



DE LOREAN MOTOR COMPANY

SERVICE BULLETIN

NUMBER SW-01-6/81

CATEGORY: WARRANTY

ATTENTION: ALL DMC DEALERS/SERVICE MANAGERS

SUBJECT: PROCEDURES

With Service Bulletin Number SO-03-6/81, DMC Dealers were informed of the status of the "Service Procedures" and Suggested Warranty Repair "Times" Manuals.

Until these manuals are available, please proceed according to the attached instructions for:

- A. Transportation Damage
- B. P.D.I. and Free Maintenance
- C. Warranty
- D. Technical Reporting

These procedures are in effect until superseded.

Sincerely,

Lutz Feuerabendt
Technical Service Manager

ATTACHMENTS

ISSUED 6/19/81

T R A N S P O R T A T I O N D A M A G E
C L A I M P R O C E D U R E S

TRANSPORTATION DAMAGE CLAIM SERVICE

Transportation damage is damage that occurred during the transportation of DMC vehicles up to the point of receipt/custody by the DMC dealership.

DMC provides transportation damage claim service for DMC dealers as follows:

- A) Receives claims from dealer.
- B) Reviews and validates claims based on the information received.
- C) Prepays dealer for DMC validated claim.
- D) Files claims with the respective carriers, and recovers cost for validated prepaid claims.
- E) Reverses payment for partial or full amount for prepaid claims for which DMC is unable to collect from the carriers.

VEHICLE INSPECTION AND DAMAGE RECORDING

In order to allow the processing of transportation damage claims, DMC dealers must follow the procedures below:

Receiving Inspection:

- 1) Verify the vehicle identification numbers (V.I.N.) of documents and vehicles.
- 2) Carefully inspect vehicle(s) for damage or missing items.
- 3) Record damages or missing items with a full description on the freight bill. Note the location, type of damage, and size. Examples: "Dent right front fender 6" x 2" x 1". "Hood - scratch, 3" long, $\frac{1}{4}$ " deep". "Spare tire missing - replace". "Right front fender crushed - replace". If the space available on the freight bill is insufficient, enter: "See attachment", and list the damages on the attachment. Always reference the damage to the applicable V.I.N. number on the freight bill as well as on any attachment.
- 4) Obtain the signature of the carrier's driver as an acknowledgement of the damages recorded.

Other:

- 1) Damage which will exceed \$300.00 in repairs (excluding glass and tires).
- 2) Severe damage - such as deformed body, frame, and suspension, contact your DMC District Manager.
- 3) Stains - In the event of any fluid stains on exterior panels, you must record on the freight bill the make and V.I.N. of the vehicle on the upper deck that caused the stain. Note - stain removal is normally part of "make ready". If stains cannot be removed, contact your DMC District Manager.
- 4) Salt water damage - Contact the DMC distribution department immediately.

CARRIER NOTIFICATION

The carrier must be notified by the receiving dealer by certified mail in the instances listed below.

- A. Subject To Inspection - When a vehicle is delivered after normal business hours or in a snow or ice covered condition, not rain or dirt, you may mark the freight bill "Subject to Inspection". Each vehicle must be inspected no later than the next working day after receipt. Your "Carrier Notification" must be sent to the carrier, by Certified Mail, no later than the second working day after receipt. A copy of your "Carrier Notification" must accompany your claim to DMC.
- B. Hidden Damage - Each vehicle must be inspected for hidden damage no later than the next working day after receipt. Your "Carrier Notification" must be sent to the carrier, by Certified Mail, not later than the second working day after receipt. A copy of your "Carrier Notification" must accompany your claim to DMC. Hidden damage can only include damage to undercarriages, tire treads, or insides of wheel wells. No other damage can qualify.
- C. Salvage Parts - When you need to replace any body or mechanical parts with a total DMC reimbursement cost of over \$50.00 per vehicle, a "Carrier Notification" must be sent to the carrier no later than 15 days after vehicle receipt, advising them of the disposition of the replaced parts. Dealers must hold such parts for 30 days from the date of the notification. A copy of your "Carrier Notification" must accompany your claim to DMC.

