

GE M&R SERVICE LEVEL REQUIREMENTS



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### GIANT EAGLE WARRANTY, MAINTENANCE AND REPAIR SERVICE LEVEL REQUIREMENTS

#### PART 1 - GENERAL

##### 1.01 WARRANTY

- A. Warranty repairs and replacements include but are not limited to labor, materials, refrigerants, tools, rigging, travel and associated cost related to the warranty work.
- B. Warranty Period: Service Contractor, Subcontractor, and sub-subcontractor shall warrant their Work provided in accordance with the contract for a period of 90 days. Furnish any warranties or guarantees, normally included with the specific equipment exceeding the minimum warranty listed below.
  1. Maintenance Repair: Warranties shall go into effect on the date the entire repair is submitted as completed in Verisae.
- C. Contractor Furnished Equipment:
  1. Parts: General Contractor shall warranty the costs for any and all Parts/Component failures, inclusive of supply and return freight included during the warranty period.
  2. Labor: General Contractor shall warranty the labor reimbursement for any repair or component replacement covered during the warranty period.
- D. Owner Furnished Equipment Warranty Execution:
  1. Contractor shall act as Owner's agent for all Owners furnished equipment warranty services including but not limited to: problem diagnosis, securing replacement components and furnishing replacement labor resources. The Subcontractor shall proceed in accordance with the following:
    - a. Advise Equipment Manufacturer's Representative immediately and secure warranty claim number. An Equipment Manufacturers contact list with names and telephone numbers is available by contacting Owner Equipment Purchasing Department.
    - b. Document model, serial and part number or description of failed component.
    - c. Obtain and install replacement component directly from Equipment Manufacturers.
    - d. Bring system back to original operating condition.
    - e. Deliver failed components to authorized manufacturer's representative.
    - f. Assist in any technical support required in securing warranty claims.
    - g. Work shall include tools to complete task with no additional charge to the owner.
    - h. Upon completion of repairs covered under any warranty, a detailed work-slip outlining the service performed with authorized store signature and manufacturers warranty reimbursement request form with warranty claim number shall be submitted to equipment manufacturer for claim payment of replacement parts. A copy shall be sent to Owners Facility Management Representative. Timely and proper documentation is imperative. Failure to submit an invoice within 30 days of performing service and/or failure to follow these procedures will result in non-compensation. This procedure is intended to assist in compensating the Subcontractor as well as providing the manufacturer with product quality defect documentation and responsibility.
    - i. Giant Eagle shall be designated as the final arbitrator for all disputes.
  2. When Contractor is instructed to perform any Warranty Service Work upon request from Giant Eagle Inc. the Contractor must comply with all the requirements and procedures outlined in Section 3.01 "Maintenance Service Level Requirements".
  3. Related Damages and Losses: When correcting warranted Work that has failed, remove and replace

other Work that has been damaged as a result of such failure or that must be removed and replaced to provide access for correction of warranted Work.

4. **Reinstatement of Warranty:** When Work covered by a warranty has failed and been corrected by replacement or rebuilding, reinstate the warranty by written endorsement. The reinstated warranty shall be equal to the original warranty with an equitable adjustment for depreciation.

## **PART 2 - PRODUCTS**

### **2.01 PARTS**

- A. **Parts Inventory:** The Contractor or authorized service vendor is expected to maintain a reasonable part inventory level on all service vehicles to provide single call service of common maintenance and equipment failures in support of their "Response and Restore" criteria described in Section 3.01 C.
- B. **Warranty Parts:** See section 1.04 C, D & E.
- C. **Non-Warranty Parts:** Giant Eagle Inc. reserves the right to require the Contractor to purchase parts through a supplier designated by Giant Eagle Inc. upon written notice to Contractor. The Parties acknowledge that Giant Eagle Inc. is in the process of evaluating all costs associated with the maintenance of its systems. At some undetermined future date, Giant Eagle Inc. may elect to evaluate the purchasing of parts (including refrigerant). At some future date, Giant Eagle Inc. may elect to direct Contractor to purchase Giant Eagle Inc. parts under such Agreement(s). Further discussions will take place to determine the structure of the deal and determine how the Contractor will participate in such a deal. It is expected that all parties will negotiate in good faith.

