

**AMENDMENT NO. 1
TO
INTERLOCAL AGREEMENT
BETWEEN SOURCEWELL
AND THE CITY OF AUSTIN**

This amendment is dated August 7, 2018, and is between the City of Austin (the "City") and the National Joint Powers Alliance ("NJPA"), now doing business as Sourcewell ("Sourcewell").

On March 27, 2015, the City and NJPA entered into an interlocal agreement for cooperative purchasing (the "Agreement").

NJPA changed its name to Sourcewell, effective June 6, 2018.

Sourcewell warrants that it has authority to enter into this amendment as it is the same entity as NJPA and all rights and responsibilities of NJPA now belong under the name Sourcewell.

The parties desire to continue operating under the Agreement under its existing terms and conditions and, for the avoidance of confusion, to record an amendment reflecting the NJPA name change to Sourcewell.

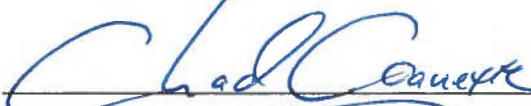
Therefore, the Agreement is hereby amended as follows:

1. Every instance of the name "the National Joint Powers Alliance" or "NJPA" in the Agreement is hereby deleted and replaced with the name "Sourcewell."

Except as expressly amended above, all terms and conditions as stated in the Agreement remain the same.

This amendment will become effective when all parties have signed it. The date of this amendment will be the date it is signed by the last party to sign it, as indicated by the date associated with that party's signature.

SOURCEWELL



Printed Name of Authorized Person



Signature



Title:




Date:

CITY OF AUSTIN

James Scarboro

Printed Name of Authorized Person



Signature

Purchasing Officer

Title:

8/31/2018

Date:

ORDINANCE NO. 155 - 2018

AUTHORIZING AN AGREEMENT WITH SOURCEWELL RELATIVE TO
COOPERATIVE GROUP PURCHASING SERVICES FOR THE DEPARTMENT
OF PUBLIC SERVICE, AND DECLARING AN EMERGENCY.

SECTION 1. The Mayor and the Municipal Clerk be, and they hereby are, authorized and instructed to enter into an agreement with Sourcewell, Staples, MN, for membership for the procurement of goods and services for in-state and out-of-state public agencies to engage in cooperative group purchasing, in accordance with the attached "Exhibit A."

SECTION 2. It is hereby found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Revised Code of Ohio.

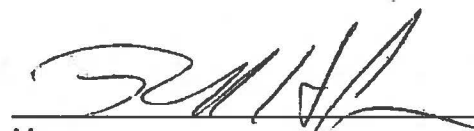
SECTION 3. This Ordinance is hereby declared to be an emergency measure and shall take effect and be in force immediately from and after its passage. The reason for the emergency lies in the fact that this Ordinance is necessary for the immediate preservation of the public peace, health and safety in order to take advantage of discounted rates.

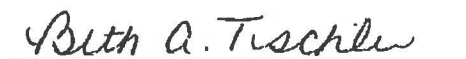
Vote on emergency clause: Yeas 7 Nays 0.
Passed as an emergency measure: August 6, 2018.

ATTEST:


Municipal Clerk.

Approved as to form by:


Mayor.


Law Director.

**CONTRACT BETWEEN THE CITY OF AUSTIN (“City”)
AND
Bullchase, Inc. (“Contractor”)
for
Maintenance, Repair and Operations (MRO) Supplies and Related Services
MA 7400-GC170000015**

This Contract is between Bullchase, Inc. having offices at 201 S. Lakeline Blvd. Ste. #503 Cedar Park, TX 78613 and the City, a home-rule municipality incorporated by the State of Texas, and is effective on 07/25/17. Solicitation requirements are met by using Contractor’s National Joint Powers Alliance (NJPA) Cooperative Contract No. 091214-WWG.