DEALER TRADES - It is the responsibility of the dealer originally receiving the vehicle to make all transportation damage repairs and file claims as required.

NONREIMBURSABLE ITEMS - The following cannot be reimbursed under transportation damage:

- A. Complimentary items such as: books, manuals, key cases, touch-up paint, etc.
- B. Minor scratches or chips - cleaning, polishing.
- C. Warrantable items, such as outward dents, misalignment of parts, stress cracks (glass), rough or wavy sheet metal, noninstalled equipment, etc. If it is necessary to repair such items, contact your District Manager.
- D. Subsequent damage due to delayed repairs or improper storage of damaged vehicles.

DAMAGE REPAIRS REQUIRING AUTHORIZATION

Before a damaged vehicle is repaired, you must contact the District Manager if the following conditions exist:

- 1) The cost to repair the vehicle will exceed \$300.00 (excluding glass and tires).
- 2) The frame or safety related components of the vehicle appear to be damaged such as, damaged suspension and/or frame of the vehicle, any part of the floor/undercarriage is ripped or torn, or any welded panels require replacement.
- 3) Special or unusual damage is discovered.

The District Manager will provide specific instructions, as applicable.

DAMAGE REPAIRS

DMC Dealers are required to assure that DMC vehicles are in new condition. All Transportation Damages and/or missing items must be repaired or replaced as applicable, including damages occurring during storage or handling after delivery to the dealership, and prior to retail delivery. Repairs are to be made to restore the vehicle to perfect condition in accordance with the repair procedures established in the DMC Service and Repair Manual, using new DMC components only.

DISCLOSURE OF DAMAGE TO CONSUMERS

Several states have laws requiring disclosure to consumers of damage repairs or unrepaired damage, usually beyond a minimum value threshold. Consult your local laws as applicable.

TRANSPORTATION DAMAGE CLAIMS - PROCEDURES

GENERAL: -Up to 3 damages may be entered on one form.
-If more than 3 damages, use an extra form and attach to the first form.
-Do not enter any other transaction type category with transportation damage claims.

ATTACHMENTS REQUIRED: A) Repair order
 B) Sublet of bill (if applicable)
 C) Copy of Freight Bill
 D) Other pertinent documents pertaining to the claim.

REPLACED PARTS: Identify with DMC parts tag and store until disposition by the carrier or DMC.

CLAIM COMPLETION: Entries are required on the shaded lines. Enter line B-11 only if applicable.

LABOR OPERATIONS AND TIME (REGULAR):

Operation # AT 000 Time: The actual clocked time in time units.
(100 units = 1 hour)

LABOR OPERATION AND TIME (SUBLET):

Operation # SL 000 Time: As shown on the sublet bill.

CLAIM SUBMISSION: Retain pink copy, mail via regular mail to: De Lorean Motor Company, 2055 S. E. Main St., Irvine, CA 92714
Attention: Technical Service

CARRIER NOTIFICATION LETTER

(EXAMPLE ONLY)

ORIGINAL LETTER TO: CARRIER, VIA CERTIFIED MAIL

COPY OF LETTER (SUBMIT WITH CLAIM PACKAGE)

Dealer's Letterhead <u>or Name & Address</u>	
TO: CARRIER (Name) _____	Date of this Notification _____
Address _____	Delivery Date _____
Freight Bill # _____	VIN# _____
☐ <u>"SUBJECT TO INSPECTION" DAMAGE NOTICE</u>	
() Delivered After Hours	
() Delivered Covered by Ice/Snow, rendering normal inspection impossible	
() Concealed Damage	
Damages/shortages to the subject vehicle were noted as follows:	

☐ <u>SALVAGE PARTS NOTICE</u>	
Carrier: Please be advised that the salvage parts listed below will be	
held by us for 30 days, from the date of this notification, for	
your inspection/disposition:	
Salvage Description:	

DEALER CODE # _____	AUTHORIZED SIGNATURE _____

CLAIMS PROCEDURES FOR:

- PREDELIVERY INSPECTION (P.D.I.)
- FREE MAINTENANCE (Labor only for 1st maintenance at 600-1200 miles)

LABOR OPERATION #/TIME ALLOWANCE

P.D.I.:	Operation #	01001	Time	150 units = (1hr.30min.)
Free Maintenance:	Operation #	01002	Time	150 units = (1hr.30min.)