## **PART 3 - EXECUTION**

### **3.01 MAINTENANCE SERVICE LEVEL REQUIREMENTS**

#### **A. GENERAL**

1. **Service Support Times:** Contractor agrees to be available to provide Services twenty-four (24) hours per day, seven (7) days per week, and 365 days per year.
2. **Business Hours / Service Rate:**
  - a. **Standard Service Rates:** Monday through Friday, 7AM – 4PM
  - b. **Overtime Service Rates:** Monday through Friday, 4PM – 7AM & all day Saturday & Sunday
  - c. **Double Time Service Rates:** All day Federal Holidays & Select Contracts that are covered by collective bargaining agreements and approved by the Director of Facility Services.
3. **Contractor Call Center:** Contractor shall provide Giant Eagle Maintenance Call Center with a toll-free number that is accessible by the Call Center and that will be "manned" twenty-four (24) hours per day to ensure that the Call Center can contact Contractor for Services at all times. During "off-hours", Contractor shall provide direct contact phone number for Service Technician to allow for Facilities Managers to communicate directly with Technician.
4. **Remote Diagnostics:** When available, Contractor shall utilize remote communication system to assist in diagnostics and preparation for on-site service.
5. **Dispatch:** Contractor shall receive requests for Services from Giant Eagle Maintenance Call Center via telephone, email or fax.
6. **On-site Check In:** Upon arrival at the Store, Contractor must check in at the front office and speak to the Store Manager on duty and log into Verisae. This requirement includes return visits by the contractor to complete open work orders.
7. **Authorized Work:** Contractor shall then perform only the assigned work authorized within this work order. Additional work must be approved by Giant Eagle Facilities Management Services. All work not pre-approved by the Facility Manager shall be deemed "Unauthorized Work".
8. **Unauthorized Work:**

- a. Unauthorized Work – Any work performed not preauthorized by Giant Eagle Facilities Management Services will be subject to payment delay, negotiation, or denial of payment at the discretion of the Facilities Manager.
  - b. Unauthorized Overtime – Any overtime work performed not preauthorized by Giant Eagle Facilities Management Services will be subject to payment delay, negotiation, or denial of payment, at the discretion of the Facilities Manager.
9. Completion of Work: Upon completion of work for the day, Contractor shall execute a visual / audio inspection of contracted equipment to reduce additional site visits prior to checking out for the day. Contractor will then enter status as complete or reason for incomplete work in the Verisae WO# on the store’s assigned computer.

**B. SERVICE LEVEL PRIORITIES**

1. Emergency Service – Critical OT Approved – Two (2) hour Response Time with a Restore Objective of six (6) hours. Any condition that would be considered by Giant Eagle Inc’s as critical to our operations.
2. Standard Service - Any service call not designated as an “emergency” or “combined with next visit” unless the call falls on a weekend or holiday. Weekend and holiday calls shall be held until the next business day. Standard service calls are non overtime calls and should be treated as such. All standard calls that deem overtime will need to be approved by Giant Eagle Network Services otherwise, if performed, will be at the Service Contractors expense.
3. Morning Service (Next Business Day) – All calls placed by 2pm will have a next day Response Time no later than 8am and a Restore Objective of the same day. All calls placed after 2pm will have a next day Response Time of no later than 10am and a Restore Objective of the same day.
4. Next Business Day – All calls will have a next day Response Time no later than 2pm with a Restore Objective of the same day but no later than the following business day.
5. Specify Date – Service will be performed on date specified but will be no less than 48 hours from time of call. A Response Time of no later than 10am on specified date and a Restore Objective of the same day but no later than the following business day.
6. Urgen-no OT – Four (4) hour Response Time with a Restore Objective no later than the next business day. Calls placed after 1pm will have a Response Time no later than 8am next business day and a Restore Objective of that same day.
7. Combine w/ Next Visit (3) – Service will be performed on next visit date. Overtime will not be granted for this type of service call and, if performed, will be at the Service Contractor’s expense.
8. PPM – Service will be performed within the month that the work order is assigned. Overtime will not be granted for this type of service call and, if performed, will be at the Service Contractor’s expense.

