalent facility or fund a new facility (including moving or replacing all "County Retained Equipment" as defined in the 2008 Fleet Interlocal) if the County intends to continue receiving fleet maintenance services from the City. Absent a signed written amendment to this Agreement to the contrary, this Agreement shall automatically terminate at midnight on the day before the closing date of any sale or lease of the Facility, following notice as provided herein.

5. Equipment Previously Transferred to The City.

When the 2008 Fleet Interlocal was executed, the County transferred to the City, at no cost to the City, ownership of all equipment that was identified in **Exhibit B** to the 2008 Fleet Interlocal Agreement (the "Transferred Equipment").

6. Equipment to be Conveyed by the County for a New Facility.

In the event the County procures a New Facility, the County will convey to the City ownership of all fixtures and equipment located at the 12th Street Facility, except for items associated with the Vector Control Building. Upon transfer to the City, such equipment and fixtures will become part of the Transferred Equipment. Transferred Equipment if moved or relocated to the New Facility will be the responsibility of the City.

7. Establishment of Service Levels.

(a) Services (and the levels of service) to be provided by the Charlotte Engineering and Property Management Fleet Management Division to the County will be established by an annual agreement between the City's Engineering and Property Management Fleet Manager and the County Fleet Management Contract Administrator (the "Fleet Service Level Agreement" or "Fleet SLA"). The initial version of the Fleet SLA is set forth in Exhibit C.

(b) Annual changes to the Fleet SLA will follow the process below:

1. Annually on or before January 1 of each year, the City's Engineering and Property Management Fleet Manager will provide to the County a description of the fleet services the City proposes to provide the County in the upcoming fiscal year (the "Proposal"). The Proposal will include a preliminary estimate of projected costs for the City to provide fleet services to the County for the upcoming fiscal year, and any proposed changes to the existing Fleet SLA.
2. On or before February 1 of each year, the County will notify the City of any requested changes to the Proposal for the upcoming fiscal year (which changes may consist of adding or subtracting services or changing service levels based on changes to the County's fleet for the upcoming year).
3. Within thirty (30) days after receipt of the County's requested changes to the Proposal, the City's Engineering and Property Management Fleet Manager will notify the County Fleet Management Contract Administrator of the projected monthly cost of providing fleet maintenance services for the upcoming fiscal year.
4. In the event the City and County cannot agree on changes to the fleet services or services levels for the upcoming fiscal year by April 15: (a) the City will continue providing the same fleet services at the same service levels that it provided to the County during the prior fiscal year, and (b) the City will bill the County pursuant to Section 8 for the actual costs incurred by the City in providing such services, including such adjustments as may be necessary to reflect any increase or decrease in the City's labor costs associated with performance of this Agreement (including without limitation all wages, insurance and other benefits).

8. Payment by the County.

- (a) Beginning on the Effective Date of this Agreement, the City shall bill the County, by the seventh (7th) business day of each month, the actual costs incurred by the City during the preceding month in performing services under this Agreement. Such actual costs include, without limitation, all parts, supplies, material and labor costs incurred by the City in performing and administering this Agreement (including without limitation all wages, insurance and other benefits). While the City will attempt to identify and bill such actual costs on a monthly basis, it is possible that some costs may be billed more than a month after they were incurred, and some costs (including for example costs that the City pays on an annual basis) may be carried over and billed to the County on an annual basis pursuant to Subsection (c) below. The City will designate on each invoice which charges for "Target" and "Non-Target" work (each as defined in the then current Service Level Agreement for Fleet Services).
- (b) Each fiscal year the budgeted amount for each County Department will be loaded and labeled "budgeted amount" and will be compared monthly to actual spend based on a percentage remaining. Each month

these reports will be available for County staff and Departmental review.

- (c) Invoices for Non-Target services must include line item documentation of cost incurred (e.g. labor, parts, subcontracted services, etc.) as well as documentation of County authorization to incur Non-Target costs, by capturing operator name and number on work orders. Within each Non Target category, the City will delineate individual repair order numbers with associated labor charges, parts, costs, and subcontracted services.
- (d) Each monthly invoice will include a statement certifying that the charges billed to the County are true and accurate and incurred in the performance of the terms of the Agreement. The City's authorized representative will sign each statement.
- (e) The County will pay the City within thirty (30) days of the County's receipt of an accurate and undisputed invoice. If an invoice is disputed: (a) the County will pay the City for all undisputed items on the invoice within thirty (30) days after receipt of the invoice; and (b) the County will pay the City for disputed items promptly once the dispute is resolved. If the County has a question about any invoice, the County will contact the City and diligently attempt to resolve it within the payment period specified above. If the parties are unable to resolve the dispute within thirty (30) days of the County's receipt of the invoice, both parties will follow the dispute resolution procedures set forth in Section 13 of this Agreement.
- (f) The County reserves the right to request additional documentation from the City prior to paying any disputed portion of the invoice. Such documentation may include, but is not limited to, invoices to the City for parts or subcontracted services and payroll registers. The County reserves the right to audit the City's records and books pertaining to this Agreement.
- (g) The types of costs taken into account in determining the rates, fees, and markups listed in Exhibit C, Section 2.3 and 3.3, shall be limited to the types of costs charged to City Departments and will be no more than the average private sector business fleet maintenance rates generally charged for all such business fleet maintenance services.

9. Responsibility for Claims.

The County will be solely responsible for any and all claims and actions arising from its operation of the County fleet maintenance operations on an occurrence basis before July 1, 2018, including but not limited to claims by third parties as well as claims by County employees or former County employees arising out of their employment with the County. The City will be solely responsible for any and all claims and actions arising from the operation of the consolidated City Engineering and Property Management Fleet Management Division on an occurrence basis from and after July 1, 2018, including but not limited to claims by third parties as well as claims by Former County Employees who are employed by the City and arising out of their employment with the City. Each agrees to indemnify and hold the other harmless with respect to the claims for which it is responsible.

Notwithstanding the forgoing: (a) the County will be responsible for maintaining property insurance on the Facility and the County Retained Equipment, and (b) the City will be responsible for maintaining property insurance on the Transferred Equipment and all other City equipment located on site at the Facility.

10. Term of Agreement.

This Agreement shall commence on the Effective Date and shall continue in effect through midnight on June 30, 2020 unless otherwise terminated in accordance with Section 11. Beginning on July 1, 2020 this Agreement shall be automatically renewed for a one year term on July 1st of each year, unless either party gives the other a written notice of non-renewal at least fourteen (14) months prior to the upcoming July 1st renewal date. Notices of non-renewal shall be provided to the office of the Manager of the governmental unit to which the notice is directed with copy to Managers that are directly over Fleet Maintenance function for the County and City.

11. Termination.

- (a) **Sale of Facility.** Unless the parties execute an amendment to the contrary, this Agreement shall automatically terminate at midnight on the day before the closing date of any sale or lease of the

Facility, provided that absent written agreement to the contrary, no sale or lease shall occur until fourteen (14) months after the County has notified the City in writing of the sale or lease as required in Section 4 of this Agreement.

(b) Termination Without Cause. The County or City may terminate this Agreement at any time without cause by giving prior written notice to the other party at least one year and six months prior to the termination date, provided that the termination date must be as of midnight on June 30. Notice of termination must be given in compliance with Section 19 of this Agreement. In the event the County terminates this Agreement, the City shall continue performing the service or work until the termination date designated by the County in its termination notice. The County shall pay the City for satisfactory work completed through the date of termination under the terms of this Agreement, and for goods and services that have been scheduled or ordered prior to the City's receipt of the County's termination notice, to the extent required by Section 11(e). The County and the City may also agree by mutual written consent agree to have the City complete specific work or services that is in progress as of the termination date.

(c) Breach. Either party may terminate this Agreement for default in the event the other party materially breaches this Agreement or the terms and conditions set forth in the then current Fleet Service Level Agreement, and fails to cure such breach within six (6) months after receipt of written notice from the non-breaching party. If the City terminates this Agreement for a County default, the County shall reimburse the City or all costs reasonably incurred by the City as a result of such early termination (including without limitation the cost of equipment, labor, utilities, etc. that were secured to provide services to the County and are not needed for other purposes), and the City shall use reasonable efforts to mitigate and minimize such costs. If the County terminates this Agreement for a City default, the City shall reimburse the County for the reasonable transition costs incurred by the County in switching to another service provider, provided that such costs shall not include any increase in the cost of service that the County will have to pay the new service provider over and above the costs that would have been charged by the City. The parties agree that failure to pay under this Agreement shall constitute a material default within the meaning of the preceding sentence, and that notwithstanding the forgoing, the cure period for a nonpayment default shall be sixty (60) days instead of six (6) months.

(d) Authority to Terminate
The County Manager or the County Manager's designee, including but not limited to the Director and the Assistant County Manager for the Consolidated Human Services Agency, is authorized to terminate this Agreement on behalf of the County. The City Manager or the City Manager's designee, including but not limited to the Deputy City Manager or any Assistant City Manager, is authorized to terminate this Agreement on behalf of the City.

(e) Cancellation of orders and subcontracts
In the event this Agreement is terminated by the County for any reason prior to the end of the term, City shall upon termination immediately discontinue all service in connection with this Agreement and promptly cancel all existing orders and subcontracts, which are chargeable to this Agreement. As soon as practicable after receipt of notice of termination, City shall submit a Statement to the County showing in detail the services performed under this Agreement to the date of termination. If work has been scheduled or goods have been ordered for the County's vehicles prior to the City's receipt of the County's termination notice, then the County shall pay any cancellation fee due in accordance with such goods or services, and if the order for such goods or services cannot be cancelled the County will pay the City for such goods or services.

(f) Other Remedies
Upon termination of this Agreement, each party may seek all legal and equitable remedies to which it is entitled. The remedies set forth herein shall be deemed cumulative and not exclusive and may be

exercised successively or concurrently, in addition to any other available remedies.

(g) Transferred Equipment and County Assets.

Upon termination of this Agreement pursuant to Sections 11(a) 11(b), or 11(c), or due to either party electing nonrenewal under Section 10, the City will transfer back to the County ownership of all Transferred Equipment that the City still owns and possesses as of the date of termination, other than Transferred Equipment under Sections 5 and 6 that is subject to a binding agreement to transfer to a third party. Such transfer will be at no cost to the County, provided that unless the termination is due to a City default under Section 11(c), the County will pay all costs associated with removing and relocating the Transferred Equipment. The City shall promptly (a) return to the County all County vehicles in the City's possession under this Agreement, the safety records for such vehicles, a print out of maintenance for County vehicles maintained in the City's FASTER system (or any subsequent system then in use), files of inspection records, etc. relating to the County's vehicles and all keys for the County's vehicles. The City will further relinquish to the County the County owned equipment as identified in Exhibit BA to the extent that such equipment still exists. The return of these items will be at no cost to the County.

(h) Excuse. Notwithstanding the forgoing, each party shall be excused from any breach of this Agreement or any Fleet Service Level Agreement to the extent such failure is caused by the other party's failure to comply with this Agreement or any Fleet Service Level Agreement, or by other acts or circumstances outside the breaching party's reasonable control, including without limitation, fire, flood, earthquake, hurricane, tornado, lightning or other acts of God, war, terrorism, riots, civil disorders, strikes, lockouts, court order. A breach excused by this Section shall not be grounds for termination for default. Notwithstanding the forgoing, this Section shall not excuse a breach by nonpayment.

(i) Transition Time. Upon receipt of a notice of termination of this Agreement from the City (other than for a County default), the County shall be entitled to extend this Agreement for the lesser of: (i) the amount of time the County needs to secure such services at another site or (b) thirty (30) months after the County's receipt of the notice of termination.

12. Service Parameters.

- (a) Exclusivity. During the term of this Agreement, the City will have the exclusive right to manage fleet management services in collaboration with the County and departmental fleet coordinators.
- (b) Vehicle Assignment and Responsibility. The County will assign vehicles to its internal user departments and the County departments will have ultimate responsibility for the vehicles.
- (c) Other Facilities. The City shall have the right but not the obligation to assign the maintenance of County vehicles to facilities other than the Facility as deemed necessary and appropriate by the City to best fulfill the repair need(s).

13. Dispute Resolution.

All disputes and differences that may arise between the City and the County with respect to any matters relating to this Agreement will be resolved in accordance with the City Engineering and Property Management Fleet Management Division Issue Escalation Guidelines and the dispute resolution procedures set forth below.

- (a) **City Engineering and Property Management Fleet Management Division Issue Escalation Guidelines.** When service issues arise, regardless of the issue type, City Engineering and Property Management Fleet Management Division and the customer should seek to resolve the issues at the point of service. In the vast majority of situations, issues can and should be resolved at this level. It is important that City Engineering and Property Management Fleet Management Division Leadership empower their employees to address service issues within the service management framework. Resolving issues at this level will prove to be both cost and time effective.

Issues that cannot be resolved at the point of service need to move quickly through a defined escalation process. The Fleet Maintenance SLA will establish a specific escalation path for unresolved issues that moves from the point of service to the City Engineering and Property Management Department Director and from the customer to the Department Director of the customer organization. This defined process should include methodologies for:

- Tracking the issues through the escalation process;
- A specific timeframe for response at each step in the escalation process, both on the part of City Engineering and Property Management Department and the customer organization;
- Tracking actions taken and whom they were taken by at each step in the escalation process;
- Specific criteria for escalating issues (automatically if practical) to the next level of the escalation process when an issue is not resolved within the time limits established at a specific level in the escalation process;
- Developing, analyzing and utilizing information on issue trends to improve the service infrastructure (processes, people, systems and facilities) and City Engineering and Property Management Department management practices;
- Raising issues that cannot be resolved by City Engineering and Property Management Department to the appropriate governance level;
- Providing access to information on the issue management process and outcomes to customers and other interested parties.

City Engineering and Property Management Department will report on its success in developing these methodologies and its effectiveness in resolving issues as a component of its performance reporting.

(b) **Formal Dispute Resolution.** Any issues that are not resolved under the City Engineering and Property Management Fleet Management Division Issue Escalation Guidelines and the methodologies developed thereunder will follow the escalation steps below:

1. For any dispute that is not resolved at the service provider level, the next step in resolving a dispute will be to present it in writing to the Director of the City's Engineering and Property Management Department and the County's Asset and Facility Management Department Director (the "Dispute Notice"). Upon receipt of a Dispute Notice, the Director of the City's Engineering and Property Management and the County's Asset and Facility Management Department Director will promptly meet and in good faith, recognizing the City's and County's mutual interests, attempt to reach a just and equitable solution which is acceptable to both parties.
2. If the Director of the City's Engineering and Property Management Department and the County's Asset and Facility Management Department Director do not resolve the dispute within thirty (30) days after the date of the original Dispute Notice, then they shall forward the Dispute Notice to the City Manager and County Manager. The City Manager and County Manager will promptly meet and in good faith, recognizing the City's and County's mutual interests, attempt to reach a just and equitable solution which is acceptable to both parties.

14. Designee.

Any action or consent under this Agreement that is required to be made by the County's Asset and Facility Management Director or the Director of the City's Engineering and Property Management Department can be made by their respective designees.

15. Amendments.

Any amendments to this Agreement must be in writing, approved by the City Council and the Board of County Commissioners, provided that the County Manager and the City Manager are authorized to: (a) modify the Fleet Service Level Agreement on an annual basis pursuant to Section 7, and (b) execute amendments to Section 8 of this Agreement regarding the process for payment and to Section 13 of this Agreement regarding the process for dispute resolution. Each reference to this Agreement shall be deemed to refer to the Agreement as amended.

16. Limitation of Liability

To the extent permitted by law, **neither party shall be liable to the other party for consequential, indirect, special damages or lost profits** in connection with any matters relating to this Agreement.

17. Severability.

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

18. No Third Party Beneficiaries.

The terms of this Agreement shall be binding upon, inure to the benefit of and be enforceable solely by the City and the County. Nothing in this Agreement or in the 2008 Interlocal Agreement or by virtue of the transactions contemplated hereby or thereby, whether express or implied, shall be construed to constitute, create or confer rights, remedies or claims in or upon any other person or entity (third-party beneficiary or otherwise) not a party hereto, or to create obligations or responsibilities of the parties to such persons or entities, or to permit any person or entity other than the City and the County to rely upon or enforce the covenants, conditions and agreements contained herein.