1.1 This Contract is composed of the following documents:

- 1.1.1 Exhibit A, National Joint Powers Alliance (NJPA) Cooperative Contract No. 091214-WWG
- 1.1.2 This Contract
- 1.1.3 Exhibit B, Supplemental Purchase Provisions (Section 0400)
- 1.1.4 Exhibit C, Bullchase/Grainger Master Seller Agreement
- 1.1.5 Exhibit D, the City’s Non-Discrimination Certification
- 1.1.6 Exhibit E, the City’s Non-Suspension & Debarment Certification
- 1.1.7 Exhibit F, the City’s Standard Purchase Terms and Conditions (Section 0300)
- 1.1.8 Exhibit G, Workflow Statement for Bullchase/Grainger

1.2 Order of Precedence. Any inconsistency or conflict in the Contract documents shall be resolved by giving precedence in the following order:

- 1.2.1 Exhibit A as referenced in Section 1.1.1
- 1.2.2 This Contract
- 1.2.3 Exhibit B as referenced in Section 1.1.3
- 1.2.4 Exhibit C as referenced in Section 1.1.4
- 1.2.5 Exhibit D as referenced in Section 1.1.5
- 1.2.6 Exhibit E as referenced in Section 1.1.6
- 1.2.7 Exhibit F as referenced in Section 1.1.7
- 1.2.8 Exhibit G as referenced in Section 1.1.8

1.3 Designation of Key Personnel. The Contractor’s Contract Manager shall be Marianne Galea; Phone: (888) 558-2855; Email: Marianne@bullchase.com. The City’s Contract Manager shall be Claudia Rodriquez; Phone: 512-974-2959; Email: ClaudiaR.Rodriquez@austintexas.gov.

1.4 Quantity. There is no guaranteed quantity of goods for the period of the Contract. Goods are ordered on an as-needed basis as specified by the City in each purchase order/online order. The Contractor shall provide next day delivery for all orders received the previous day. All orders are shipped F.O.B. Destination, with inside delivery to all departments and facility location.

1.5 Term of Contract. The Contract shall be in effect for an initial term of 15 months and may be extended thereafter for up to one 12 month extension option(s), subject to the extension of the cooperative contract (as referenced in Section 1.1.1 above), approval of the Contractor and the City Purchasing Officer or his designee.

- 1.6 **Compensation.** The Contractor shall be paid a total Not-to-Exceed amount of \$50,000 for the initial Contract term and \$50,000 for each extension option for a total amount Not-to-Exceed \$100,000.

This Contract (including any Exhibits) constitutes the entire agreement of the parties regarding the subject matter of this Contract and supersedes all prior and contemporaneous agreements and understandings, whether written or oral, relating to such subject matter. This Contract may be altered, amended, or modified only by a written instrument signed by the duly authorized representatives of both parties.

In witness whereof, the City has caused a duly authorized representative to execute this Contract on the date set forth below.

BULLCHASE, INC.

CITY OF AUSTIN

Marianne Galea

Printed Name of Authorized Person

Marianne Galea
Signature

President

Title:

7-24-17
Date:

Claudia Rodriguez

Printed Name of Authorized Person

Claudia Rodriguez
Signature

Procurement Specialist IV

Title:

7/25/2017
Date:

Exhibit A-National Joint Powers Alliance (NJPA) Cooperative Contract No. 091214-WWG
Exhibit B-Supplemental Purchase Provisions (Section 0400)
Exhibit C-Bullchase/Grainger Master Seller Agreement
Exhibit D- Non-Discrimination Certification
Exhibit E- Non-Suspension & Debarment Certification
Exhibit F- Standard Purchase Terms and Conditions (Section 0300)
Exhibit G-Workflow Statement



NJPA VENDOR CONTRACT SUMMARY – GRAINGER

DATE October 21 , 2014	RFP # 091214
AWARDED CONTRACT NUMBER 091214-WWG	NJPA RFP TITLE & CATEGORY Facilities Maintenance, Repair and Operating Supplies
CONTRACT PERIOD October 21, 2014 – October 21, 2018	PRICING MODEL Line Item pricing with NJPA discount, discounted Hot List pricing
DESCRIPTION Contract offers law enforcement, firefighting, and emergency medical services products, plus an array of services and solutions that help members manage their inventory. The contract includes brands like 5.11 Tactical, Hurst Jaws of Life, Fire Dex, Blackhawk!, Pelican, Mustang Survival, Elkhart Brass, and many others.	
VENDOR NAME AND ADDRESS WW Grainger Inc. 100 Grainger Parkway Lake Forest IL 60045	VENDOR CONTACT Jeff MacNeil 804-357-3158 Jeff.MacNeil@grainger.com

NJPA CONTRACTS CONSIST OF THE FOLLOWING DOCUMENTS “Contract” as used herein shall mean cumulative documentation consisting of this RFP, an entire Proposers response, and a fully executed “Acceptance and Award” pursuant to this RFP. <ul style="list-style-type: none">• Request for Propoasl (RFP)• Bid Acceptance & Award	RELATED CONTRACT DOCUMENTATION <ul style="list-style-type: none">• Bid Comment & Review• Affidavit of Advertisement• Bid Evaluation• Bid Opening Witness Page
DOCUMENTATION OF CONTRACT MAINTENANCE	ADDITIONAL INFORMATION:

NJPA INFORMATION

NJPA CONTACT Tom Perttula	TITLE Contract Manager
PHONE 218-895-4115	EMAIL Tom.Perttula@njpacoop.org
ADDRESS 202 12th Street NE, P.O. Box 219, Staples, MN 56479	WEBSITE www.njpacoop.org

Home > National Cooperative Contract Solutions > Contracts - General > Facility, Maintenance, Repair and Operations > W.W. Grainger, Inc.



Overview

Contract Documentation

Pricing

Marketing Materials

NJPA Contact Information

HOW TO PURCHASE 
Our step-by-step guide

Vendor Contact Info

Jeffrey MacNeil
Direct Phone: 804-357-3158
jeff.macneil@grainger.com
www.grainger.com

W.W. Grainger, Inc.

Contract#: 091214-WWG

Category: Facility, Maintenance, Repair and Operations

Description: Facility & Maintenance, Repair, Operations

Maturity Date: 10/21/2018

The Grainger contract entitles NJPA Members to access contract pricing discounts on facilities maintenance products, plus an array of services and solutions for your facilities. This includes all products in the Grainger catalog and online at Grainger.com. Through this contract you'll realize cost savings, not only on your MRO purchases, but also items for your state and local initiatives, such as Sustainability and Emergency Preparedness. Call us for those hard-to-find, infrequently used products. We can help you find other brands beyond the Grainger catalog. www.grainger.com/findmro

[Grainger Affiliation Form](#)



Regular Meeting & Retreat Minutes of the
NATIONAL JOINT POWERS ALLIANCE®
Board of Directors
Tuesday, October 21, 2014
Executive Conference Room

Chair Wolden called the Regular Board meeting to order at 5:53 p.m. with the following members present: Brian Lehman, Mike Wilson, Wayne Wolden, Randy Pepin, and Barb Neprud. Also present were George Weber, Ex-Officio; Jamie Faye, Eide Bailly; Chad Coauette, Susan Nanik, Paul Drange, Diana Pihlaja, Misty Myers, Anna Gruber, David Jessop, Dave Duhn, and Deb Cervantez, NJPA staff.

Mr. Wilson moved, seconded by Ms. Neprud to accept the agenda as amended. Motion carried.

Ms. Neprud moved, seconded by Mr. Wilson to accept the minutes of the Regular Board Meeting held on September 16, 2014. Motion carried.

Ms. Faye presented the Auditors Report for FY 2013-2014.

Mr. Pepin moved, seconded by Mr. Lehman to approve the Auditors Report FY 2013-2014 as presented. Motion carried.

Mr. Jessop gave an update on HITA and the Health Insurance Renewal process.

Ms. Pihlaja presented the monthly Financial Reports.

Mr. Pepin moved, seconded by Ms. Neprud **to approve the check register and Treasurer's Report of Cash, Revenues, and Expenditures** and to pay all vendor disbursements #82761 to #82997. Motion carried.

Mr. Pepin moved, seconded by Mr. Lehman to approve all Wire Transfers #083 to #110. Motion carried.

Ms. Neprud moved, seconded by Mr. Wilson to accept the Consent Agenda as follows:

- Updated Membership Agreements Members added September 1-30, 2014
- Approve Authorization to Bid:
 - Pre-engineered Buildings, Including Related Supplies, Materials, Site Preparation, Installation, and Ancillary Services
- Approve Authorization to Re-Bid
 - Paint and Wall Coverings to Include Architectural Finishes with Related Supplies, Equipment, and Services
- **Approve Bid Evaluation Committee's Recommendation to Award RFP #080114 for Snow and Ice Handling Equipment with Related Accessories, Services, and Supplies to:**
 - Kennametal, Inc.
 - Cargill, Inc. Deicing Technology B.U.
 - J.A. Larue, Inc.
 - Epoke North America, Inc.
 - Monroe Truck Equipment, Inc.
 - M-B Companies, Inc.