**Giant Eagle Service Event Priority Coding and Escalation Rules**

Emergency Service – Any condition that would be considered by Giant Eagle Inc.’s Loss Prevention Department to place any customer, employee, vendor or contractor in jeopardy of an established life, health or safety issue.

Examples would include refrigeration failure (where product integrity is affected), and a sprinkler discharge.

<b>Work Order Type</b>	<b>What's at risk?</b>	<b>Requested Response Time</b>	<b>Examples</b>	<b>Store Response</b>	<b>Cost Implications</b>
<b>Emergency Service Level-1 Critical-OT Approved</b>	Product Loss, Sales Impact, or Safety	Same day except refrig- Refrig Low Temp and Meat =< 2 hours response, 6 hour restore	Meat Auto Wrapper, Low Temp Case	First Notify Call Center Immediately, then log into Verisae	OT Authorized

<b>Emergency Service Level-2 Critical-OT Approved</b>	Product Loss, Sales Impact, or Safety	Same day except refrigeration Medium Temp =< 4 hours response, 8 hour restore	Meat Auto Wrapper, Low Temp Case	First Notify Call Center Immediately, then log into Verisae	OT Authorized
<b>Urgent-No OT</b>	Equipment Downtime Guest Services Facilities Aesthetics	Regular business hours	Bakery Oven	Notify Call Center Immediately, then log into Verisae	Standard Rate
<b>Morning Service - Next Business Day</b>	Equipment Downtime Guest Services Facilities Aesthetics	Next business day	Production Equipment, Some Refrigeration	Log request into Verisae	Standard Rate
<b>Combine w/Next Visit</b>	Store appearance	Next Visit	Tile Repair, Dripping Faucet	Log request into Verisae	Standard Rate
<b>Specify Date</b>	Equipment Downtime Guest Services Facilities Aesthetics	Date specified on work order	Hinges on Door	Log request into Verisae	Standard Rate
<b>Standard Service</b>	Equipment Downtime Guest Services Facilities Aesthetics	Regular business hours	Deli Slicer	Log request into Verisae	Standard Rate
<b>Next Business Day</b>	Equipment Downtime Guest Services Facilities Aesthetics	Next business day	Deli Slicer	Log request into Verisae	Standard Rate
<b>PPM</b>	Equipment Performance	Same month as the month work order is assigned	Deli Slicer, Meat Auto Wrapper	No store response needed – PPM work orders are scheduled through Verisae Administrator	Standard Rate

### C. RESPONSE AND RESTORE OBJECTIVES

1. **Response Time:** Duration of time from receipt of service call by Contractors office until the time the Service Technician logs into the Verisae system at the store kiosk.
2. **Restore Objective:** Duration of time from receipt of service call by Contractors office until equipment is restored to operation within the manufacturer's printed recommended minimum criteria for the operation of equipment and/or Giant Eagle standard.
3. **Incomplete Restore Objective -** If repair CAN NOT be completed within the prescribed Restore Objective due to circumstances beyond the Contractors control (parts/equipment availability, scheduling conflicts with Retail Operations, etc.) the Contractor will enter such status in Verisae and notify the Store manager and Giant Eagle Facilities Management Services (Regional Facilities Manager) of the inability to complete the repair and provide an Estimated Time/Date of Completion (ETC). If Contractor fails to provide such notification, Giant Eagle Inc. is hereby authorized to do the work or to have the work done by an Alternate Contractor at the original Contractor's expense.
4. **Alternate Contractor (non-warranty service):** If Contractor fails to provide the required Services within the stated Service Level Priority, Giant Eagle Inc. shall have the right to arrange for such Services to be provided by an alternative provider after notice to the Contractor (via telephone call, voicemail, or email). Any and all costs that may have been incurred by the original Contractor (i.e. service charges, travel time) will not be billable to Giant Eagle Inc.

5. Alternate Contractor (Warranty or Contract Maintenance service): If Contractor fails to provide the required Services within the stated Service Level Priority, Giant Eagle Inc. shall have the right to arrange for such Services to be provided by an alternative provider and, after notice to the Contractor (via telephone call, voicemail, or email), Giant Eagle Inc. shall be entitled to deduct from future payments owed to Contractor the cost of the expenses paid to the alternative provider.