19. NOTICE.

Any notice, consent, waiver, authorization or approval referenced in this Agreement must be in writing, and delivered in person, by U.S. mail, overnight courier or electronic mail to the City and County Contacts identified below.

Mark Bevilacqua,
3205 Freedom Drive
Charlotte NC 28205
Email: Mark.Bevilacqua@mecklenburgcountync.gov
Phone: 980-314-2411

Chris Trull
1105 Otts St
Charlotte NC 28205
Email: cctrull@ci.charlotte.nc.us
Phone: 704-336-2742

Notice of breach, default, termination, prevention of performance, delay in performance, modification, extension or waiver must also be copied to the recipients listed below (the "Official Notice Recipients"), and if sent by electronic mail shall also be simultaneously sent by registered or certified mail deposited with the U.S. Postal Service, or by hand delivery:

Mark Hahn
3205 Freedom Drive
Charlotte NC 28205
Email: Mark.Hahn@mecklenburgcountync.gov
Phone: 980-314-2520

Mike Davis
14th Floor CMGC
600 East Fourth Street
Charlotte NC 28202
Email: madavis@charlottenc.gov
Phone: 704-336-3938

Lina James
City Attorney's Office
15th Floor CMGC
600 East Fourth Street

Charlotte NC 28202
Email: lejames@ci.charlotte.nc.us
Phone: 704-336-4111

Notice shall be effective upon receipt by the intended recipient. The parties may change their Contacts or Official Notice Recipients by written notice to the other party.

Executed as of the day and year first above stated by authority duly granted by the Charlotte City Council and the Mecklenburg County Board of Commissioners. The parties agree that the 2008 Fleet Interlocal Agreement for Consolidation of Fleet Maintenance Operations went into effect on July 1, 2008 is extended until midnight of the day preceding the Effective Date of this Agreement.

CITY OF CHARLOTTE

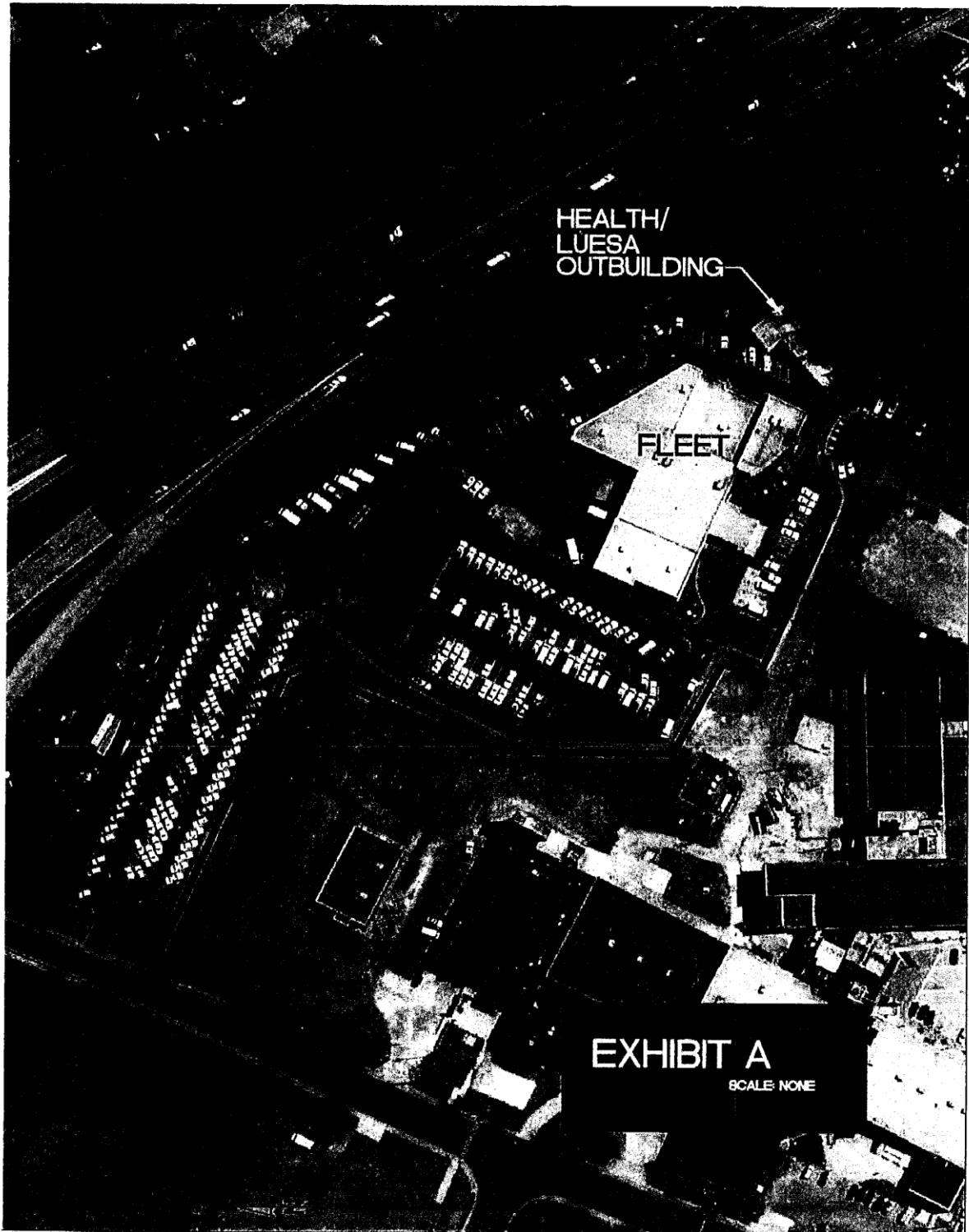
BY: _____
Marcus Jones

TITLE: **CITY MANAGER**

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

Deputy Finance officer

Date: _____



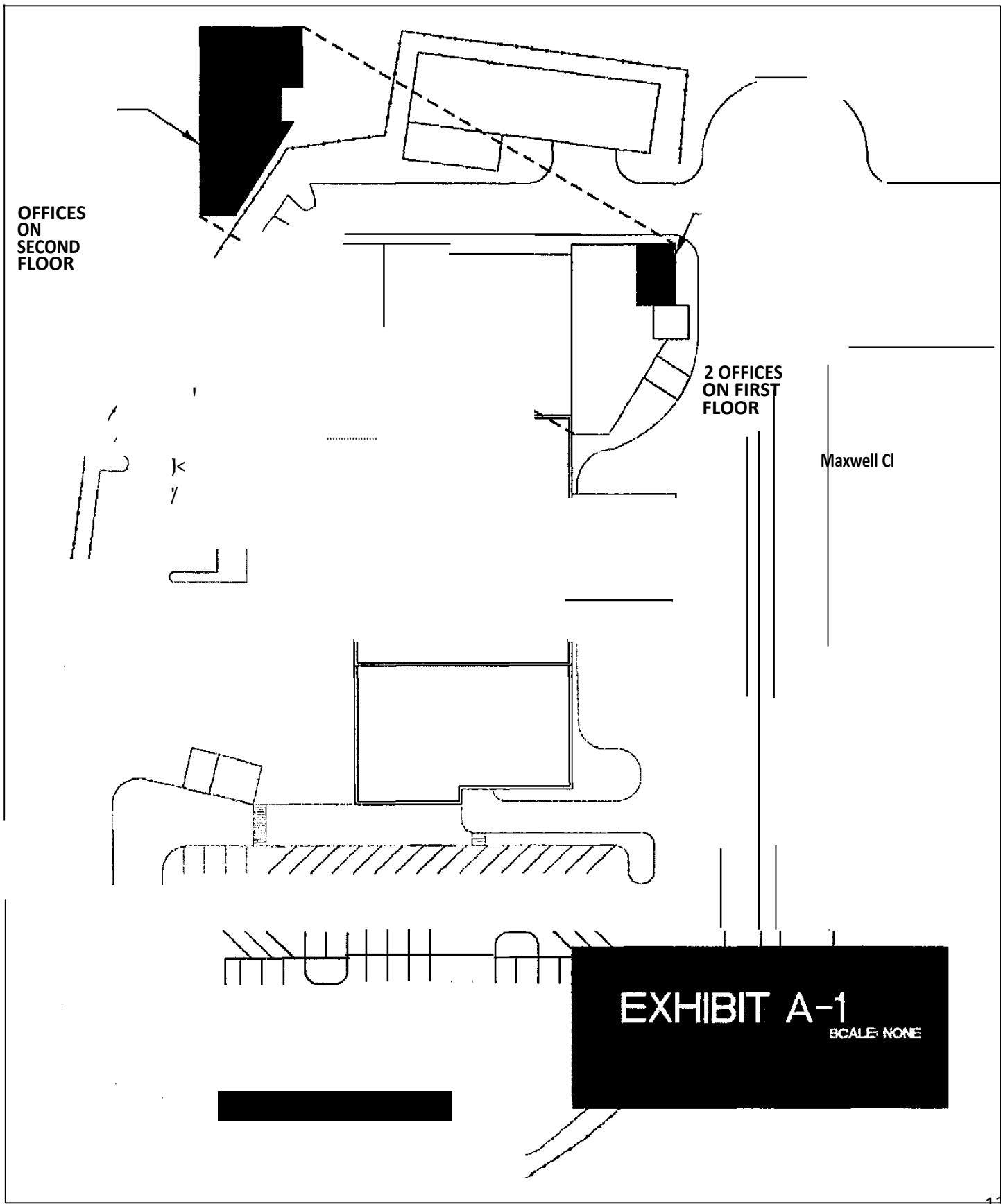


EXHIBIT: A-2

**MECKLENBURG COUNTY
BOARD OF COMMISSIONERS**

**RESOLUTION AUTHORIZING EXCHANGE OF LEASEHOLD INTERESTS
WITH FIBER MILLS, LLC**

WHEREAS, Mecklenburg County is the owner of Tax Parcel 07842512 at 900 W. 12th Street, a portion of which includes a paved parking lot (Location A); and

WHEREAS, Fiber Mills, LLC is the owner of Tax Parcel 07842501 at 1000 Seaboard Street, a portion of which is planned to include an outdoor amphitheater and a portion of which includes a paved parking lot (Location B); and

WHEREAS, the developers of the NC Music Factory on the site of 1000 Seaboard Street have requested use of a portion of adjacent County-owned land at the Mecklenburg County Fleet Facility (Location A) for the purpose of building an amphitheater for the NC Music Factory; and

WHEREAS, Fiber Mills, LLC is willing to provide a portion of Tax Parcel 07842501 (Location B) for the use of Mecklenburg County as a parking lot to replace the parking spaces displaced by the amphitheater; and

WHEREAS, Mecklenburg County and Fiber Mills, LLC have mutually agreed to exchange leasehold interests consistent with the following business terms:

Location A	900 W. 12th Street (Mecklenburg County)
Location B	1000 Seaboard Street (Fiber Mills, LLC)
Total Square Footage A	Approx. 15,578 SF (Mecklenburg County)
Total Square Footage B	Approx. 17,757 SF (Fiber Mills, LLC)
Date of Occupancy	Location A shall not be occupied for improvement by Fiber Mills, LLC until satisfactory improvements for the purpose of secured parking at Location B have been completed and occupied by Mecklenburg County. Improvements to Location B by Fiber Mills, LLC shall include any additional parking required by Mecklenburg County due to the temporary displacement of parking spaces needed for construction at Location A.
Lease Term	Ten (10) Years
Base Lease Rate	\$1
Cancellation	Mecklenburg County reserves the right to cancel the lease at any time during the term of the lease with one hundred eighty (180) days' notice to Fiber Mills, LLC. In the event of a cancellation, Fiber Mills, LLC shall return Location A to original or better condition.

**Leaseholder
Improvements**

Fiber Mills, LLC shall provide at least the same number of parking spaces at Location B, that will be displaced by the construction of an amphitheater at Location A, including provision of parking spaces that are temporarily displaced by the need for construction staging space beyond the boundaries of Location A. The parking spaces shall be secured by fencing and a gate equal to or better than that currently securing the County property.

Any and all improvements by Fiber Mills, LLC to the existing parking lot at Location A and any area beyond the boundaries of Location A that are disturbed by construction activity, shall be completed in a manner that is equal to or better than existing conditions, including but not limited to subsurface utility/infrastructure systems, paving, parking striping, surface water drainage, electrical power, lighting, and landscaping.

Any and all improvements by Fiber Mills, LLC to the existing parking lot at Location B to make it ready for occupancy by Mecklenburg County shall be completed in a manner that is equal to or better than existing condition at Location A.

Mecklenburg County has identified the presence and approximate location of below grade asbestos, which has been previously encapsulated with fill soil and asphalt paving. Mecklenburg County is currently in the process of formulating a plan to submit to the North Carolina Department of Environment and Natural Resources (NCDENR) for further encapsulation of some areas in Location A, as well as recording a map showing the location of the material. Fiber Mills LLC shall be responsible for coordinating with NCDENR for the proper handling and disposal of any hazardous materials associated with the improvements of Location A, shall be responsible for fulfilling the NCDENR requirements for Location A that were previously the responsibility of Mecklenburg County, and shall provide all related final documentation to Mecklenburg County.

Fiber Mills, LLC shall submit improvement design plans for both Location A and Location B to the Mecklenburg County Real Estate Services Department for review and approval, prior to proceeding with construction of improvements for the purpose of compliance with the lease agreement.

Fiber Mills, LLC shall comply with all laws of the State of North Carolina and the Federal Government in the construction of improvements of Location A and Location B.

Miscellaneous

Fiber Mills, LLC shall be responsible for all legal and administrative costs associated with preparation and execution of the lease agreements, plus a lump sum administrative fee of \$2,000 payable to Mecklenburg County for staff time.

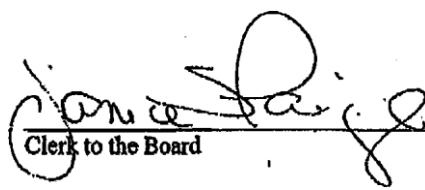
WHEREAS, pursuant to G.S. 160A-271 the Board of Commissioners has determined that it would be in the public interest for it to agree to the arrangement proposed by Fiber Mills, LLC; **now, therefore, be it**

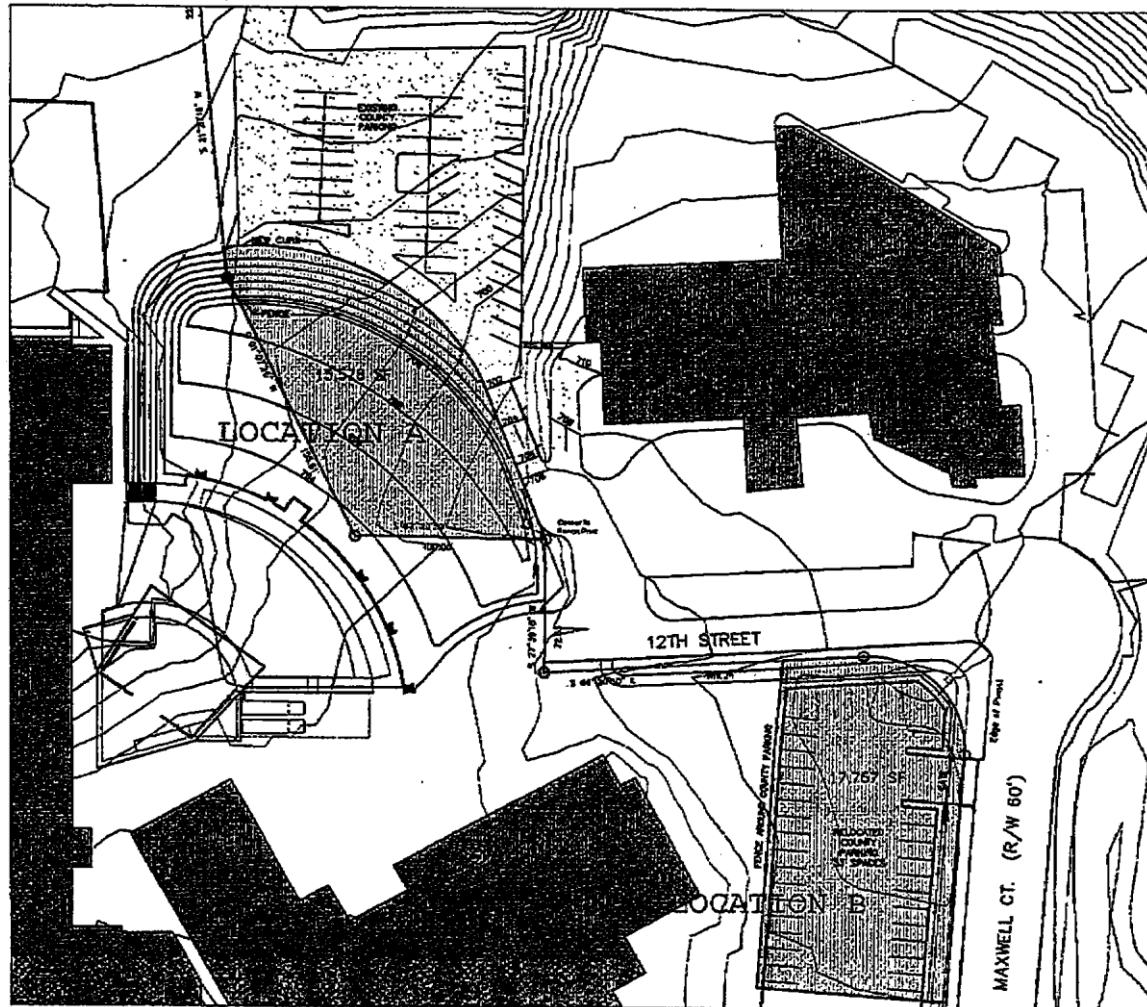
RESOLVED that the Mecklenburg County Board of Commissioners does hereby approve an exchange of leasehold interests with Fiber Mills, LLC, owner of Tax Parcel 07842501, as described above, and authorizes and directs the County Manager, or his designee, to negotiate and execute a formal exchange agreement with Fiber Mills, LLC consistent with the business terms outlined above.