TRANSACTION CODES (line B-1)

P.D.I. - 32
Free Maintenance - 33

CLAIM COMPLETION

An entry is required in the shaded lines.
Retain pink copy and mail via regular mail to:

De Lorean Motor Company
2055 S. E. Main Street
Irvine, CA 92714
Attn: Technical Service

TECHNICAL REPORT PROCEDURES

This form is used to report technical matters as they apply to the vehicle itself, spare parts, repair procedures, labor operations.

DMC dealers should participate in reporting such items thereby providing DMC and the factory with a broad basis of information for product quality, durability and function analysis and future product development.

It is essential that the reports contain only factual information and that they are submitted immediately.

COMPLETION

An entry is required in the shaded lines.

NOTE: If a Warranty Claim was prepared for the item to be reported, a Technical Report should not be prepared.

Retain pink copy and mail via regular mail to:

De Lorean Motor Company
2055 S. E. Main Street
Irvine, CA 92714
Attn: Technical Service

WARRANTY PROCEDURES

General: DMC Dealers are authorized and required to make warranty decisions, repairs, and replacements on behalf of DMC, with the exception of those items that require prior inspection or authorization by DMC. (See warranty repairs requiring authorization.) DMC Dealers are also required to render warranty service for DMC vehicles not sold by them, and transient owners should receive preferential treatment.

Decision Making: The warranty statements as they apply to the vehicle, its components or systems are the basis for making a decision whether a repair or replacement is warrantable.

A repair or replacement is warrantable, and you may proceed with a repair or replacement if you can answer all of the following with a "yes":

- 1) A malfunction exists.
- 2) The malfunction is caused by a defect in material or workmanship at the factory.
- 3) The item is not specifically excluded from coverage in any of the applicable warranties.
- 4) The item does not require prior inspection and/or authorization. (See warranty repairs requiring authorization.)
- 5) The mileage limit of any of the applicable warranties is not exceeded.
- 6) The time limit of any of the applicable warranties is not exceeded.

Note: Before denying any DMC owner's request for warranty service, you must consider any state or local laws or regulations which may override the limitations of any of the warranties.

The following is an overview of the warranties that apply to DMC vehicles:

Warranties: (For overview only refer to the actual warranties for full details.)

Vehicle	12 months/12,000 miles
*Emission Component Defects, Federal	5 years/50,000 miles
*Emission Component Defects, California	5 years/50,000 miles
*Emission Performance, Federal	5 years/50,000 miles
*Emission Performance, Federal	24 months/24,000 miles
Tires	Refer to Tire Warranties Statement
Sound System	Refer to Sound System Warranties Statement
Batteries (original equipment)	See Battery Warranty Information (in the DMC Folder)

*Refer to the emission parts list in the DMC Emission Warranty Statement

The following warrantable repairs require prior authorization. For some items prior inspection will also be required as follows:

	<u>PRIOR INSPECTION REQUIRED</u>	<u>PRIOR AUTHORIZATION REQUIRED</u>
<u>GENERAL:</u>		
Any warrantable repair or replacement that requires:		
<u>Parts</u> = Any single part with a Dealer net price of more than \$500.00		X
<u>Labor</u> = Labor time of 20 hours or more		X
<u>Combined</u> = The total claim value exceeds \$1500.00		X
<u>MAJOR UNITS:</u>		
Engine complete		X
Short block		X
Transaxle complete		X
Chassis/frame	X*	X
<u>BODY:</u>		
Any sheet metal work	X	X
Door replacement	X*	X
Any paint repair	X	X
Glass replacement	X*	X
Trim & Carpets	X*	X
Upholstery	X*	X

*If replaced and defect can still be verified after the replacement, the prior inspection requirement may be waived.