#### **D. EXECUTION OF MAINTENANCE and WARRANTY WORK**

1. Certifications: Contractor shall ensure that all technicians performing Services shall maintain proper licenses and certifications, if required by local, state or federal law and as required by manufacturers. Contractor shall provide copies of licenses for technicians and for any newly hired technician prior to servicing any equipment or systems for Giant Eagle Inc.
2. Subcontracting: The contractor shall not subcontract any work without prior approval of Giant Eagle and/or Giant Eagle Facility Management Representative
3. Parts: Refer EXHIBIT D Section 2.01 PARTS for inventory and sourcing requirements.
4. Refrigerant: The Contractor shall document all refrigerant use as outlined by Giant Eagle's refrigerant tracking and compliance programs.
5. Safety: The Contractor shall be familiar with the requirements in specification section 01040 - 1.05 "Safety" and Giant Eagle's written Safety Programs, including revisions, amendments, and supplements added from time to time. A copy of the written Safety Program is available at any Giant Eagle and GetGo location upon request. Contractor shall provide sufficient, safe and proper facilities at all times. Contractor shall be responsible to provide adequate safety barriers, spill/leak absorption material and/or protective devices as deemed necessary to protect life and property.
6. Housekeeping: Contractor shall keep the work areas in broom-clean condition and free of foreign materials. Contractor shall notify the Giant Eagle Facilities Management Services of excess equipment or materials being stored in the compressor or electrical rooms. Contractor shall not use these rooms for storage.

#### **E. INVOICING**

1. **Contractor shall process all invoice (both warranty and non-warranty work) for payment through the Verisae system within 7 days of completing the work.** Warranty and Contracted Maintenance work shall include detailed labor and part costs and be submitted "Non-Billable Covered by Contract" at \$0 cost. If this requirement CAN NOT be met due to circumstances beyond the contractors control then written notice must be given to the Giant Eagle Facilities Manager within the 7 day time frame.
2. Invoice Detail:
  - a. The invoice shall clearly itemize labor, materials, travel and associated detailed fees related to the work performed.
  - b. All invoices involving equipment MUST list asset tag # that it will be charged against.
  - c. Any invoice submitted that does not comply with the procedures set forth above in section 3a, b and c shall be rejected for payment.
3. General Billing/Payment Procedures for Excluded Services: Fees will be paid on the following basis.
  - a. Labor: Labor rates in accordance with Service Contract Exhibit A- Bid Summary Form or rate schedule provided at bid. Contractor shall provide labor associated with the diagnosis and replacement of any component failure including that on Owner furnished equipment
    - (1) Billable Labor: Charges shall start when contractor arrives on site.
    - (2) Labor Increments: Labor shall be charged in ¼ hour increments or greater. Work shall include tools to complete task with no additional charge to the owner.
    - (3) Maximum Standard Labor Reimbursement Allowance: There may be predefined

“Maximum Standard Labor Reimbursement Allowance” for some common part replacements. Refer to individual discipline sections for specific table at end of this section. Deviations from the agreed upon maximum will require authorization from Owner’s Facility Management Representative.

- (4) Labor Mark-Up: No mark-up shall be permitted on Sub-contracted labor used in the execution of service work.
- b. Truck Charges: (per truck) One Time Truck Charge allowance. This includes Holiday and overtime service calls.
  - (1) Single Charge per Work Order
  - (2) Single Charge for multiple Work Orders executed in a single day
  - (3) Fuel Escalation / De-escalation: The Truck Charge for any contract is tied to price/gallon for 87 octane gasoline at the time of contract execution. Each party reserves the right to review fuel costs on a 6 month basis during the duration of any contract agreement. Should fuel cost fluctuation exceeds 15% of the cost at the time of the original agreement, each party will be provided an opportunity to negotiate a “Fuel Surcharge” in addition to the Truck Charge.
- c. Parts: Billable parts or materials will be marked up as follows:
  - (1) Parts less than \$100 may be marked up 35%.
  - (2) Parts \$101- \$500 may be marked up 25%
  - (3) Parts \$501- \$1,000 may be marked up 20%
  - (4) Parts greater then \$1,001 may be marked up 15%
  - (5) Parts furnished via sub-contracted service work 0%
  - (6) EXAMPLE: Contractor Invoice cost: \$100 Mark Up =  $\$100 \times 1.35 = \$135$
- d. Freight: No markup is allowed on freight bills
4. Audit: When requested for audit purposes, the Contractor shall provide to Giant Eagle Inc a copy of their invoice for material for work performed outside of this contract.
5. Service Estimates: If estimated cost for any Services rendered is greater than \$1000 for a Supermarket or \$500 for a GetGo, the following must occur:
  - (1) Contractor shall submit a quote.
  - (2) Giant Eagle Inc. must approve any such quote in writing prior to Contractor’s performance of any such Excluded Services.