Adopted the 19th day of February, 2008.

Approved as to Form:


County Attorney


Janice Davis
Clerk to the Board



ARK GROUP
MECKLENBURG COUNTY
PROPOSED REAR STAGE EXPANSION PRELIMINARY SITE
PLAN
NOVEMBER 5, 2007
SCALE: 1"=60'-0"
®MISTRI HARDAWAY ARCHITECTS

EXHIBIT A-2

NORTH CAROLINA

**FIRST AMENDMENT TO AGREEMENT
EXCHANGING LEASEHOLD INTERESTS**

MECKLENBURG COUNTY

**THIS FIRST AMENDMENT TO AGREEMENT EXCHANGING
LEASEHOLD INTERESTS** ("First Amendment") is made and entered into as of the 24th day of May, 2010, by and between **MECKLENBURG COUNTY**, a political subdivision of the State of North Carolina ("County"); and **FIBER MILLS, LLC**, a North Carolina limited liability company ("Fiber Mills").

WITNESSETH:

WHEREAS, the County and Fiber Mills entered into that certain "Agreement Exchanging Leasehold Interests" dated as of the 19th day of June, 2008 ("Agreement"); and

WHEREAS, as stated in the Agreement, Fiber Mills is the owner of that approximately 7.4 acre tract of land located in Charlotte, Mecklenburg County, North Carolina, being Tax Parcel 07842501 located at 1000 Seaboard Street, and being more particularly described on Exhibit A attached to the Agreement (the "Fiber Mills Property"); and

WHEREAS, as stated in the Agreement, the County is the owner of that approximately 5.04 acre tract of land lying adjacent and to the northeast of the Fiber Mills Property in Charlotte, Mecklenburg County, North Carolina, being Tax Parcel 07842512 located at 900 W. 12th Street, and being more particularly described on Exhibit B attached to the Agreement (the "County Prop1iy") (collectively, the Fiber Mills Property and County Property are referred to in the Agreement and herein as the "Tracts"); and

WHEREAS, Fiber Mills and the County each leased certain portions of their respective Tracts to the other party, under the terms and conditions set forth in the Agreement; and

WHEREAS, Exhibit C to the Agreement is a plat that labels as "Fiber Mills Lease Property" the area leased to the County and that labels as "County Lease Property" the area leased to Fiber Mills; and

WHEREAS, Fiber Mills acquired ownership of Tax Parcels 07842502 and 07842509 totaling 0.368 acres as shown on Exhibit D ("Substitute Fiber Mills Lease Property"), which parcels are adjacent to the County Property; and

WHEREAS Fiber Mills and the County each desire to substitute the "Substitute Fiber Mills Lease Property" as shown on Exhibit D for the +/- 17,683 SF property owned by Fiber Mills and labeled as "Fiber Mills Lease Property" on Exhibit C of the Agreement;

NOW THEREFORE, for and in consideration of the above premises and the mutual covenants hereafter set forth, it is hereby agreed as follows:

- 1. SUBSTITUTE FIBER MILLS LEASE PROPERTY.** The "Substitute Fiber Mills Lease Property" as shown on Exhibit D attached hereto is hereby incorporated into the Agreement and is to be substituted for the "Fiber Mills Lease Property" as labeled on Exhibit C of the Agreement effective upon the County determination that all of the Lot Improvements as provide in paragraph 2 hereto have been completed by Fiber Mills.

2. LOT IMPROVEMENTS. At its sole cost and expense, Fiber Mills shall complete all improvements to the Fiber Mills Substitute Lease Property outlined below:

- A. Fiber Mills shall provide a surface of compacted "crush & run" type gravel capable of supporting light vehicles without "pumping" of the surface. The gravel shall be compacted with a "roller" and sealed with an emulsifier capable of holding the surface of the lot together.
- B. Fiber Mills shall remove the lawn strip (including removal of Bradford Pear and Crepe Myrtle trees) on the County Property adjacent to the Fiber Mills lot, grade the strip, and install gravel up to the existing concrete curb.
- C. Fiber Mills shall stabilize all earth banks/slopes with appropriate vegetative cover to prevent erosion.
- D. Fiber Mills shall provide a minimum twenty (20) foot break in the existing curb on County Property to allow a new entry from the County parking lot into the Fiber Mills Substitute Lease Property. The break shall be poured back with concrete and include an elevated low curb to catch and channel water away from the entry and route surface water to existing drains. Fiber Mills shall remove the existing stump near the area of the proposed new entry, and fill with compacted soil and gravel.
- E. Fiber Mills shall install new pole lights to provide adequate night time lighting on the Fiber Mills Substitute Lease Property equal to or better than the illumination provided in the adjacent County parking lot.
- F. Fiber Mills shall secure the repair of all fencing surrounding the Fiber Mills Substitute Lease Property, and ensure that any repaired fencing matches the dimension and quality of the existing fencing surrounding County Property. Constantine wire (razor wire) shall be installed along the top of the fence at the Northwest end (along Hamilton Street) of the Fiber Mills Substitute Lease Property as a crime deterrent.
- G. Fiber Mills shall repair the ruts in the shoulder adjacent to the existing asphalt pavement at the top entry to the Fiber Mills Substitute Lease Property.
- H. Fiber Mills shall remove approximately twenty (20) linear feet of concrete curb at the top entry to the Fiber Mills Substitute Lease Propety, and cover the same with gravel.
- I. Fiber Mills shall submit an improvement design plan of the above mentioned work to the Mecklenburg County Real Estate Services Department (RES) for review and approval prior to the County taking possession of the Fiber Mills Substitute Lease Property. A representative from RES shall inspect the improvements to the Fiber Mills Substitute Lease Property for adherence to the approved design plan prior to the County taking possession of the Fiber Mills Substitute Lease Property and giving up possession of the Fiber Mills Lease Property.
- J. RES reserves the right to request reasonable changes to the improvement design plan submitted by Fiber Mills should RES identify scheduled improvements to the Fiber Mills Substitute Lease Property that will negatively impact the County's use of the gravel lot.

3. LAND REGULATIONS. New improvements by Fiber Mills shall meet the requirements of all applicable local, State, and federal codes, ordinances, and regulations. If any violations of codes, ordinances or regulations occur that require the vacating of the new gravel lot by County vehicles after taking occupancy, the vehicles shall be immediately returned to the previous location provided by Fiber Mills as shown in Exhibit C of the Agreement Exchanging Leasehold Interests.

4. MAINTENANCE. Fiber Mills shall be responsible for maintenance of the graveled surface of the Fiber Mills Substitute Lease Property, including but not limited to repairing holes, ridges, bumps, etc. to maintain a smooth gravel surface. Fiber Mills shall be responsible for maintenance of the new light poles, keeping the lights in working order with working lamps at all times. Fiber Mills shall be responsible for maintenance of the new perimeter fence.

5. **DELIVERY OF PARKING LOT.** All aforementioned improvements must be completed prior to the County taking occupancy of the Fiber Mills Substitute Lease Property. The date by which the County will move its vehicles to the Fiber Mills Substitute Lease Property will be coordinated with the RES.

6. **ADAMS OUTDOOR BILLBOARD.** Fiber Mills and the County acknowledge that an Adams Outdoor Billboard is located on parcel 07842509 of the Fiber Mills Substitute Lease Property. The location of the billboard is identified on the attached survey map and included in this document as Exhibit C.

7. **OTHER PROVISIONS OF AGREEMENT.** Except for provisions of the Agreement that specifically dealt with improvements to the Fiber Mills Lease Property in paragraph 1. (c) of the Agreement, and the substitution of the Fiber Mills

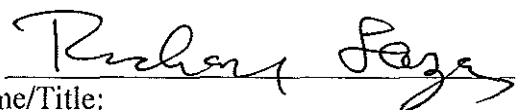
Substitute Lease Property for the Fiber Mills Lease Property, all other provisions of the Agreement shall remain the same.

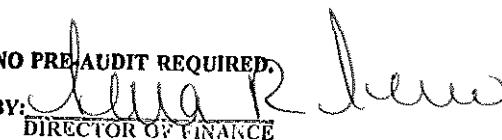
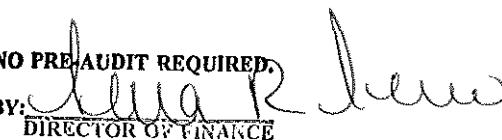
IN WITNESS WHEREOF, the County and Fiber Mills have caused this First Amendment to Agreement to be executed in duplicate originals as of the day and year first above written.

MECKLENBURG COUNTY


By: _____
Mecklenburg County Manager

FIBER MILLS, LLC

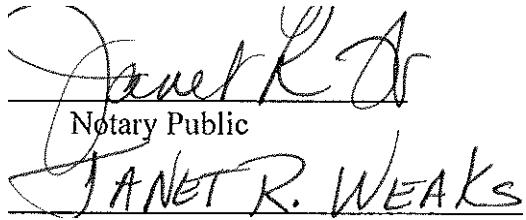
By: 
Name/Title:


NO PRE AUDIT REQUIRED.
BY: 
DIRECTOR OF FINANCE

STATE OF NORTH CAROLINA COUNTY OF
MECKLENBURG

I, a Notary public of the County and State aforesaid, certify that Hany L. Jones, Sr. personally came before me this day and acknowledged that he is the County Manager CKLENBURG COUNTY, a Political Subdivision of the State of North Carolina, and that by authority duly given and as the act of the County, the foregoing instrument was signed in its name by him as its County Manager.

JANET R WEAKS NOTARY PUBLIC Cabarrus County, North <u>Carolina</u>
--


Janet R. Weak
Notary Public
JANET R. WEAKS

Printed Name

My commission expires: 3-31-12

STATE OF NORTH CAROLINA COUNTY OF MECKLENBURG

I, a Notary public of the County and State aforesaid, certify that
, personally came before me this day and acknowledged that he is Manager of FIBER MILLS, LLC,
and that said writing was signed and sealed by him, acting as Manager, on behalf of said limited liability
company, by authority duly given.

WITNESS

My commission expires: 11/2/2013

**Billie Jo Kiser Notary Public Iredell County
North Carolina**

1919

11/12/2013

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EXHIBIT D OF EXHIBIT A-2

Map Depicting
Fiber Mills Substitute Lease
Property

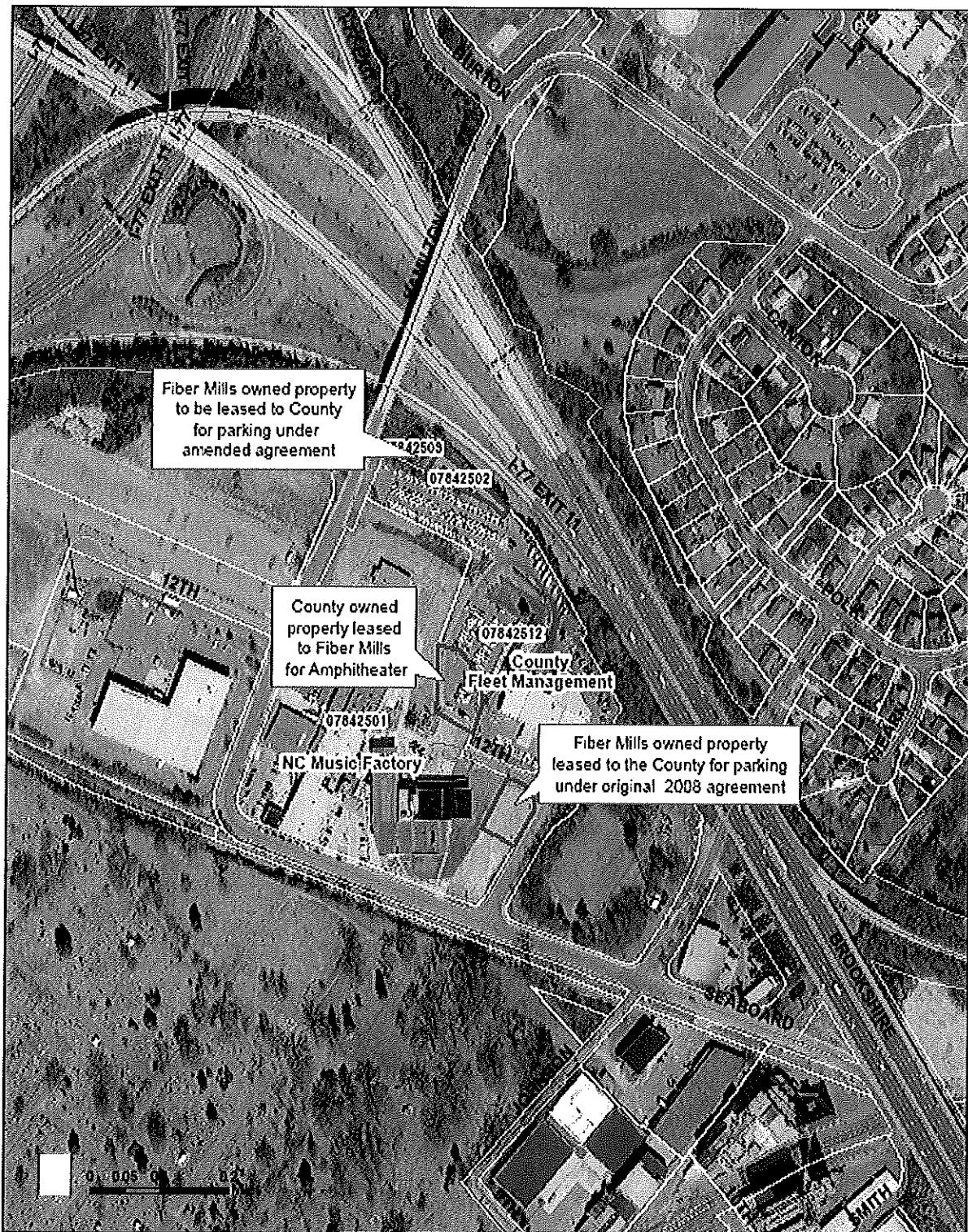


EXHIBIT C OF EXHIBIT A-2
Map showing location of Adams Outdoor Advertising
Billboard