Procedures: To obtain an authorization, contact your DMC District Manager who will give you an authorization number. This number must be entered on line B-11 of the claim form.

If prior inspection is required, arrange to have the vehicle inspected during the next visit of your DMC District Manager.

In an emergency situation where the vehicle is inoperable and prior inspection is required, contact your DMC District Manager or the DMC area office.

All authorizations are issued based on information supplied by the requesting dealer. If, at a later date, such information proves to be erroneous, the applicable authorization may be retracted, resulting in a reversal of the claim's status and disposition.

DMC District Managers will not issue authorizations for any repair which is not warrantable.

NOTE: DMC District Managers can issue authorizations, if justified, only for items that require authorization, and therefore can not issue any authorizations for any other items, such as repairs or replacements not covered by warranty or beyond the warranty limits, disallowed claims, etc. Such authorizations can only be obtained through the DMC Service Department. For such authorizations, contact your District Manager for instructions or assistance.

R E I M B U R S E M E N T S

L A B O R

De Lorean Motor Company (DMC) reimburses authorized DMC dealers for labor reimbursable by DMC as follows:

ESTABLISHED LABOR OPERATIONS AND TIME ALLOWANCE

The time allowance multiplied by the "DMC Labor Reimbursement Rate."

NOT ESTABLISHED LABOR OPERATIONS OR TIME ALLOWANCE

The reasonable actual time used (punched time) multiplied by the "DMC Labor Reimbursement Rate."

SUBLET/OTHER LABOR - SEE OTHER REIMBURSEMENTS

R E I M B U R S E M E N T S

P A R T S

DeLorean Motor Company (DMC) reimburses authorized DMC dealers for parts reimbursable by DMC as follows:

GENUINE AND DMC SUPPLIED PARTS

The amount shown under "DMC Reimbursement" in the DMC parts price list. This amount is calculated as follows:

Dealer Net x 25% allowance for dealer handling

Dealer Net x 2% allowance for small parts whether used or not

Dealer Net x 27% Reimbursement

SMALL PARTS

Small parts of less than \$1.00 list price are excluded from reimbursement on an individual basis and are covered by the 2% small parts allowance. Such parts should therefore not be listed on claims; they also do not show a DMC reimbursement amount in the DMC parts price list.

EXCLUSIONS

The aforementioned reimbursement calculations do not apply for some selected items such as major units or high cost items that require authorizations.

Handling and small parts allowance for such items will be calculated on an individual basis, and a DMC reimbursement amount is also not shown in the DMC price list.

In no event will any DMC reimbursement for genuine DMC components exceed the DMC suggested list price.

OTHER/SUBLET PARTS

See other reimbursements.

REIMBURSEMENT CALCULATIONS/EFFECTIVE DATE (PARTS):

Reimbursement amounts are calculated at the reimbursement prices in effect at the time of processing at the DMC Service Processing Center.

OTHER REIMBURSEMENTS

De Lorean Motor Company (DMC) reimburses DMC Dealers as follows for:

SUBLET LABOR

The actual reasonable amount paid by the DMC Dealer to the sublet shop, without any dealer mark-up.

BODY SHOP LABOR (DEALER OWNED BODY SHOP)

Sheet metal & trim work - body shop repair order is treated like a sublet repair order.
Mechanical work - same as mechanical labor.

FLAT LABOR/FLAT PARTS - DOLLARS

The dollar amount allowed, authorized or agreed upon.

EXCISE TAXES

The amount of the actual tax incurred or applicable portion thereof.

FREIGHT (WARRANTY PARTS SUBMISSION)

The actual freight cost incurred.

SUBLET PARTS

The actual reasonable amount paid by the DMC Dealer to the sublet shop without any dealer mark-up. Any genuine DMC parts used during a sublet repair are reimbursed at the rate applicable to genuine DMC components.

OTHER NON-GENUINE PARTS/MATERIALS/FLUIDS/LUBRICANTS

Other parts and materials used during warranty repairs at the DMC Dealer are reimbursed at the actual dealer cost plus ten percent for handling.