Note to Contractor: Some Work Orders have priorities that specify, “Time and Materials at a cost not to exceed \$XX.XX”. In this case, Contractor must submit estimate to the Regional Facility Manager with the NTE price listed as a billable material item. All NTE work will be entered through Verisae for labor verification and at Giant Eagle Inc.’s request the contractor will provide their invoice for cost of material

6. PM Compliance: Failure to complete ANY/ALL PMs within their specified time schedule will result in non-compliance provisions outlined above in the “Incomplete Restore Objective” and “Alternate Service Contractor” This may result in actions and/or deductions consistent with this section.

## **F. SYSTEMS AND EQUIPMENT MODIFICATIONS**

- A. Minor Work (SERF ) Example: Single Department Case line-up replacement or additions, etc:
  1. Giant Eagle reserves the right to competitively bid any/all minor work necessary to replace/upgrade existing equipment. Should the Maintenance Contractor responsible for the any Maintenance Service Contract not be successful in securing the work, the Maintenance

Contractor shall still be responsible to oversee the work of the successful Installing Contractor to ensure the installation is compliant with all Giant Eagle standards and specifications. The Contractor responsible for the Comprehensive Maintenance Program will then assume responsibility for any/all on-going work associated with this equipment, including support of any owner furnished manufacturers warranty work that may be required. Warranty work directly associated with the Installation Contractor furnished parts shall remain the responsibility of the Installation Contractor and the Maintenance Service Contractor shall coordinate and oversee any of this corrective work.

2. Should the minor work add additional equipment not originally covered in any Maintenance Service Contract, Giant Eagle and the Refrigeration Maintenance Contractor shall negotiate in good faith to add this equipment to the contract for the remainder of the contract terms

**B. Major Work (Remodels/Expansions)**

1. Giant Eagle reserves the right to competitively bid any/all major remodel and expansion work. Should the Maintenance Contractor responsible for any Maintenance Service Contract not be successful in securing the Installation Contract, then Giant Eagle and the Maintenance Contractor shall negotiate in good faith to secure a replacement facility or opt out of the contract for that specific store for the remainder of the contract terms.

**G. KPI:**

1. Key Performance Indicators or Index (KPI): Giant Eagle may use a series of standard reports to measure the performance of the Contractors. These reports will be distributed on a periodic basis dependant on the report type, and the contractor shall maintain the facility performances to levels equal to or greater than the original start of the contract. Performance levels falling below these standards shall result in actions outlined below in "Service Level Performance Guarantee and Penalties".
2. In addition to KPI measurements, Giant Eagle may employ the services of a 3rd party to provide physical inspection and evaluation of work performed.

**H. SERVICE LEVEL PERFORMANCE GUARANTEE and PENALTIES:**

1. The Contractor agrees to meet or exceed monthly Response Time and Restore Objectives of 90% and any KPI performance objectives established. Calculation shall be based on the total number of service calls per store for duration of one (1) calendar month. The following penalties may be assessed to support the SLA objectives at Giant Eagle's discretion:
  - a. The Contractor shall provide a credit equal to \$100 per service call that causes the Response and Restore SLA to fall below the Response Time and Restore Objectives of 90%.
  - b. Should any of the Key Performance Indicators fall 10% or more for duration of 2 consecutive months or longer, Giant Eagle shall provide written notification of unsatisfactory performance and will require the Contractor attend a meeting and provide a written business plan of corrective actions to be undertaken. If the corrective actions do not resolve or show measured improvements in addressing the performance issues, Giant Eagle reserves the right to terminate the agreement with a 30 day written notice.

**END OF SECTION**