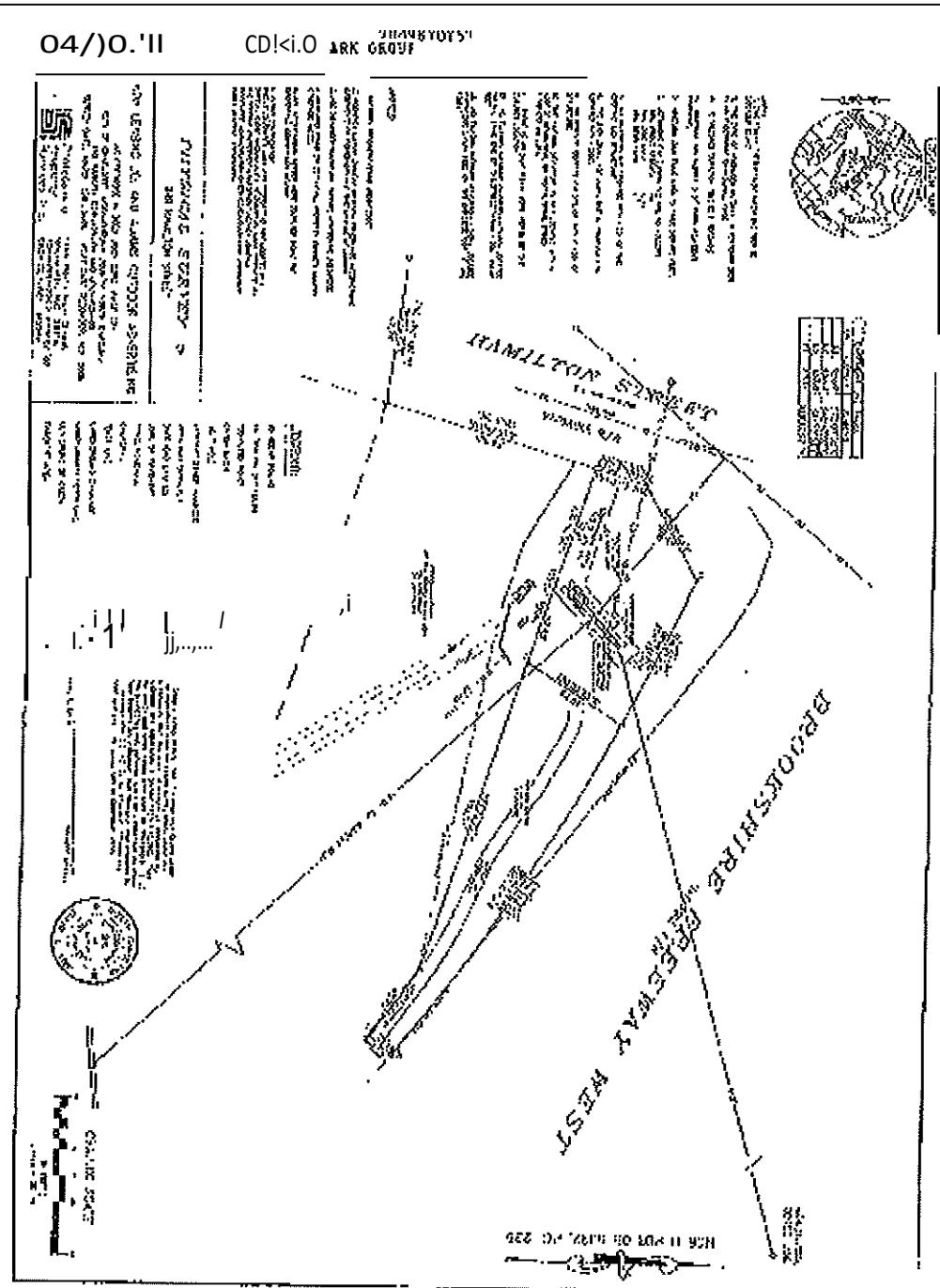


EXHIBIT B

**List of County Fleet Maintenance Equipment Transferred to the City
Known Assets as of April 04, 2008**

NAME/TYPE OF EQUIPMENT	NUMBER OF PIECES	OWNERSHIP TO REMAIN WITH COUNTY	PROPERTY TO BE TRANSFERRED TO CITY
1/4" Air Ratchets	2		
1/2" Air Wrenches	3		City
12' Step Ladder	1		
12-Ton Air/Manual Bottle Jack	1		
2" Combination Wrench	1		City
2-Ton Air Bottle Jack	2		City
3 1/2 Ton Floor Jack	2		City
3/8" Ratchets	6		City
3' Step Ladder	1		City
4.61 Cam Install Kit	1		City
4' Jack Stands	2		City
4' Step Ladder	1		City
4-step Ladder	1		City
5' Jack Stands	3		City
5-Ton Floor Jack	2		City
6' Step Ladder (Fiberglass)	1		City
6' Step Ladder (Wood)	1		City
A/C Flush Gun	1		City
A/C Pulley Tools	1		City
A/C System Vacuum Pump	1		City
Acetylene Torch	1		City
Air Chisel	1		City
Air Drills	5		City
Air Hoses	12		City
Air Tanks	2		City
Alignment Machine	1		City
Axle Sockets	17		City
Bar 90 Machine (Hamilton)	1		City
Battery Boosters	3		City
Battery Cart	1		City
Battery Charger	6		City
Benches	21		City
Bolt Cutter	2		City
Brake Cleaning Vat (w/ Cleaning Solvent)	1		City
Brake Cleaning Vat (w/ Water-based Solvent)	2		City
Bubble Gum Machine	1		City
Bushin!! Tool Set	1		City
Butterfly 3/8 Drive Ratchets	8		City

24Calculators	6		City
Caliper Tool	1		City
Candy Machine	1		City
Carburetor Cleaner Basket & Container	1		City
Carts	21		City
Chairs	51		City
Chest Drawer	1		City
Circular Saw	1		City
Clocks	11		City
Coat Rack	1		City
Computer Chairs	8		City
Computer Desks	11		City
Computer Printer- Aficio - IKON Device	1		City
Computer Printer - Color LaserJet 4730 mfp - IKON Device	1		City
Computer Printer - Deskjet 5650 - State Inspection Machine	1		City
Computer Printer - Deskjet 6540 - MY4A43POH3	1		City
Computer Printer - Deskjet 895cxl - S09311V2T7	1		City
Computer Printer - Deskjet 940c - MX18P6D1ZO	1		City
Computer Printer - Deskjet 940c - MY23T6827R	1		City
Computer Printer - Deskjet 940c - MY23T6828G	1		City
Computer Printer - Laserjet 5 - USHC039053	1		City
Computer Printer - PSC2355 Model-SDGOB-040_02 - MY55JFIPT	1		City
Computer - Dell PC/Monitor - Optiplex 745 / 1704FPT-6DI90FI/CNOY4299716185NCCBX7	1		City
Computer - Dell PC/Monitor - Optiplex 745 / 1704FPT-8DI90FI /CNOPM37272872782IT9S	1		City
Computer - Dell PC/Monitor - Optiplex 745 / 1704FPT-FD190FI/CNOPM372728727813M61	1		City
Computer - Dell PC/Monitor - Optiplcx 745 / 1704FPT-FXZ2SD1 / CNOY42997I6I855EBASI	1		City
Computer - Dell PC/Monitor - Optiplex GX620 / 1704FPT - 3K7GJ8I / CNOY42997I6I858CCC62	1		City
Computer - Dell PC/Monitor - Optiplex OX620 / 1704FPT- 8L76J81 / CNOY42997161858CCC5V	1		City
Computer - Dell PC/Monitor - Optiplex GX620 / 1704FPT - JH7GJ8I / CNOY42997I61858CCC6T	1		City
Conference Tables	2		City
Creepers	11		City
CV Boot Tool	1		City
Dash Gauge Tester	1		City
Dent Puller Kit	1		City

25Desks	1		City
Diesel Fuel Container	1		City
Digital Camera	1		City
Dodge Water Pump/Pan Tool	1		City
Drain Containers	14		City
Drain Puns	10		City
Drill Bits	1		City
Drill Press	1		City
Drills	4		City
Drum & Disc Lathe	1		City
Drum Calibration Tool	1		City
Dual Halogen Light Assembly & Stand	2		City
Dual Light Systems	2		City
Dyno	1		City
Engine Hoist	1		City
ESP Inspection Machine	1		City
Exhaust Pipe Cutter	2		City
Extension Cords	12		City
Extension Ladder	1		City
Fan Clutch Tool Kit	1		City
Floor Headlight Aimer (Symtech)	1		City
Floor Jack 4-Ton	1		City
Floor Press	1		City
Floor Stand w/Orinder	1		City
Focus Timing Belt Tools	1		City
Freon Leak Tester	1		City
Fuel Pressure Testers	2		City
Fuel Removal Pump	1		City
Funnel	1		City
FWD Hub and Bearing Tool Kit	1		City
GM Single Spring Tool (Rear)	1		City
Grease Guns	3		City
Grinder Wheel Dresser	1		City
Grinder Wheels	3		City
Hammer	1		City
Hand Truck	1		City
HD Grinder	1		City
HD Torque Wrench	1		City
Headlight Aimers & Accessories	1		City
Heavy Duty Impact Wrench	2		City
Heavy Duty Rear Wheel Dolly	1		City
Heavy Duty Sockets	1		City
Heavy Duty Truck Lifts	3		City
Heavy Duty Wheel Dolly	1		City

High Sped Die Grinder	7		City
Hydraulic Rivet Gun Kit	1		City
Ice Machine	1		City
Individual Shop Fans	25		City
Jack Stands	29		City
Joint Separator	1		City
Key Code Books	11		City
Key Cutter (Electric in need of repairs)	1		City
Key Cutter (Electric)	1		City
Key Cutter (Hand-held)	2		City
Large Quantity Drain Container (Oil)	1		City
Large Rivet Gun	1		City
Lightweight Floor Jack	1		City
Lock Out Tool Kit	1		City
Mac Blaster (Decal Remover)	1 + 6 Erasers		City
MacPherson Strut Compressor	1		City
Master Tech Scanner w/Cart	1		City
Mechanic Creepers	1		City
Micrometer (metric)	1		City
Micrometer (standard)	1		City
Miller Welder	1		City
Mini Torque Wrench	1		City
Miter Saw	1		City
Motor Stand	2		City
Multi-Meters	2		City
Multiple Service Repair Manuals	1		City
Non-direction Rotor Tool	1		City
OBDH Vehicle Inspection System	1		City
OTC Scanners w/Carts	2		City
Paris and Labor Guides	7		City
Parts Cleaning Vats	2		City
Plastic Repair Kit	1		City
Polaroid Camera	1		City
Polisher Equipment	1		City
Porta Power (Pender Molding Machine)	1		City
Portable Compressor w/Cart	1		City
Product Reels (Trans, Oil, Antifreeze, Gear Lube, Air)	1		City
R-12 Refrigerant Machine	1		City
R134A A/C Gauges	1		City
R-134A Refrigerant Machine	2		City
Radiator Adaptors for Pressure Tester	3		City
Rear Axle Bearing Removal Tools (Automotive)	1		City

Reels (Hydraulic & Air)	85		City
Robinair Coolant Plush Machine	1		City
Safety Goggle	1		City
Safety Kleen	1		City
Screw Extractor Kit	1		City
Shop Air Compressors	3		City
Shop Drop Lights	26		City
Shop Vacuum	1		City
Sledge Hammer	1		City
Snack Machine	1		City
Soda Machines	2		City
Soldering Iron	1		City
Standard Torque Wrench	1		City
Step Stools (3 Step Roll-Around)	2		City
Swivel Head Rivet Gun	1		City
Tail shaft Bushing Tool (Removing & Installing)	1		City
Tap & Die Set (Metric and Standard)	1		City
Tire Balancer	1		City
Tire Changer	1		City
Tire Pressure Monitor	1		City
Tire Rod End Removal Tools	1		City
Ton Air Floor Jack	20		City
Top Side Creeper	1		City
Trailer Tester	1		City
Trans Seal Tool	1		City
Transmission Hoist	1		City
Transtech III Trans Service System	1		City
Trash Cans	19		City
Unleaded Fuel Container	1		City
Used Antifreeze Storage Tank	1		City
Used Oil Filter Storage Tank	1		City
Vacuum Capsule Delivery System	1		City
Vacuum Pump Tesler	1		City
Various Other Engine Tools	1		City
Various Pullers	1		City
Various Rear Axle Seal Drivers	1		City
Various Wrenches and Sockets	1		City
VAT40	1		City
VAT60	1		City
Vises	18		City
Water Hoses	12		City
Welding Goggle	1		City
Wheel Stud Repair Kit	1		City

EXHIBIT BA

List of County Fleet Maintenance Equipment to be Maintained by the County Known Assets as of April 4, 2008

NAME/TYPE OF EQUIPMENT	NUMBER OF PIECES	OWNERSHIP TO REMAIN WITH COUNTY	PROPERTY TO BE TRANSFERRED TO CITY
Book Shelf	21	County	
Bulletin Boards	10	County	
Building Generator	1	County	
Chairs	9	County	
Conference Tables	2	County	
Conference Chairs	24	County	
Copy/Fax Machine (MFM)	1	County	
Couch	1	County	
Dell PC's	3	County	
Desks	4	County	
Display Case	1	County	
Drop Lights	1	County	
End Tables	3	County	
Exhaust Extraction System	1	County	
Extension Cords	2	County	
File Cabinets	3	County	
Gas Heaters	7	County	
Heat Pump "Bathrooms"	1	County	
Heat Pump "Front Office"	1	County	
Heat Pump "Parts & Break Room"	1	County	
Laminating Machine	1	County	
Lamps	3	County	
Lawn Equipment - Lawn Mower	1	County	
Lawn Equipment - Seed Spreaders	2	County	
Lawn Equipment - Tiller* Belongs to PRK	1	County	
Lawn Equipment - Weed Eater	3	County	
Lawn Equipment - Wheel Barrow	2	County	
Light Truck & Auto Lifts	1	County	
Mail Storage Cabinet	1	County	
Paper Cutter	1	County	
Paper Shredder	3	County	
Portable P.A. System	1	County	
Printers (Desktop)	2	County	
Oven Gas Range	1	County	
Refrigerators	2	County	
Shop Lifts	24	County	
Tables	11	County	
Tables - 1.5' x 3'	1	County	
Tables - 5' x 3'	3	County	
Tables - 6' x 2'	1	County	
Tables - 6' x 3'	3	County	
Televisions	3	County	
Toasters	2	County	
Trash Cans	8	County	
Water Dispenser	1	County	
Water Fountain	3	County	
Water Hoses	2	County	
Wheel Car	1	County	
White Board	2	County	

EXHIBIT C

FLEET SERVICE LEVEL AGREEMENT BETWEEN CITY OF CHARLOTTE AND MECKLENBURG COUNTY

1. SCOPE OF SERVICES.

1.1. Overview of Fleet Operations in the County

- 1.1.1. The County issued a Request for Proposal (RFP #00000019) for Fleet Maintenance and Related Services dated December 30, 2015. This Request for Proposal together with all attachments and addenda, is referred herein as the "RFP." The County and the City have negotiated and now desire to enter into a Restated Amended Interlocal Agreement for the City to provide certain Fleet Maintenance and Related Services for the County, in accordance with the terms and conditions set forth herein.
- 1.1.2. The County operates a fleet of approximately one-thousand-three-hundred-eighty (1,380) units, with the bulk of the fleet cars and light-trucks. In addition, the fleet includes some construction equipment, large trucks, and landscape equipment. Exhibit G provides a list of the fleet inventory at the RFP issue date and the VEU (Vehicle Equivalent Units) values which the City assigned for each vehicle.
- 1.1.3. Note that only approximately one-thousand-seventy-three (1,073) on-road vehicles (cars, pickups, SUVs, law enforcement vehicles, vans, and trucks) will be covered under the Target services portion of the Agreement. Services provided to construction and miscellaneous equipment will be provided on a Non-Target time and materials basis. However, County Departments will not be required to have this construction and miscellaneous equipment serviced by the City and may instead select commercial providers for servicing this equipment.
- 1.1.4. The County provides general oversight for the fleet including decisions relating to policy, safety, replacement, usage, disposal, etc.

