



## CONTRACT AGREEMENT CONTRACTOR OPERATED PARTS STORE

THIS CONTRACT AGREEMENT is made and entered into as of the date of execution by both parties, by and between HERNANDO COUNTY, a political subdivision of the State of Florida, herein after referred to as the "County" and "Sun State International Trucks LLC", licensed to do business in the State of Florida, hereinafter referred to as "Vendor/Contractor".

### 1. Purpose

The County hereby engages the Contractor to manage, operate, and maintain its parts room located at 1525 E. Jefferson Street, Brooksville, FL 34601 (and any other designated facilities) for the purpose of streamlining inventory management, procurement, and distribution of vehicle and equipment parts.

### 2. Scope of Services

The Contractor shall provide the following services:

- Staff the parts room during normal business hours.
- Provide after-hours staffing on a negotiated basis.
- Provide holiday schedule.
- Manage inventory levels via daily cycle counts and reorder stock as needed.
- Maintain accurate records of all parts issued and received.
- Inventory levels and usage rates will be reviewed on a quarterly basis to identify slow-moving and excess parts to minimize obsolescence.
- Implement and operate an inventory management system.
- Ensure timely procurement and cost-effective sourcing of parts.
- Conduct periodic inventory audits (at minimum quarterly).
- Provide monthly reports detailing usage, inventory value, and any discrepancies.
- Coordinate with county departments to ensure parts availability for scheduled maintenance.
- Provide Personnel during State of Emergency.

### 3. Term of Agreement

This Agreement shall commence thirty days after termination of current vendor agreement and continue for a period of three years (with option for three one-year renewals) unless terminated earlier in accordance with Section 12 of this Agreement



#### 4. Compensation and Payment

The County will be billed at the end of each month for the Overhead fee, Sourcewell contracted parts and non-vendor parts. Terms are Net 30.

#### 5. Pricing

The Contractor is an authorized supplier for Sourcewell and will adhere to all terms, conditions and pricing of the Sourcewell agreement(s), and any other terms and conditions as required by the County.

| Category                                                                        | Measure                     | Rate                    | Estimated Qty | Extended                       |
|---------------------------------------------------------------------------------|-----------------------------|-------------------------|---------------|--------------------------------|
| Hourly Rate – Normal Hours                                                      | Hour                        | \$35.50                 | 80            | \$0 (Included In Overhead Fee) |
| Hourly Rate – After Hours                                                       | Hour                        | \$45.00                 | 80            |                                |
| Overhead (Monthly charge inclusive of personnel, office equipment and supplies) | Monthly                     | \$7000.00               | 12            | \$84,000.00                    |
| Product Pricing                                                                 | Sourcewell Contract Pricing | 45% Off Of List Pricing | \$500,000.00  | \$275,000.00                   |
| Non-Vendor Product Mark-Up (OEM Parts)                                          | Percentage                  | 9.5%                    | \$220,000.00  | \$240,900.00                   |
| Parts for federally funded vehicles                                             | Percentage                  | 0%                      | 0             | \$0.00                         |
| Restocking Fee                                                                  | Percentage                  | 0%                      | 0             | \$0.00                         |
|                                                                                 |                             |                         | Total:        | \$599,900.00                   |

Any increases in staffing or overhead will be mutually agreed upon by the Contractor and the County prior to the budget deadline of the County.

No freight charge on stock orders or items in local inventory. Freight will be charged for expedited items.



## **6. Performance Standards**

The contractor agrees to maintain service levels in accordance with the best industry practices, including:

- 95% parts availability rate.
- Same-day fulfillment for in-stock parts.
- Maximum of 48-hour turnaround for non-stocked standard parts.

## **7. Personnel**

The Contractor shall employ qualified personnel to operate the parts room. All employees must:

- Follow all County processes and procedures.
- Follow all County safety and security protocols.
- Wear uniforms and identification badges provided by the Contractor.

## **8. County Responsibilities**

The County agrees to:

- Provide access to the parts room and related facilities.
- Provide Holiday Calendar to the Contractor
- Furnish reasonable utilities and security for the premises.
- Allow Contractor to use the existing inventory management system or approve a replacement.

## **9. Ownership of Inventory**

Upon execution of the agreement, the Contractor will perform a physical inventory and agrees to purchase any remaining inventory from the prior vendor at a negotiated price. Contractor may not remove, dispose of, or otherwise transfer inventory without written approval.

## **10. Software Access**

The Contractor shall be granted secure access to the County's inventory management software. The Contractor agrees to use such systems solely for the purpose of fulfilling its responsibilities under this Agreement and shall maintain the confidentiality and security of login credentials and stored data.



## **11. Insurance & Liability**

Contractor shall maintain:

- General liability insurance as required by the County
- Workers' compensation as required by law.

Contractor shall indemnify and hold the County harmless against all claims arising from its operations under this Agreement.

## **12. Termination & Cancellation**

Either party may terminate this Agreement with 60 days' written notice. The County may terminate immediately for cause, including but not limited to:

- Breach of contract.
- Failure to perform services adequately.
- Criminal misconduct.

Upon termination, Contractor shall:

- Return all county property.
- Transfer ownership of inventory via sale to the County or to the incoming COPARS contractor.
- Submit final invoices and reports.

## **13. Transition Plan**

Upon agreement, the Contractor will work cooperatively with the County and/or outgoing coming vendor to ensure a seamless transition of operations, records, and inventory. See Attachment A for the proposed transition plan.

## **14. Renewal Option**

This Agreement may be renewed for an additional one-year term upon mutual written agreement of both parties at least 30 days prior to the expiration of the original term.

## **15. Confidentiality**

Contractor shall maintain the confidentiality of all non-public county data and records and shall not disclose such information to any third party without prior written consent.

## **16. Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.



### 17. Entire Agreement

This Agreement constitutes the entire understanding between the parties and supersedes all prior negotiations and understandings.

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

Hernando County

By: \_\_\_\_\_

Name:

Title:

Approved as to form  
and legal sufficiency

By: \_\_\_\_\_

County Attorney's Office

Sun State International Trucks LLC

By: \_\_\_\_\_

Name: STEPHEN T. JIRAN

Title: V.P. OF PARTS SALES