- Henderson Products, Inc.
- Accu Steel, Inc.
- Wausau Equipment Company
- Tenco Industries, Inc.
- R.P.M. Tech, Inc.
- Winter Equipment Co.
- Ironhawk Industrial Distribution, LLC
- Viking-Cives Midwest, Inc.
- **Approve Bid Evaluation Committee's Recommendation to Award RFP #091214 for Facilities Maintenance, Repair and Operating Supplies to:**
 - W.W. Grainger, Inc.
- **Approve Bid Evaluation Committee's Recommendation to Award RFP #090414 for Food Products and Distribution and Related Products and Services to:**
 - Multi-Unit Group
 - US Foods
- **Approve Renewal of Agreements with:**

○ Best Buy Stores, LP	081311
○ Access Information Systems, Inc.	080913
○ Polaris Industries, Inc.	090512
○ VT Hackney, Inc.	090512
○ FuelEducation	101713
○ Automotive Rentals, Inc.	080212
○ Caterpillar, Inc.	080613
○ Staples Contract & Commercial, Inc.	111010

Motion carried.

Mr. Drange and Ms. Gruber reported on regional programs.

Mr. Lehman moved, seconded by Mr. Wolden to fully fund projects 1-5 of the Cities/Counties Innovation Funding prioritized list as presented. Motion carried.

Mr. Lehman moved, seconded by Mr. Wilson to approve the Broadband Funding Request as presented. Motion carried.

Mr. Duhn gave an update on the NJPA Cooperative Health initiative status.

Mr. Wilson moved, seconded by Mr. Pepin to call for Annual Election of Board Members in Sub Regions I and II and appoint Susan Nanik and Deb Cervantez as Election Judges. Motion carried.

Ms. Nanik presented the 2014-2015 Membership Roster for Continuing Education/Re-licensure.

Ms. Neprud moved, seconded by Mr. Wilson to approve the Revenue Share Agreement with Alberta Association of Municipal Districts and Counties (AAMDC). Motion carried.

Mr. Wilson moved, seconded by Mr. Pepin to approve the Part-Time Receptionist position description and open the position. Motion carried.

Mr. Lehman moved, seconded by Ms. Neprud to approve hiring:

- Hannah Weishalla, Contract Manager II, effective November 10, 2014
- Jamie Case, Administrative Specialist; Contract Purchasing, effective October 27, 2014

Motion carried.

Ms. Nanik gave an update on current staffing efforts.

Dr. Coauette reported on current Revenue Share agreements, the Metrics Quarterly Review, and staff travel concerns.

Mr. Wolden reported on the upcoming Grand Opening of the Wadena Wellness Center on December 6, 2014 and the donor event scheduled for December 4, 2014.

Mr. Lehman moved, seconded by Mr. Pepin to adjourn the meeting at 8:17 p.m. Motion carried.

Contract Award
RFP 091214

FORM D



Formal Offering of Proposal
(To be completed Only by Proposer)

FACILITIES MAINTENANCE, REPAIR AND OPERATING SUPPLIES


In compliance with the Request for Proposal (RFP) for FACILITIES MAINTENANCE, REPAIR AND OPERATING SUPPLIES the undersigned warrants that I/we have examined this RFP and, being familiar with all of the instructions, terms and conditions, general specifications, expectations, technical specifications, service expectations and any special terms, do hereby propose, fully commit and agree to furnish the defined equipment/products and related services in full compliance with all terms, conditions of this RFP, any applicable amendments of this RFP, and all Proposer's Response documentation. Proposer further understands they accept the full responsibility as the sole source of responsibility of the proposed response herein and that the performance of any sub-contractors employed by the Proposer in fulfillment of this proposal is the sole responsibility of the Proposer.

Company Name: W.W. Grainger, Inc. Date: September 12, 2014

Company Address: 100 Grainger Parkway

City: Lake Forest State: IL Zip: 60045-5201

Contact Person: Jeffrey MacNeil Title: Senior Government Sales Manager

Authorized Signature (ink only):  Jeffrey MacNeil
(Name printed or typed)



Contract Acceptance and Award

(To be completed only by NJPA)

NJPA 091214 # FACILITIES MAINTENANCE, REPAIR AND OPERATING SUPPLIES

W.W. GRAINGER, INC.

 Proposer's full legal name

Your proposal is hereby accepted and awarded. As an awarded Proposer, you are now bound to provide the defined product/equipment and services contained in your proposal offering according to all terms, conditions, and pricing set forth in this RFP, any amendments to this RFP, your Response, and any exceptions accepted or rejected by NJPA on Form C.