1.2. Summary of City Responsibilities

- 1.2.1. The City will be responsible for providing all the services described in the subsequent sections of this Agreement, and in accordance with the standards of performance outlined therein. In summary, the City will be responsible to:

1.2.2. Provide all fleet maintenance and repair services to the County's fleet. It is expected that the City will use the County-owned facility, as well as additional City facilities and local vendors at the City's discretion, and its own personnel, as well as City approved subcontractors as needed, to provide these services in a manner that (1) reduces overall fleet costs, (2) lowers overall fleet downtime, and (3) does not adversely affect the County's ability to provide a high level and quality of services to residents.

1.2.3. Provide technical assistance and guidance to support the County's fleet management decisions regarding fleet size and composition, fleet policy formulation and capital investments in the fleet and fleet facilities; and

1.2.4. Provide these services during all County-declared emergencies, such as inclement weather emergencies.

2. TERMS OF THE AGREEMENT.

2.1. Definitions

2.1.1. Target and Non-Target Services

The City will provide each of the services outlined under the terms of this Agreement, and such other allied services may be required to assure the continuity of effective and economical operation of the County's fleet, regardless of their definition as "Target" or "Non-Target" services. The City will provide all supervision, labor, tools, parts, materials, supplies, office equipment, and subcontractor services required, unless specifically exempted under the terms of this Agreement, necessary to provide fleet services in accordance with generally accepted fleet practice, and in accordance with the performance standards specified in this Agreement.

2.1.2. Each service in this Agreement is either a Target or a Non-Target service. These designations have important procedural implications, as described throughout the remainder of this Agreement.

2.2. Target Services

These services are defined as routine and predictable maintenance services (conventional). These services shall consist of predictable, scheduled or un-scheduled repair or maintenance that fits the menu of services. These services include items listed in the maintenance section of the equipment's owner's manual (for example: oil changes, brakes, and tires). Services will be performed in accordance with manufacturer's recommendations for fleet and severe-duty usage.

The County will be invoiced monthly based on work performed and completed for the prior month. The County will retain any savings. In the event that the City exceeds the County Target budget, the City will provide detailed documentation of repairs that caused the overage.

2.3. Non-Target Services

The City will provide all services designated as Non-Target services on a time and materials basis at the rates specified below. These services are defined as customer directed work (non-conventional). These services typically include items not listed in the maintenance section of the equipment's owner's manual such as equipment modifications, damage repairs, and other non-routine or non-PM related work. The rates specified below are applicable for the initial year of the Agreement. The City may request an adjustment to these rates for approval by the County during each annual meeting specified in Section 15.6.1 of this Agreement.

FY18 Labor Rates:

\$ 75.00/Hour - Work completed during normal business hours

\$112.50/Hour - Work completed after normal business hours

\$112.50/Hour - Overtime work completed on an overtime basis

\$ 75.00/Hour - Special projects completed during normal business hours; Special projects may be defined as anything other than normal routine maintenance.

The County and the City will cooperate in establishing and managing an annual budget for Non-Target services.

2.4. City Workmanship Warranty

2.4.1. The City will warrant their work for (90) days or two-thousand (2,000) miles, whichever comes first, for defective workmanship.

2.4.2. If defective workmanship is determined, the City will make the necessary repairs to correct the original problem at no additional charge to the County.

or documentation purposes, labor hours and parts needed to correct the original problem will be charged on a new work order and then credited back, resulting in no additional cost to the County.

2.4.3. 1

2.5. Vehicle Equivalent Units

Each class of vehicle and equipment in the fleet is assigned an appropriate number of Vehicle Equivalent Units (VEU) by the City to define the relative level of maintenance and repair effort the City expects to expend on vehicles and equipment of that class. Exhibit G provides a list of County fleets assets at the RFP issue date with the VEU values which the City assigned for each vehicle. The County recognizes VEU, rather than actual count of units, for several purposes such as pricing changes to fleet size and fleet age as described in later sections of this Agreement. For any classification not identified by VEU, the County will negotiate pricing changes with the City based on historical repair records.

3. TOTAL CONTRACT COST.

Described below are the major cost components.

3.1. Target Cost

Target costs are those costs incurred by the City to provide Target services, as defined throughout this Agreement. The City will develop an annual cost proposal for the provision of all Target services that is inclusive of all Target costs and City fees.

3.2. Non-Target Costs

Non-Target costs are those costs incurred by the City to provide Non-Target services as defined throughout this Agreement.

3.3. Labor Rate and Parts, Materials, and Sublet Services Markups

3.3.1. The City's annual budget is zero-based. All costs incurred in managing and maintaining the County's equipment are recovered through a fee structure. The fees are reviewed annually and adjusted as needed with the goal to "zero out" at the end of the fiscal year. A short description of each of the rates currently in place used to cost City services are as follows:

1. **Administrative Fee:** The administrative fee is calculated to recover the cost of providing administrative and analysis services. The fee is twenty-nine dollars (\$29.00) per piece of equipment, per month.
2. **Shop Labor Rate:** The shop labor rate is calculated to recover the cost of providing shop facilities and labor hours to maintain and repair equipment. The labor rate is seventy-five dollars (\$75.00) per hour.
3. **Parts Markup Rate:** The parts markup rate is calculated to recover the cost of the parts operation. The parts markup rate is seventeen-point sixty percent (17.60%).
4. **Sublet Markup Rate:** The sublet markup rate is calculated to recover the oversight, review, and coordination service costs of contracting services out to private sector vendors. The sublet rate is eighteen-point forty percent (18.40%).

3.3.2. Estimated Allocation of Cost Drivers to Rates, Fees, and Markups:

**The below chart is based on FY18 fee structure and is subject to change based on the City's Fleet Management business. Any changes will be presented to the County.

Cost Driver	Parts Mark-Up	Sublet Mark-Up	Hourly Labor Rate	Administrative Fee
Administrative & Analysis Staff	0%	0%	0%	100%
Operations Manager	25%	25%	100%	0%
Shop Managers	25%	25%	50%	0%
Shop Supervisors	0%	25%	75%	0%
Shift Team Leaders	12.5%	12.5%	75%	0%
Fleet Analyst	50%	0%	50%	0%
Service Technicians	0%	0%	100%	0%
Parts Staff	100%	0%	0%	0%

Warranty / Recall	25%	0%	75%	0%
Asset Manager	25%	0%	75%	0%
Operating Expenses	Actual	Actual	Prorated	Actual

3.3.3. Asset maintenance services provided by City staff will be billed on a time and material basis using the applicable employee labor rate and applicable parts mark-up rate.

Services provided by outside contractors (sublets) will be billed at actual costs plus the applicable sublet mark-up. Single sublet mark-up event is capped at five-hundred dollars (\$500) per invoice

Parts that are needed for repair of the asset will be billed at actual cost plus the applicable sublet markup. Single part, and/or assembly costs, is capped at five-hundred dollars (\$500).

3.3.4. Costs of asset management and business services will be billed monthly on a per equipment unit basis at the current administrative fee rate.

Special projects requiring the services of external resources will be billed based on actual costs incurred.

4. CONTRACT COST ADJUSTMENTS.

The City will provide an annual Target services projected amount based on historical actual (parts cost, labor hours, and sublet cost) spend from prior year(s). The County will be invoiced monthly based on work performed and completed for the prior month. The County will retain any savings. In the event that the City Fleet Management Office exceeds the County Target budget, the City will provide detailed documentation of repairs that caused the overage.

TARGET SERVICES

5. VEHICLE MAINTENANCE AND REPAIR.

5.1. Staffing Requirements

5.1.1. The City will be on-site providing vehicle maintenance and repair service at a minimum, Monday through Friday, between the normal business hours of 7:00am and 5:00pm at the County facility. The County may use the other City facilities as well for maintenance and repair services in accordance with the terms and conditions set forth in this Agreement, including "Quick Fix"/"Drive-Thru" services, based on the scheduling listed below:

Facility	Hours of Operation
Atando Avenue	6:00am – 10:30pm
Sweden Road	6:00am – 10:30pm
Tuckaseegee Road	6:00am - 4:00pm
Louise Avenue	6:00am – 10:30pm

5.1.2. The City may not modify the hours at the County facility without the written approval of the County Contract Administrator. The City must provide additional staffing as required to meet the performance standards of this Agreement, to meet service needs during natural or manmade emergencies (Non-Target services if response is after normal business hours), and to meet the special service needs of County Departments (Non-Target services).

5.1.3. The City and County observes eleven (11) Holidays as listed below. Therefore the County facility will be closed one the following days:

- New Year's Day
- Martin Luther King Jr. Birthday
- Good Friday
- Memorial Day
- Independence Day
- Labor Day
- Veterans Day
- Thanksgiving Day
- Thanksgiving Friday
- Christmas Day
- Christmas Eve or Day after

5.1.4. The City will provide the resources to assist customers promptly when the County brings vehicles to the facility for service. The City will greet customers at a designated area within the facility. City personnel will assist the customer in describing the service issues that the customer is experiencing, will immediately open a work order in the fleet management information system (which must time stamp the transaction) including all pertinent information as directed by the County Contract Administrator, and will provide the customer with a completion date/time estimate.

5.1.5. At each facility, a position of Service Order Specialist or (Service Advisor) is available as first contact upon customer entering designated facility. Customer completes required information related to the unit and updates Service Order Specialist as to any problems. Once information is obtained from customer, the Service Order Specialist opens a fleet management information system work order, updating all notes from the customer. Service Order Specialist updates work order to "awaiting technician" and notifies shop Supervisor/Shift Leader that there is a customer waiting. The unit will then be assigned to an available technician for repairs to begin if possible based on workload. City staff will then communicate to the waiting customer how long the repairs will take to complete.

5.1.6. The County supports Automotive Service Excellence (ASE) certifications of the City mechanics. The City will maintain its commitment to the ASE program, and its investments in new certifications and the renewal of certifications, for the staff assigned to this Agreement.

5.2. Preventive Maintenance (PM)

5.2.1. The City will perform timely service on all fleet vehicles in accordance with each unit's original equipment manufacturer (OEM) recommended preventive maintenance (PM) services, including fuel filter replacement, spark plug replacement, tire rotation, and all fluid levels being adjusted to the "Full" indicators; and where such services are not defined, in accordance with the table below.

Service schedules are provided in the table below:

PM Designation	PM Focus	Cycle
PMB	Bumper-to-Bumper (Oil and Filter)	6,000 miles or 12 months
PMN	NC Emissions, OBD II, and Safety	12 months
PMT	Transmission Service, Fluid, Filter,	60,000 miles or 60 months

5.2.2. The City will replace all brake shoes and brake pads during PMs when, upon inspection, they are found to be worn fifty percent (50%) or more from their new condition. Brake rotors and drums will be replaced when OEM specified tolerances have been exceeded.

5.2.3. All customers that schedule an appointment for PM services will be given a completion time estimate for PM and statutory inspections. Customers must be notified within forty-five (45) minutes if there is a change of the completion time estimate. Work will begin on PM and statutory inspections within thirty (30) minutes for those vehicles less than eight-thousand-six-hundred (8600) Gross Vehicle Weight Rating when a customer has made a time certain appointment and elects to wait at the facility for services to be completed.

If a customer elects to drop off their vehicle at the facility for a PM and statutory inspection, the PM and inspection will be completed in a twenty-four (24) hour period unless non-PM related repairs are needed. The City will notify customers by phone and/or e-mail if they must extend the initial completion time estimates due to the inspection uncovering additional repair work. The City must document all appointment, start, and completion times for services in the fleet management information system.

5.2.4. The City will maintain a PM schedule for every vehicle in the fleet, and will provide the County a PM forecast report each month through e-mail. The City will provide a weekly schedule to the County based on the PM forecast which will permit both the City and the County to manage their weekly workload to accommodate forecasted PMs. The City will provide customers with a monthly calendar that provides specific day and time appointment schedules for each vehicle in the fleet. The City will cooperate with customers to set appointments that minimize disruptions to County work activities. Appointments will be set with a minimum of one (1) week notice. The City will also be responsible for monitoring reports from the fleet management information system to insure vehicles that become due for service and may not appear on the monthly calendar are serviced on-time. The City will schedule these units for service with customers at a mutually agreeable time that occurs before the unit is overdue for service. Any statutory inspections (any inspection mandated by the United States government or State of North Carolina) will be scheduled in a similar manner as described above.

5.2.5. The City will schedule two (2) PMB appointments each business day for the County Sheriff's Office at 7:30am and 9:30am at the County facility, congruent to the procedures set forth in Section 6.2.3, and these two (2) PMB appointments will be held for the Sheriff's Office throughout the calendar year. The Sheriff's Office vehicles receiving PMB service at these designated times will be available to the Sheriff's Office before the close of the vehicle's assigned shift, unless other more time-consuming repairs are discovered upon inspection. State inspections will be done in conjunction with a Sheriff's Office PMB appointment, once during the calendar year.

5.2.6. The County expects that the City will assume an active role to ensure a high level of PM program compliance. The County will work with the City to provide enforcement of the preventive maintenance program. The City will actively forecast services monthly and work with the operators to schedule the PMs accordingly. The City will participate and lead individual Department meetings to help operators understand the importance of scheduled services. The City will report on a quarterly basis to the County Contract Administrator a matrix of compliance by Departments to help identify areas of improvement. The City will also report to the County vehicles that do not show up for scheduled appointments. If this becomes an ongoing issue the City reserves the right to bill one hour of labor per vehicle to the County if no other work is available at that time.

5.3. Vehicle Safety, Emissions, and Other Inspections

The City will be responsible for completing all federal and state required vehicle inspections and certifications. These include the annual State Safety and Emissions Inspection, and crane and aerial device inspections. The City will coordinate the scheduling of inspections and certifications with each Department Liaison not less than one (1) month prior to the expiration of the current inspection or

certification. The City will affix the appropriate inspection stickers to the vehicles and maintain the proper vehicle inspection/certification records in the fleet management information system. The City can sublet aerial and crane inspection PM services to a qualified vendor that is certified in completing these inspections. All other inspections and certifications will be handled in-house.

5.4. **Repairs to Vehicles and Equipment**

- 5.4.1. The City will provide for all routine mechanical repairs to the fleet. By definition, all repairs are routine except for those specifically described in Section 11, Non-Target Services, of this Scope of Services.
- 5.4.2. Priorities can change daily depending on emergencies, work priorities, and the availability of backup units. The City will be responsible for following repair priorities as set by the County Contract Administrator to meet the County's expectations for vehicle availability.
- 5.4.3. The City will provide all customers a completion time estimate for repair services and the estimate must be entered into the fleet management information system. The City will notify the County Contract Administrator of any repair completion estimates that exceed twenty-four (24) hours. Work will begin on repair services within thirty (30) minutes when a customer has made a time certain appointment and elects to wait at the shop for services to be completed. Customers must be notified within forty-five (45) minutes if there is a change of the completion time estimate. If a customer elects to drop off their vehicle at the facility for repair services, the City will communicate when the work will be completed. The City must report to the County Contract Administrator all repair services not begun within twenty-four (24) hours of vehicle delivery to the facility. The County reserves the right to direct the City to send vehicles to an outside commercial vendor when repair-waiting time has exceeded twenty-four (24) hours, which will be billed back to the County on a City work order. The City will notify customers by phone and/or e-mail if initial completion time estimates require more time, if additional repair work becomes apparent during the inspection. The City must document all appointment, start, and completion times for services in the fleet management information system.
- 5.4.4. The City will provide completed work orders to all customers who request them. Completed work orders should be available at the time that the customer picks their vehicle up from the facility and must include complete details regarding the services performed, including any notes.
- 5.4.5. The City must analyze in advance the cost effectiveness of any Target repair exceeding one-thousand dollars (\$1,000) for light duty (less than eight-thousand-five-hundred (8,500) lbs. GVWR) vehicles. The City must analyze in advance, the cost effectiveness of any Target repair exceeding three-thousand dollars (\$3,000) for heavy-duty vehicles (greater than eight-thousand-five-hundred (8,500) lbs. GVWR) and other motorized equipment, or any repair where the cost estimate is more than the fair market value of the unit. These repairs require approval in advance by the County. The Sheriff's Office Department Liaison must approve repairs exceeding seven-hundred-fifty dollars (\$750) for Sheriff's Office vehicles. In such cases, if the City believes that replacement appears to be more cost-effective than repair then such recommendation shall be presented to the County. The County, however, will make the final repair versus replace decision. The County will place in a suspended status any unit awaiting repair authorization relative to the performance standards and requirements of the Agreement. The City will not place any work order in a "Waiting on Customer" or suspended status, unless the City has documented that the customer has been contacted about approval.