Fluids and lubricants used during warranty repairs are reimbursed according to the following schedule:

	<u>Part #</u>	<u>QTY</u>	<u>Reimbursement</u>	<u>This allows for:</u>
FREON CHARGE	(W-106788)	1	\$6.30	3.75 pounds = $1\frac{1}{2}$ charge: $\frac{1}{2}$ charge for testing, 1 charge for system fill to complete the repair
ENGINE OIL	(W-100559)	1	\$10.25	7 quarts refill to complete the repair
TRANSMISSION OIL	(W-100560)	1	\$4.55	3.9 quarts refill to complete the repair
AUTOMATIC TRANSMISSION FLUID	(W-100561)	1	\$9.15	6 quarts refill to complete the repair
AUTOMATIC TRANSMISSION FINAL DRIVE	(W-100562)	1	\$2.10	1.8 quarts refill to complete the repair
ANTIFREEZE	(W-100565)	1	\$7.55	1.45 gallons to refill system to maximum level

LABOR REIMBURSEMENT RATE

DMC LABOR REIMBURSEMENT RATE

GENERAL: The DMC Mechanical Labor Reimbursement Rate applies to all valid transactions of DMC Dealers that are reimbursable by DMC.

OPTION A: Retail Rate (Requires Posting and Stating of the Effective Retail Rate).

The DMC Labor Reimbursement Rate is equal to the stated posted effective mechanical retail rate of a DMC Dealership.

LIMITATIONS

If such rate exceeds the average effective rates applicable to other franchised makes handled by the DMC Dealership and/or effective retail rates of other new vehicle dealers in the DMC Dealer's immediate trade area, the DMC Labor Reimbursement Rate will be limited to be no more than 10% above such average rates, unless the DMC Dealer can show that the average hourly mechanical pay rate for the DMC technicians is higher than 110% of the average hourly mechanical pay rate for other makes in the DMC Dealer's Service Department or immediate trade area.

OPTION B: Calculated Rate (Procedure for Start Up).

If a DMC Dealer does not wish to state and post the effective retail rate, the DMC reimbursement rate shall be equal to: 255% of the average basic wage paid to the service technician(s) principally assigned to perform maintenance and repair work on DMC vehicles. In no event shall the calculated rate exceed the effective retail rate.

BASIC WAGE MEANS

Hourly/Salaried - The basic hourly wage without any benefits or efficiency allowance.

Split Pay System - The hourly amount applicable to service technicians' pay without benefit or efficiency allowance.

PROCEDURE FOR ESTABLISHING DMC LABOR REIMBURSEMENT RATE

In order to establish a new or updated DMC Labor Reimbursement Rate, the dealer must complete the "Application for Labor Reimbursement Rate."

Forms may be obtained by ordering DMC Part # F-200001 (Option A) or F-200002 (Option B).

Upon completion, your dealer's signature must be notarized. The forms must be forwarded to the DMC Service Department, which will inform your dealership in writing of the newly established and approved DMC Labor Reimbursement Rate and its effective date.

WARRANTY CLAIMS - PROCEDURES

GENERAL: -Each individual repair requires a separate transaction entry.
-Up to 3 individual repairs of one repair order may be entered on one form.
-If more than 3 repairs, prepare additional form and attach to the first form.

ATTACHMENTS REQUIRED: A) Repair order
B) Sublet bill (if applicable)

REPLACED PARTS: Identify with DMC parts tag and submit together with the claim, except - fuel tanks, glass, large items which must be stored until disposition by DMC.

CLAIM COMPLETION: Entries are required on the shaded lines. Enter line B-11 only if applicable.

LABOR OPERATION AND TIME (REGULAR):

Operation # AT 000 Time: The actual clocked time in time units.
(100 units = 1 hour)

LABOR OPERATION AND TIME (SUBLET):

Operation # SL 000 Time: As shown on the sublet bill.

CLAIM SUBMISSION: Retain pink copy, mail or ship to: De Lorean Motor Company,
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Attention: Technical Service