5.5. **"Quick Fix" Repairs**

The City will provide a "Quick Fix"/"Drive-Thru" service for repairs that take less than one (1) hour when

the vehicle operator delivers the vehicle to the facility and chooses to wait for service. These services include, but are not limited to, North Carolina State Inspection for light-duty vehicles, replacing wiper blades, fuses, and light bulbs; topping-off fluids; testing, charging or replacing batteries; alternator testing and replacement; accessory drive belts and cooling system hoses replacement; horn testing and replacement; interior/electrical testing; drivability testing; and tire work for light-duty vehicles including fixing flat tires. This service will be continuously available during normal hours of operation. Customers may call ahead and schedule a time for "Quick Fix"/"Drive-Thru" service when possible. The City will communicate and educate customers on what is considered a "Quick Fix"/"Drive-Thru" service.

5.6. Tire Services

- 5.6.1. The City will provide comprehensive tire services including tire replacement, repair, balancing, field tire services, installation of tire chains, and maintenance of an inventory of mounted spares. The City will replace tires when tires have reached 4/32" tread depths (as indicated by tread-wear indicators) or have failed, or are otherwise unacceptable due to weathering, irregular wear patterns, ply separations, bead separations or other unacceptable conditions that affect the safety and performance of vehicles and equipment. Tires will be replaced if tread depth recordings reveal that the tire will reach 4/32" tread depth prior to the next PMB, or six-thousand (6,000) miles cycle, required for the vehicles.
- 5.6.2. The City can plug pursuit rated tires following Goodyear's Product Service Bulletin (PSB), if applicable to tire type. Any pursuit tires that experience multiple punctures will be replaced per the service bulletin (PSB), if applicable tire type. The City must remove and replace pursuit tires at 6/32" remaining tread depth. Pursuit tires will be replaced if tread depth recordings reveal that the pursuit tire will reach 6/32" tread depth prior to the next PMB, or six-thousand (6,000) miles cycle, required for the vehicles.
- 5.6.3. Any tire patching must conform to tire manufacturer protocols and recommended best practices, including following Goodyear's Product Service Bulletin (PSB), if applicable to tire type.
- 5.6.4. New tire inventories will be managed by the City at each shop based on the type and number of vehicles serviced there. Tires are mounted and balanced in shop for light duty applications. For heavy duty and commercial applications, the City may utilize a pre-mounted program with its tire vendors. Tires must be inspected each time a vehicle comes into the shop. Tires will also be matched across a vehicle to ensure even wear and serviceability. On light duty vehicles, each tire will be matched to within 8/32" of each other. On heavy duty applications, tires will be matched to within 6/32" on the same axle, and 4/32" in a dual set up.
- 5.6.5. The County Contract Administrator shall be included in all decisions regarding the makes and types of tires that the City will purchase and provide to the County. The County Contract Administrator will also have the final decision regarding when City personnel or subcontractor must replace tires. Tire services will be available including field service during normal business hours and considered as a Target cost. Tire services provided after normal business hours on an emergency call out basis are a Non-Target service.

5.7. Warranty and Recall Work

The City has a full-time position (Warranty Administrator) that administers and reviews all warranty information and recalls for equipment.

5.7.1. Original Equipment Warranties (New Units)

The City will determine if the repairs needed are under warranty and if so, coordinate the work with the warranty provider.

5.7.2. Warranty of Replacement Parts

The City will warrant replacement parts in accordance with the warranty provided by the parts manufacturer or distributor. The County will receive a credit for the core and any warranty parts after the City has received it from the manufacturer.

5.7.3. Vendor Supplied Parts and Workmanship Warranty

The City will pursue credits for parts and repairs performed by outside vendors during the warranty period or due to poor workmanship, excluding those services and products the County contracts for directly. The City will apply any credits when received to the existing equipment work order or create a new work order referencing original work order and provide a complete identification of parts or service credits received.

5.7.4. Warranty Billing/Credits

The City will consult with the County on minor warranty items that will require significant downtime if returned to the warranty provider and provide the County the option of having the work done by the City. If this option is chosen, the City will charge the County for the work and then pursue reimbursement of costs from the warranty provider, and credit the County when the reimbursement is received. All payments or deductibles for such work are paid for by the City and invoiced accordingly depending on the invoice cycle. Once any payments or adjustments are received by the City, the related equipment work order will be credited and the next invoice will reflect that credit. The City is currently an in-house warranty provider for the GM product line at the Atando Avenue facility.

5.8. Outside Repairs

The City is an in-house maintenance and repair service provider. The City does, however, rely on local vendors to perform outside repairs when needed. Examples of these repairs consist of accident and body repairs and selected warranty services. The City is responsible for the transport to and from the selected vendor. The City will be responsible for arranging, managing, and paying for all outside repairs, and will assume full responsibility and liability for the quality of these repairs. The City will then bill the County through a FASTER work order which includes sublet markup. The requirements of this Section do not relieve the City from the responsibility for meeting the requirements of the Section 12, Performance Standards, of this Scope of Services.

5.9. Road Calls

The City will provide road service for all County vehicles. Response time is the time the call is received to arrival on the scene. During the City's normal business hours, and within the County limits, response time will not exceed sixty (60) minutes. Within a fifty (50) mile radius of the County, response time will not exceed ninety (90) minutes. During non-business hours, response times will not exceed sixty (60) and ninety (90) minutes, respectively. The County will not be providing any service vehicles as part of this Agreement. The decision to dispatch a technician, a vendor, or a tow truck will be based on the severity of the problem, the equipment's location and the effort required at the scene to get the equipment back into service. The City will provide administrative and technical assistance in the event of out-of-area travel, by calling the City's Manager On-Call which is posted each Friday.

5.9.1. The City will provide road service substantially similar to the type of service provided under the "Quick Fix" requirements of Section 6.5 of this Agreement. These services include tire repair, dead battery boost or replacement, and broken light replacement, plus certain non-repair types of service such as fuel delivery for empty fuel tanks or retrieving keys locked in the vehicle and vehicle lockout services. These types of services will be performed as road side assistance, and the County will not accept towing in these cases as an acceptable method of "Road Side Quick Fix." The City may subcontract part or all of the services required under this section. The date,

5.9.2. time, and cause of each road service provided under the terms of this Section will be included 38on the next daily report submitted to the County, as specified in Section 15, Record Keeping and Reporting, of this Scope of Services.

5.10. Towing/Transporting Vehicles

5.10.1. The City will be responsible for providing appropriate towing and transporting services as needed to meet the terms of this Agreement, including meeting all service standards. The City will also provide a contact for out-of-area tows such as when employees drive a County vehicle to conferences or to Raleigh on County business.

5.10.2. The City can elect to provide towing services directly or subcontract these services. The County will receive billing for all transportation (shuttle) services involving employees included in the City's Target budget as labor charges to a work order based on the employee's actual time. The County will accept invoicing for towing services involving subcontractors, as a commercial service to a work order. The costs of towing and transportation services are a Target or Non-Target service depending on the circumstances of the tow:

5.10.3. Target Towing/Transporting Events:

- 5.10.3.1 Retrieving an out-of-service vehicle for a Target repair reason
- 5.10.3.2 Transporting vehicles to/from vendors for warranty service
- 5.10.3.3 Transporting vehicles to/from vendors for Target services outsourced by the City.

5.10.4. Non-Target Towing/Transporting Events:

- 5.10.4.1 Retrieving an out-of-service vehicle for a Non-Target repair reason.
- 5.10.4.2 Transporting vehicles to/from vendors for Non-Target services outsourced by the City.

5.11. Road Testing

The City must conduct a road or appropriate operations test on all vehicles and equipment that have had safety related repairs or adjustments (e.g., brakes, steering, aerial lift, etc.). The City must ensure the safety of these vehicles and equipment prior to returning to service. The City's employee must have the appropriate license for the type of vehicle under test.

5.12. Welding and Fabrication

Welding and fabrication related to vehicle repairs will be an integral part of the service provided by the City. The City must provide an American Welding Society (AWS) certified welder to complete work on steel and aluminum. Additionally, there may be requirements for the City to provide welding services in the Non-Target category. The City may elect to outsource these services.

5.13. Vehicle Safety and Emission Inspections

The State of North Carolina requires annual safety and emissions inspection on all County vehicles. The City is responsible for ensuring that the vehicles are prepared for inspection prior to expiration and tested. The City will provide certified inspectors at the County fleet maintenance facility for inspection of all required vehicles in a timely manner. The vehicle operators will be responsible for bringing each fleet vehicle to the County facility testing location. The City will repair any vehicle that fails as a Target service and return for re-test by the City.

5.14. Waste Management

The County will remain responsible for the cleaning of all clarifiers at its facilities. The City will provide

for the gathering and disposal of all hazardous and nonhazardous waste products produced through normal garage operations (including but not limited to waste oil, anti-freeze, hydraulic oil, used batteries, and used tires). Disposal of all waste materials must conform and comply with County policies, and local state and federal laws and regulations. The City will provide training for its employees. The City will obtain and maintain all required permits and records, including Material Safety Data Sheets (MSDS) and contingency plans for handling a spill or other mishaps on all hazardous materials and waste products. The City will provide annually a copy of all MSDS sheets to the County Contract Administrator for all materials in inventory or on the facility floor. The City will report all incidents to the County Contract Administrator.

5.15. Inclement Weather Support

- 5.15.1. The City will be responsible for supporting the County during weather events such as snow, ice, heavy thunderstorms and floods, and other events. Clearing roads of snow and ice is generally the responsibility of the State of North Carolina and the City. However, County staff are called on at times to clear access roads and parking lots at County facilities. The County also may be required to clear downed trees from parks and other County facilities resulting from storms.
- 5.15.2. The City will be responsible for maintaining all current and future snow and ice equipment, tree equipment, and other equipment required for storm response by the County and assist County staff in pre-checking such equipment before forecasted storms have arrived.
- 5.15.3. The City will be responsible for procuring, stocking, installing, maintaining, and removing snow cables and/or snow socks for County designated emergency equipment during all snow events. The City will also be responsible for replacing all wiper blades damaged or worn due to excessive icing or as part of normal operations as a Target expense. The County will provide to the City a list of County Departments which will require snow cables and/or snow socks.
- 5.15.4. Response to storms during normal business will be a Target service.
- 5.15.5. The City will operate during inclement weather conditions at the request of County Departments. The City will notify all customers of which shops will be available to operate under inclement weather and emergency extended hours. The City's response will be determined based on the conditions below:
 - 5.115.5.1 A Condition: This is a standby condition for the City and the shops will notify employees to be prepared to return to work in the event that the condition is escalated. The City may require limited staff to report.
 - 5.115.5.2 B Condition: Selected shops will remain open continuously with limited personnel until condition is downgraded back to A Condition, or escalated to C condition. The City provides an increased level of support of road condition management, and debris removal and may perform or coordinate tire cable installations in areas or quadrants of the City and County.
 - 5.115.5.3 C Condition: This is a major event and selected shops will remain open continuously for support with a full complement of technicians and support staff. Conditions require plowing, major de-icing, road maintenance, tire cable installation for essential services, and/or debris removal and solid waste collection in all areas of the City and/or County.

6. **PARTS AND INVENTORY MANAGEMENT.**

6.1. Procuring, Stocking and Disbursing Parts

- 6.1.1. The City will procure and furnish all parts, materials, and supplies, required for the maintenance of all County vehicles in accordance with generally accepted parts management practice, and that will ensure meeting all relevant standards of performance as outlined elsewhere in this 40

Agreement. The City will own and maintain an inventory of parts, materials, supplies, and fluids (in quarts or sufficient quantities) of an appropriate size and composition for the County's fleet at the County facility.

6.1.2. The City will provide parts procurement, stocking, and disbursement services during all hours for which the City is providing vehicle maintenance and repair services.

**Note: The City is currently working through an RFP to outsource the City Fleet parts operation. When this is completed the City will still be responsible for supplying parts to the County however the vendor will own the inventory at that time.

6.2. Quality of Parts

Parts used to maintain and repair the fleet will, at a minimum, meet or exceed the quality of parts furnished originally for the equipment (OEM or equivalent). Rebuilt/remanufactured parts must conform to the manufacturer's reconditioning tolerances. The City will provide specifications for all lubricants, tires, and brake parts at the beginning of contract operations. The County Contract Administrator shall be included in all decisions regarding the product lines that the City will purchase and provide to the County, and the County will review all product lines or changes to product lines before introduced for use. If during the term of the Agreement, the County determines that the product supplied does not meet its needs, the County reserves the right to require the use of a specific substitute. Additional costs may be incurred if the use of non-fleet standard supplies is requested by the County.

6.3. Warranty Parts

Notwithstanding inspection and acceptance by the County, the City will warrant products supplied under the Agreement for the length of time of any warranty given by the manufacturer or rebuilders/remanufacturers after acceptance by the County.

7. FUELING SERVICES.

The City will have no responsibility to provide fuel or maintain fueling locations under this Agreement. The City will have the authority to activate the manual emergency shutoff for the fuel dispensers in the event of an environmental or safety hazard. Once rectified, a designated County representative will reactivate the emergency shutoff on.

8. FLEET MANAGEMENT SERVICES.

8.1. Vehicle Acquisition

The County intends to have its own staff continue to coordinate vehicle purchases and use the City for the development of specifications for new vehicles. However, the County may request the City provide some additional assistance in this area from time to time and will assist the County, when requested, in reviewing specifications for additional or replacement vehicles to identify potential impacts to maintenance operations. The City, in addition, will assist the County with the demonstration and evaluation of new vehicle and maintenance technologies, including the coordination of demonstrations, the establishment of test protocols, and the collection of test data.

8.2. Replacement Planning

The County intends to have staff continue to have responsibility for replacement planning for new vehicles. However, the County may request the City provide some assistance in this area periodically. The City may assist the County, upon request, by preparing a list of all vehicles that it recommends for replacement in the next fiscal year. The City will rank each unit within its class based on its maintenance history and condition. The City in addition, will conduct repair versus replacement analyses on any unit requested by the County.

8.3. Titles and Registration

The City will perform title and registration work for new vehicles. The City will also install license tags, perform, and complete the in-service inspection.

8.4. **Investigations and Audits**

The City will support the County, when requested, by providing technical advice to the County in investigations related to the fleet. Such investigations may involve accidents, fire, or other issues of a technical nature.

9. QUALITY ASSURANCE PROGRAM.

The City will institute a quarterly electronic survey to capture feedback from County Departments and operators. The City will also institute a “point of service” customer satisfaction survey to be sent to an operator directly after the City has serviced the operator’s vehicle. The City will set up a secure customer feedback drop box with available comment cards, at a designated area within the County facility where customers are greeted, for customer comments and suggestions. The County Contract Administrator will solely hold the key to access the dropped in comment cards housed in the secure customer feedback drop box. The City will partner with the County at quarterly meetings to review feedback from these surveys and provide solutions, if needed, of identified problems.

Along with the survey tools the City will monitor and report on Key Performance Indicators, monthly, quarterly, and yearly to assure quality service.

9.1. **Fleet Availability**

The City will track and report fleet availability goals versus actuals in the vehicle availability groups outlined in Section 12.4.1 of this Scope of Services. The City will track this daily and report to the County on a daily morning report and a monthly summary report.

9.2. **PM Program Compliance**

The City will report on a quarterly basis to the County Contract Administrator a matrix of PM compliance by County Departments based on monthly PM scheduling to help identify areas of improvement.

9.3. **Maintenance and Repair Performance**

The City will track and report on the top five (5) highest cost drivers (tires, brakes, accidents, component repairs, etc.) for the County fleet to help identify common repairs to help control cost. The City will review these cost drivers with the County staff on a quarterly basis.

9.4. **Parts Availability**

The City uses a fleet management information system to track parts inventory across the organization. The City will identify fast moving parts based on usage to stock the facility inventory shelves accordingly. The City will set minimum and maximum stocking levels to make sure the City has the right part quantities in stock.

9.5. **Vehicle and Safety**

The City’s PM compliance program will ensure that the vehicles for the County are safe and reliable. As part of the PM program the City will check brakes, tires and other safety related components, using its Preventive Maintenance Inspection Checklist. A copy of the Preventive Maintenance Inspection Checklist is included as Exhibit H. The completed Preventive Maintenance Inspection Checklist, signed by the technician who completed the inspection, will be attached to the work order in the fleet management information system. If an item is checked as “ITEM OK” on the Preventive Maintenance Inspection Checklist, but is not operating properly once the services have been completed, then the City will make the necessary repairs to correct the problem at no additional charge to the County under the terms of Section 2.4 of this Agreement. The City will partner with the County to identify vehicles and equipment that need safety related preventative maintenance performed due to usage or time based thresholds that have been exceeded.

9.6. Recall Compliance

The City's Fleet Warranty Administrator will track vehicle recalls by vehicle serial numbers. These recalls will then be entered into the fleet management information system as a deferred repair to "alert" the facilities when needed. The City will notify Department Liaisons within fifteen (15) days from the receipt of the official recall notification that the vehicle needs to be scheduled for recall service, and then work with the customers to schedule the vehicles in for service at the local vendor for the recall to be completed. The City will notify Department Liaisons immediately when the City receives an official safety related recall notification and should include a priority recall service process within the notification to the County. The City will track and monitor the types of recalls by customer. The City will communicate outstanding recall completions monthly using a recall completion report which will be sent monthly to Department Liaisons, until all recall services have been completed.

If a local vendor provides free towing or porter service to the vendor for the recall work to be completed, then the City may utilize the local vendor's towing offer/credit at the City's discretion, versus towing with an outside towing vendor which would require payment by the County.

9.7. Customer Service

The fleet availability is the main area the City will focus on to make sure the customer has the vehicles that are needed. The City will also review the customer survey results and adjust or respond, as needed, to accommodate less than desirable responses.

9.8. Cost Reduction Initiatives

The City will partner with the County to identify areas for potential cost reductions.

Quality assurance will also be reviewed and discussed with the Fleet Management Advisory Team (FMAT) of which the County has a voting board member spot. This team meets on a monthly schedule to review initiatives and goals that affect the entire fleet.

NON-TARGET SERVICES

10. NON-TARGET SERVICE DEFINITIONS.

10.1. The following defines what constitutes repairs considered as Non-Target services and indicated as such on work orders. The City must have the ability to assign a reason code to each work order that corresponds to one (1) of the definitions listed below.

10.1.1. Accidents: Refer to physical damage to vehicles caused by operator error or by another vehicle that results in a completed accident report.

10.1.2. Capital Improvement: Refers to any requested modification to a vehicle or piece of equipment already in service that result in a change in the capital cost of the vehicle, including major refurbishment of chassis and/or bodies and attached equipment.

10.1.3. Damage — Operating: Refers to any physical damage to a County vehicle during its operation resulting from operator error, misuse, or unreported accidents. The City should be aware that certain types of County equipment including trash trucks, backhoes, snow removal, and street sweepers operate in severe use conditions. The County will not accept normal damage in operation of this equipment as Non-Target services.

10.1.4. Damage — Physical: Refers to any physical damage to a County vehicle resulting from vandalism, theft, natural disaster, weather, or unreported accidents when a vehicle is parked or unattended.

- 10.1.5. **Excluded Equipment:** Refers to repairs to equipment not specifically included in the fleet inventory covered by this Agreement (e.g. stationary generators, boats, and temporary units). The City will add the equipment to the fleet inventory and assign an equipment number to the equipment, as needed, when repairs to excluded equipment is requested by the County.
- 10.1.6. **Modifications:** Refers to changes to the equipment, configuration, and/or appearance of a vehicle requested specifically by the County, including changes required by statute, that are not capitalized into the cost of the vehicle.
- 10.1.7. **Other Services:** Refers to services provided by the City at the request of the County, not specifically defined in this agreement.

- 10.2. All Non-Target repairs estimated to cost in excess of five-hundred dollars (\$500) for vehicles less than ten-thousand (10,000) GVWR and one-thousand dollars (\$1,000) for vehicles over ten-thousand (10,000) GVWR, or any repair where the cost estimated is more than the fair market value of the unit, requires authorization by the County before proceeding. The County reserves the right to have all Non-Target repairs approved in advance by a designated County representative.
- 10.3. Non-Target services are generally not subject to performance standards under this Agreement, because of their unpredictable nature and not because these activities are not highly valued by the County. In fact, the County considers Non-Target services essential. The City must give them appropriate priority and not relegate them to fill-in work.
- 10.4. **Stand-By Labor**
The City will provide information related to a “Manager On-Call” on a weekly basis. The “Manager On-Call” program provides a contact for services after hours, for weekends, and for Holidays. Each Friday a “Manager On-Call” contact name and phone number will be provided as part of the daily morning report that is e-mailed to the County.

If a County customer needs services outside of normal shop hours, then they will contact the “Manager On-Call.” The Manager will discuss the situation with the customer and provide a response based on the particular situation. This response may be contacting one of the City’s contractors to service the customer. The services will be provided with an appropriate complement of personnel within one (1) hour of notification that such services are required.

The Manager On-Call service will be provided to the County at no charge, unless it is utilized. Then charges will be for time and materials used to address the situation.
- 10.5. **Non-Target Labor Hours**
 - 10.5.1. The City will use the flat hourly rates for all Non-Target overtime hours worked for both standby hour and Non-Target repairs, listed in Section 2.3, Non-Target Services, of this Scope of Services. The City will document monthly the hours worked by each employee and the actual hours that each employee charged to a Non-Target work order or to stand-by hours.
 - 10.5.2. The County will only pay overtime for hourly administrative and parts personnel when they are required to work overtime hours as part of a County declared emergency or are requested by the County to work standby hours. The County will not pay overtime for any salaried management or supervisory staff. The County will not be responsible for any overtime required by the City to meet the Target service requirements of this Agreement, without the written approval of the County Contract Administrator.

10.6. Non-Target Parts

The City will provide parts procurement, stocking and disbursement services during all emergencies and for all Non-Target repairs as defined in this Agreement. The cost of Non-Target parts will include appropriate markups for the City's overhead costs and handling expenses.

10.7. Non-Target Subcontracted Services

The City may use subcontractors for all Non-Target repairs as defined in this Agreement. The City will be responsible for arranging, managing, and paying for all subcontracted outside repairs, and will assume full responsibility and liability for the quality of these repairs. The cost of subcontracted services will be at the City's cost (including fee, taxes, and any discounts) and will include any appropriate markups for the City's overhead costs and handling expenses. The City will submit all subcontractors to the County for approval before they are used.

10.8. Accident Repairs

- 10.8.1. The City will be responsible for administering the mitigation of each accident on County vehicles from first report through return of the vehicle to service. The County utilizes an independent appraisal contractor that will provide an estimate for the City's use. The City will attach the appraisal and all pictures of the damage to the fleet management information system work order. The City will arrange for towing of the vehicle (if required) to the County facility and reporting of the incident to designated County personnel. The City will work with the Risk Management Office on accident subrogation, obtain multiple quotes from body shop vendors and aid in the selection of the preferred vendor, provide transportation of the vehicle to/from the repair site, monitor of the repair quality and timeliness; payment of repair invoices; inspection of the final repair; and authorization to return the vehicle to service.
- 10.8.2. The County will pay the actual cost of accident repairs plus the City's proposed markup on contract services. The County will incur no additional charge for administration of the accident repair process.

10.9. Vehicle Damage

- 10.9.1. It is the responsibility of the City to notify the County whenever a vehicle shows physical damage not associated with a reported accident. The County classifies damage in one (1) of two (2) ways: damage incurred while the vehicle was operating or damage that occurred when the vehicle was not in use. It will be the responsibility of the County to identify the base cause for the damage and communicate to the City the needed repairs to classify the repair appropriately.
- 10.9.2. The City has the responsibility to identify any evidence of abuse, misuse, or obvious error by the operator resulting in physical damage to the vehicle. In such cases, the City will proceed to repair the vehicle (subject to limitations specified elsewhere in this Agreement) and will provide the County with documentation of the suspected abuse as part of the next day daily report to the County. The County will review the documentation, speak with the City where necessary, and determine whether to charge the operator with the error.
- 10.9.3. Damage from normal operation to specific groups of vehicles defined as Severe Use under the Target Services section of this Agreement will not be considered a Non-Target repair, unless the City can definitively prove that the damage was caused by obvious operator error, misuse, or abuse, or by a third party.

10.10. Vehicle Refurbishment

The County may decide to refurbish an existing unit to extend its life or alter its intended use in the fleet.

Refurbishment may include replacement of bodies, the rebuilding of major components such as the engine or transmission, or the addition of new equipment or accessories. The City is required to assist the County with evaluating equipment under consideration, obtaining quotes to complete the services in accordance with the County's requirements and manage the completion of the project. The City will classify refurbishment work orders as a Capital Improvement Non-Target service.

10.11. Excluded Vehicles

The County may exclude certain vehicles from the target budget and have all services provided on a time and materials basis. Examples of the types of vehicles the County may choose to have charged on a time and material basis include confiscated vehicles, grant vehicles, and small engine equipment.

10.12. Directed Work and Technical Advice

The County may direct the City to perform additional tasks related to the proper management and upkeep of the fleet. If additional tasks are required, the City will receive a written task order detailing the tasks to perform. The City will submit a proposal to perform the specified tasks on a price basis that itemizes the direct labor, parts, subcontracted services, and materials. The County will accept or reject the proposal. If accepted, the City will perform such assignments in accordance with an agreed schedule.

CITY PERFORMANCE REQUIREMENTS

11. PERFORMANCE STANDARDS.

11.1. The City must be fully aware that the County relies on vehicles and equipment to provide essential government services and availability and reliability of the fleet is of the essence. With this in mind, the City will meet the performance standards outlined below during the term of the agreement. The County expects the City to maintain these performance standards at all times. Labor disputes, strikes and other events except those beyond the City's control will not relieve the City of meeting these standards.

11.2. Non-Target repairs are excluded from calculation of Daily Fleet Availability and Monthly Turnaround and as described below:

11.2.1. **Vehicles Awaiting Repair Authorization from the County:** In cases where the City is awaiting repair authorization from the County to proceed with a given repair, the period from which turnaround time is measured will begin with the County authorization to proceed with the repair. Excluded also are vehicles awaiting authorization from the calculation of Daily Fleet Availability, as described below. The City must make all requests for authorization to the designated County representative within twenty-four (24) hours of opening the work order.

11.2.2. **Vehicles Exempted by the County:** The County may decide that it would be in its best interest to temporarily waive vehicle turnaround time and daily fleet availability performance standards for all or selected vehicles. The County will provide the City written notification of this decision, including specification of the time for which these standards will be relaxed.

11.3. Monthly Vehicle Turnaround Time Standards

The City will complete eighty percent (80%) of scheduled preventative maintenance work orders within twenty-four (24) hours and ninety percent (90%) in forty-eight (48) hours from the time the vehicle becomes available for preventative maintenance service until the user has been notified that the vehicle is ready. Weekends and Holidays do not count in the calculation of turnaround time. For example, a vehicle made available for preventative maintenance service at noon on Friday, and with notification of completion to the user at noon on the following Monday has a turnaround time of twenty-four (24) hours. Regardless of these standards, the City will notify user Departments when any vehicle will be out of service for forty-eight (48) hours more.

The City will expedite and communicate on repairs and breakdown services with customers as they occur. The City cannot guarantee twenty-four (24) or forty-eight (48) hours turnaround time on the majority of large repairs or breakdowns due to delays in parts and vendor availability. The City will concentrate on expediting scheduled preventative maintenance services first and foremost for the County.

11.4. Daily Fleet Availability Standards

11.4.1. The City will maintain minimum daily rates of fleet availability by vehicle class, as follows:

1. Cars and Light-duty Trucks: Ninety-five percent (95%)
2. Law Enforcement Vehicles: Ninety-five percent (95%)
3. Special Transportation Vans: Eighty-eight percent (88%)
4. Medium and Heavy Trucks: Eighty-eight percent (88%)

The County will calculate vehicle availability as follows:

1. The total count of units in the class,
2. Minus the count of units out of service as of 6:00 a.m. each day,
3. Divided by the count of units in the class,
4. Multiplied by one-hundred (100).

11.4.2. Time out of service begins when the vehicle is available to the City. It ends

when maintenance or repair work is completed and the City notifies the County that the vehicle is available for service. Excluded from the computation are vehicles that are awaiting repair authorizations from the County, those out of service for a Non-Target service, and those specifically exempted by the County.

11.4.3. On a real-time basis, using the fleet management information system, the City will track and respond to concerned areas pertaining to County fleet availability. The status conditions that will be used to establish fleet management service priority are defined as follows:

1. **(Green)**: Availability Met – Mecklenburg County business needs are met, with safety reserves still available.
2. **(Yellow)**: Availability Met, but Customer at Risk - Mecklenburg County business needs are met; however, reserves are nearing maximum utilization. Mecklenburg County is at increased risk of availability falling below minimum levels required for everyday business.
3. **(Red)**: Availability Not Met – Equipment availability is preventing Mecklenburg County from performing standard daily business.

11.4.4. Services are prioritized based on the following rules under each operating condition:

1. Normal Operations:

- a) Service Level Agreements (SLAs) that are in a Red status (below minimum requirements for service established in the Agreement) have priority over a Yellow or Green status.
- b) When no availability groups are in a Red status, availability groups in a Yellow status (as established in the Agreement) may take priority over SLAs in a Green status to prevent an availability group from going into a Red status.
- c) When prioritizing among multiple availability groups in a Red status, the following priority will be followed:
 - i. Availability groups associated with direct public safety services; followed by,
 - ii. Availability groups with public safety services not belonging to police, fire or medic services; followed by,
 - iii. Availability groups associated with direct services to the citizens (e.g. special transportation, etc.); followed by,
 - iv. Availability groups associated with infrastructure support services.

11.5. Preventive Maintenance Program Compliance Standards

The City will ensure that the preventive maintenance program achieves a high rate of compliance. Current performance is eighty percent (80%) and this will be set as the initial performance standard for the Agreement. Any service performed within ten (10) days, and/or five-hundred (500) miles, and/or two-hundred (200) miles for the Sheriff's Office before the date the service is first scheduled is in compliance. The City understands the importance of achieving a higher percentage of ninety-five percent (95%) and will try and achieve this mark for the County. The City will utilize the fleet management information system to set parameters to help achieve the ninety-five percent (95%) PM compliance for the County. City staff will communicate on a regular basis, monthly, weekly, and daily, to accommodate changes in the scheduling based on County staff members' job demands. The City will try to reschedule PM services when possible to help operators and also meet the ninety-five percent (95%) goal.

11.6. Rework

All materials, parts, and workmanship furnished by the City will be of high quality and free from defects and imperfection. The City will also meet all OEM standards and specifications. Notwithstanding these requirements, the City will track and identify multiple repairs for the same deficiency in the same vehicle (rework) and shall not bill the County for any rework that occurs within the following periods:

1. Engine and Transmission Overhauls: The City will follow vendor and/or manufacturer warranty standards
2. All Other Work: Ninety (90) days or two thousand (2,000) miles
3. The City must not exceed one percent (1%) incidents of rework in any single month (measured by number of repair tasks and not number of repair work orders).

CONTRACT MANAGEMENT AND OPERATIONS

12. CONTRACT ADMINISTRATION.

The County's Director of Asset and Facility Management has the authority to act on behalf of the County in all matters relating to or resulting from this Agreement. The County shall appoint a representative who will act as the County Contract Administrator, and has the authority to act on behalf of the County. The County Contract Administrator will resolve all questions that may arise as to the quality, quantity, character, and classification of service performed by the City. The County expects this person will work closely with the City's Operations Manager.

12.1. Dispute Resolution

In the event of issues or conflicts, the escalation path outlined in Section 13 will be followed by both parties. In the event of any dispute which cannot be resolved through the escalation path between the County Contract Administrator and the City as to the City's performance, or the County Contract Administrators decisions relative to the Agreement, either party may submit the dispute to the County Manager or Assistant County Manager, who shall render a decision within twenty (20) days. The decision of the County Manager or Assistant County Manager and the City Manager or Assistant City Manager shall be final.

12.1.1. Issue Escalation Path:

Issue Resolution Communication Path	
Customer	FLEET MANAGEMENT
Operator	Service Order Specialist
Operator, Team Leader	Shift Leader
Field Op., Supervisor, Sergeant	Shop Supervisor
Fleet Coordinator, Liaison	Shop Manager
County Contract Administrator	Operations Manager

Assistant Director, Division Manager, Superintendent, Major	Assistant Division Manager
Division Manager	Division Manager (Fleet Manager)
Department Director or Deputy Director	Department Director or Deputy Director

13. CITY PERSONNEL.

13.1. City Personnel

Number of positions supporting this Agreement must be kept at a minimum in accordance with the FTE (full time equivalent) staffing levels below.

1. Four (4) Technicians
2. One (1) Shift Leader
3. One (1) Parts Technician
4. One (1) Service Order Specialist
5. One (1) Shop Supervisor
6. One (1) Shop Manager

13.2. City Operations Manager

The County considers the City Fleet Manager and City Operations Manager to be the cornerstones on establishing a successful Agreement. It is expected that the City Operations Manager will work closely and cooperatively with the County Contract Administrator daily and will become the primary point of contact for all matters relating to the maintenance and upkeep of the County's fleet. As such, the City Operations Manager will have proven technical and managerial experience in the field of fleet management, maintenance, and repair.

13.3. Selection of Personnel

The City will have the responsibility for selecting personnel to perform the services outlined in this Agreement and for determining and providing wages, salaries, and benefits for its employees.

13.4. Changes in Personnel

The City will agree not to change the City Operations Manager without prior consultations with the County, except that the City Operations Manager is subject to dismissal without prior County approval for criminal activity or documented violation of City policies. Otherwise, the County must approve the timing of the change, and the specific individual who will replace the incumbent City Operations Manager. The City's proposal to change the City Operations Manager must include a transition plan.

The City will review all documented actions of any individuals whose performance or actions are detrimental to achieving the objectives set forth in this agreement. The City will handle all performance and HR related issues that might arise to assure the County is receiving the desired service.

13.5. Uniforms and Appearance

All City employees will maintain a professional appearance and will wear uniforms that include the City logo and employee's names in a visible location and a legible color and style.

14. RECORD KEEPING AND REPORTING.

14.1. Information Systems Requirements

The City will utilize a fleet management information system for the purpose of establishing an electronic record keeping and reporting system for all of the services to be provided under the Agreement. The City will provide all of the required hardware and software for this system. The County Contract Administrator will determine how many read only access accounts to the system will be required and the City will provide training in report generation for County designated personnel.

The fleet management information system will provide fully-featured comprehensive capabilities in the areas of:

- 14.1.1 Asset management from initial acquisition planning through disposal.
- 14.1.2 Parts inventory management and parts tracking which encompasses the entire procurement process from order and receipt through issues including warranty replacements, core tracking/returns, and vendor credits through the accounting system.
- 14.1.3 Maintenance and labor tracking based on work order process flow, including customer service tools that enable the City to provide higher levels of service and preventive maintenance tools for managing PMs.
- 14.1.4 Flexible accounting and billing tracking of all costs and vendors related to assets as well as billable dollars and customer accounts.
- 14.1.5 Fuel management with the ability to collect and store fuel transactions by manual process, electronic upload or integrated web services.
- 14.1.6 Robust and flexible system administration and usability features.
- 14.1.7 Robust and varied business intelligence features such as comprehensive searching for fast onscreen viewing of data; data export capabilities; the ability to create custom reports; and a dashboard add-on providing easily accessible at-a-glance information on Key Performance Indicators.

During the course of managing this Agreement and the fleet, the County Contract Administrator may utilize its own fleet management information system to track the fleet inventory, bill County Departments, analyze operations, and monitor the City's performance. When requested, the City will be asked to provide data electronically to be converted into the County's systems. Note: The City does not guarantee that all data will convert directly into another software system.

14.2. Fleet Inventory and Maintenance Records

At a minimum, the City will utilize its fleet management information system to record and maintain a Vehicle Master Record with all descriptive information for each unit in the fleet, and will record all work data including labor, subcontracted services, parts used, and repair codes for each service activity performed. The City will maintain vehicle files that contain asset information including tag #, serial number, make and model of vehicle as well as an up to date North Carolina State Inspection document. All other maintenance and repair documents, including warranty and invoice information, will be kept electronically on each asset and the electronic data will be available to the County upon request.

14.3. E-mail

The City will be required to have separate e-mail addresses for all primary positions, including: Fleet Manager, Assistant Fleet Manager, Operations Manager, Asset Manager, Contract/Parts Manager, Fleet Analyst, Shop Manager, Shop Supervisor, Shift Leader, Warranty Administrator, Service Order Specialist, Parts Technician, and PM Coordinators. The City will publish these e-mail addresses and use e-mail as primary means of communicating with County personnel. Additionally, the County will provide the City with an address book of County e-mail addresses.

14.4. Daily and Monthly Reports

14.4.1. The City will generate a report summarizing the previous day's contractual activities for delivery to the County before noon each working day, with the content of the report determined by the County Contract Administrator.

14.4.2. The City will provide a monthly report delivered to the County on or before the seventh working day of the month following the reporting period. The report will summarize the month's work within the parameters defined by the daily report, and will also include a summary of all vehicles more than thirty (30) days overdue for preventive maintenance at the end of the preceding month. The report will list when the City communicated to the County representative to create a

14.4.3. PM appointment for a vehicle and the amount of time from the communication to when the County representative created the PM appointment. The report will include the number of County vehicle visits per facility per day, week, and month. The report will include the availability rates per vehicle class for the month.

14.4.4. Monthly, the City will provide the County with an electronic file detailing all work orders completed in the prior period, including detailed labor, parts, commercial transactions that make up the work order, and specifying Target and Non-Target costs on each work order. Each work order record will also include when the vehicle arrived for service, if the customer elected to wait with the vehicle or dropped off the vehicle, when the services were completed, and the total work/wait time.

14.4.5. Monthly, the City will provide the County with a report of all outstanding credits owed to the County from the City, which will state the length of time each credit has been outstanding, an explanation as to why each credit is outstanding, and the work order number which each credit is associated with.

14.4.6. Additionally, the City will provide monthly a detailed electronic unit inventory, including all relevant fields describing the unit, its classifications, assignments, and costs maintained by the City.

14.4.7. The City will work with the County to provide ad hoc and specialized reporting when requested by the County Contract Administrator.

14.4.8. The City will provide access to specified County representatives to view data in the fleet management information system and to run pre-defined/canned reports as needed.

14.5. Annual Meetings and Reports

14.5.1. The County and the City will conduct a meeting no less than ninety (90) days prior to the end of each contract year to determine the changes and adjustments necessary to the Agreement for the following year. A contract amendment will result if there are any changes to the Agreement resulting from the annual meeting.

14.5.2. The City and the County will hold a second meeting no more than sixty (60) days following the end of each contract year at which the City will present a written annual report that summarizes the prior year's activity in an agreed upon format. During this meeting, the City will also present a summary of work accomplished relative to service performance standards, Target and Non-Target budget, etc. The presentation will also include recommendations for changes to improve performance during the upcoming year. A copy of the presentation materials and the written report must be available to the County two (2) weeks before the meeting. The County will review the City's performance during the second annual meeting. The County will present a "report card" that includes the assessment of the City's performance.

14.5.3. Irrespective of the above meeting timetables, the County will meet with the City frequently and the City will try and honor all reasonable requests for meetings.

14.6. Reference Files and Procedures

The City will maintain access to service manuals, service bulletins, lubrication charts and other information needed to properly service and repair the fleet.

14.7. Access to and Ownership of Records

Upon prior notice by the County, the City will provide authorized County representatives access at all reasonable times to all electronic and hard data, books, records, correspondence, instructions, plans, 51

drawings, receipts, vouchers and memoranda, and shall provide to the County cost verification for work performed in accordance with the Agreement. All reference files, all electronic data, and hard copy records are the property of the County.

14.8. Internal Billing Information

The County uses the information contained in the fleet management information system to develop charge-back costs as part of its billing methodology. Consequently, it is imperative that the City maintain complete and accurate transaction data in the system such as vehicle number, customer organization, labor hours, labor rate, parts used, parts costs, vendors used, vendor costs, etc.

15. **VEHICLE MAINTENANCE FACILITY AND EQUIPMENT.**

15.1. Use of Garages and Installed Equipment

15.1.1. The County will permit the City to use the existing County vehicle maintenance facility to include maintenance and repair equipment, tools, service vehicles, and furniture that are County property for a lease charge of one dollar (\$1.00) per year.

15.1.2. The County does not warrant or guarantee against the possibility that safety or environmental hazards or potential hazards may exist at this facility. The City will be responsible for identifying any hazardous conditions and notifying the County of these conditions in writing within thirty (30) days of Agreement effective date. The City will conduct an environmental assessment and an occupational, health, and safety inspection of the facility acceptable to the County. The City will arrange for the conduct of the assessment and inspection and will pay for the cost of these services.

15.1.3. The City will not use the facility or other property furnished by the County for work on vehicles or equipment not owned or leased by the County unless otherwise authorized by the County. The City will not utilize the property of the County in any manner for any personal advantage, business gain, or other personal endeavor by the City's employees other than in the performance of the work described in this Agreement, unless otherwise authorized in writing by the County.

15.1.4. Within ten (10) days of the Agreement effective date, the City will schedule with the County a joint garage inspection for identifying pre-existing deficiencies pertaining to the buildings, utility systems, equipment and other assets. The City and the County will together make a complete and systematic inspection and inventory of all structural, mechanical, electrical and utility systems and equipment, tools, service vehicles, and furniture to which the City will have access during the course of the contract period. The City will then prepare and submit to the County a pre-existing deficiency report describing all observe deficiencies pertaining to the building structure, systems, equipment, or other assets noted during the joint inspection. The County and the City will negotiate tool purchases on an annual basis. The City is to provide all tools valued less than one-thousand dollars (\$1,000).

15.1.5. The County and City will conduct a joint inspection annually, with a report noting any new deficiencies delivered to the County each year. The County will determine the appropriate action to take in response to any deficiencies identified.

15.1.6. The City will be required to acknowledge receipt by signature of assets provided by the County for the City's use. The assets accepted by the City for the term of the contract will then become the responsibility of the City. The City will return these assets upon completion of the Agreement in the same condition as provided to the City, less normal wear and tear. The City will be responsible for replacing any stolen, missing, or destroyed asset with a comparable asset at the City's expense.

15.1.7. The County will be responsible for supplying all utilities to the vehicle maintenance facility during its occupancy by the City. The City may use County phone systems, as provided for this Agreement, at no cost to the City. In using the facility, the City will develop and adhere to an energy conservation plan that is consistent with County policies, including minimum temperature settings in summer months and maximum temperature settings in winter months.

15.1.8. The City will comply with all applicable environmental and safety regulations including a spill prevention and remediation plan, waste management plan, and employee safety plan.

15.2. Garage and Equipment Maintenance and Repair

15.2.1. The County will be responsible for preventive maintenance and repair of the facility structures utilized by the City and that are the property of the County unless such repair is due to the negligence of the City. The City must inform the County immediately upon determining that any element of the facility or its contents is in need of repair. Failure to do so may constitute City negligence. The County will give notice to the City prior to performing repairs.

15.2.2. The City will be responsible for preventive maintenance and normal maintenance and repair of all the garage equipment owned by the County, such as compressors, lifts, oil dispensers, oil-water separator, etc. The City must inform the County immediately upon determining that any element of the garage or its contents is in need of repair. Failure to do so may constitute City negligence.

15.2.3. Facility features, utility systems, equipment, furnishings, and other assets damaged by the City or by a subcontractor under any agreement resulting from this Agreement, will be restored to their pre-damage condition by the City at the City's sole expense and at no additional cost to the County.

15.2.4. The City will be responsible for interior housekeeping and supplies, which includes janitorial services.

15.3. Garage Equipment Changes and Replacement

15.3.1. The County will entertain City recommendations for adding shop equipment to the vehicle maintenance facility. Such recommendations require approval by the County as part of the Agreement. The County will add these items to the inventory of items that are the City's responsibility as placed into service.

15.3.2. The County will periodically replace equipment; tools, or furniture as needed. The County will amend the inventory of items for which the City is responsible to reflect these changes.

15.3.3. The City will be responsible for security of all properties and assets designated for its use or management.

16. EQUIPMENT SPECIFICATION WRITING.

The City will develop specifications for equipment purchases in collaboration with the County in accordance with Citywide policy, MFS 16.

The City will facilitate the purchasing process with County Departments and County Procurement Services.

The City will send a spreadsheet to the County Contract Administrator that lists new and replacement equipment. The spreadsheet will indicate critical dates and deadlines in order to ensure all equipment will be purchased and funds encumbered prior to the end of the fiscal year in which the purchase was authorized. The spreadsheet will be updated regularly as new information is developed.

The City staff will inspect all new and replacement equipment upon arrival to ensure that it meets one-hundred percent (100%) of all contract specifications.

The City will act as a liaison between the County and equipment vendors to address any conflicts between the equipment specification and the product delivered, and will notify County Procurement Services of any issues.

17. EQUIPMENT COMMISSIONING AND PREPARATION FOR SERVICE.

The City will notify in writing the County Contract Administrator or designee of the receipt of new equipment within five (5) working days of delivery and advise the estimated "in-service" date.

Typical example of services provided prior to vehicle issue:

1. Specification verification
2. Enter asset into fleet management information system
3. (establish PM schedule, etc.)
4. Tag and title
5. Graphics / Decals
6. Property Number Graphics
7. Installation of GPS equipment

The City will coordinate with the County and vendors to schedule post-delivery modifications and add-on equipment installations. Any modifications or alterations requested by the customer will impact the estimated "in-service" date for new equipment. The County understands that the accuracy of the "in-service" date provided by the City depends on clear and prompt communication from the County of all required post-delivery services and associated work schedules.

The City will coordinate with the City's contracted radio, communication, and electronic component installation vendor/s to perform installation of any radio and communication equipment or other electrical components (light bar, siren, etc.). The City will provide specifications during the purchase of a new vehicle for radio and communication equipment and other electrical components. The City will coordinate the installation of this equipment and components as part of the vehicle commissioning process unless otherwise specified by the County.

The City will provide electrical component testing and replacement services at the Atando Ave. maintenance facility.

The City will meet with the County Contract Administrator quarterly to review County feedback and provide solutions, if needed, of identified problems in regards to the City's equipment commissioning and preparation for service program.

18. EQUIPMENT DECOMMISSIONING, REMOVAL FROM SERVICE, AND DISPOSAL.

The County will prepare a Decommission Form and submit to the City to authorize surplus equipment for delivery to the Commission De-Commission site. The equipment will be prepared by emptying all hoppers and chambers, removing all debris, and cleaning the cab. The City is responsible for the coordination of removal of communications and specialized equipment or accessories.

The County will turn in the properly prepared surplus units as specified by the County list prior to the City issuing a replacement piece of equipment.

The City will work with the County to allow a maximum of five (5) additional business days for surplus equipment turn-in to accommodate County specialty and/or unique component and accessory transfer pending prior written approval of the City Division Manager. The County will request approval no less than five (5) business days before the estimated in-service date for the new equipment. If more than five (5) business days are required by the 54

County, the County must receive written pre-approval from the County Contract Administrator.

The City will complete the preparation of the surplus equipment for auction and deliver it to the Asset Recovery and Disposal facility (ARD) in accordance with Citywide policy, MFS 16.

Should a County Department desire retention of surplus that is scheduled for replacement, the Department will obtain advance written approval from the County Contract Administrator to retain the equipment. The written approval will state the length of time that the equipment may be retained.

The City will be responsible for tracking the extended turn-in date. The County will be responsible for monitoring retained equipment turn-in dates for compliance. All retained equipment will be flagged in the fleet management information system and marked with decals to denote its status. The City will notify the proper County Department and the County Contract Administrator thirty (30) days prior to the scheduled turn-in date.

The City will meet with the County Contract Administrator quarterly to review County feedback and provide solutions, if needed, of identified problems in regards to the City's equipment decommissioning, removal from service, and disposal program.