The effective start date of the Contract will be October 21, 20 14 and continue for four years from the board award date. This contract has the consideration of a fifth year renewal option at the discretion of NJPA.

National Joint Powers Alliance® (NJPA)

NJPA Authorized signature: _____

NJPA Executive Director

Dr. Chad Coquette

(Name printed or typed)

 Awarded this 21st day of October, 20 14 NJPA Contract Number 091214-WWG

NJPA Authorized signature: _____

NJPA Board Member

Scott Veronen

(Name printed or typed)

 Executed this 21st day of October, 20 14 NJPA Contract Number 091214-WWG

Proposer hereby accepts contract award including all accepted exceptions and NJPA clarifications identified on FORM C.

Vendor Name W.W. Grainger Inc.

Vendor Authorized signature: _____

Jeffrey MacNeilJeffrey MacNeil

(Name printed or typed)

Title: Senior Government Sales Manager
 Executed this 27th day of October, 20 14 NJPA Contract Number 091214-WWG

**Grainger's Response to
National Joint Powers Association
Request for Proposal (RFP) # 091214
Facilities Maintenance, Repair, and Operating Supplies**



Tab 1

Company Information & Financial Strength

1) Why did you respond to this RFP?

Grainger is responding to this RFP for several reasons. First and foremost, we are providing and can continue to provide all products and services the National Joint Power Alliance (herein NJPA) and NJPA Members are requesting in the RFP. Secondly, we want to continue our incumbent and successful relationship with NJPA and NJPA Members and to build a stronger relationship over the next several years. Grainger has been a contract holder with NJPA and NJPA Members since 2008, proving our ability to perform the product and service requirements of the NJPA Contract. We are providing MRO supplies to 1,247 Members throughout 45 states and we have a deep understanding of the goals and needs of NJPA and NJPA Members. Through the relationships Grainger has developed over the last seven years with NJPA and NJPA Members, Grainger has demonstrated its value by providing unparalleled service and cost saving solutions for facilities maintenance, repair and operation (MRO) products. Grainger is dedicated to understanding each Member's specific needs, and working with our Catalog manufacturers and suppliers to assist each Member with achieving its individual goals.

Grainger truly values the NJPA alliance, which continues to gain traction and synergy "to go where we are not." This relationship continues to afford Grainger the opportunity to ensure we are meeting the needs of NJPA Members to provide cutting edge, relevant solutions to help them work more intelligently and efficiently.

Our response to this RFP will allow Grainger to demonstrate how we are uniquely positioned to support NJPA's Members with the product breadth and depth necessary to support their needs for facility maintenance supplies and the need to save time, space and money. Grainger continues to grow the business and over the last five years has demonstrated how we will support the NJPA contract through continuous expansion of our product line and addition of value added and fee based services. Based on our current contract, the following information portrays our approximate sales with NJPA since 2008:

- 2008 – \$7.5 million
- 2009 – \$7.9 million
- March 2010 – February 2011 \$22.5 million and 275 members
- February 2011 – January 2012 \$36.9 million and 674 members
- February 2012 – January 2013 \$44.4 million and 848 members
- February 2013 – January 2104 \$62.8 million and 1085 members
- February 2014 Year to Date – \$ 30.17 million and 1247 members

We have proven our ability to make relevant changes, adding product solutions to meet the current market trends. Grainger also takes pride in our ability to adapt to fast paced technological advances and is ready for future endeavors engineered to accommodate public sector needs.

**Grainger's Response to
National Joint Powers Association
Request for Proposal (RFP) # 091214
Facilities Maintenance, Repair, and Operating Supplies**



With the right solutions and the right resources in the right place at the right time to meet your Member's business needs, Grainger offers:

- A wide array of products and business solutions
- A national foot print allowing coverage to meet public sector needs
- Ability to leverage our market strengths to expand our current offering
- Technological advances to meet the needs of the ever changing market place, displaying the value of leveraging strategic partnerships
- Clear, concise and aggressive growth strategy to help NJPA in the market place
- Partnership that supports transparent business strategies for increased market penetration

In addition, NJPA's vision and mission align directly with Grainger's vision and mission.

NJPA

"Our Vision: The National Joint Powers Alliance provides member-centered solutions that enable Government, Education, and Non-Profit agencies to work more efficiently and leverages its resources to effectively re-invest in the communities we serve as an invaluable Service Cooperative partner."

(<http://www.njpacoop.org/files/8613/8316/0353/aboutus.pdf>)

"Our Mission: To build valued relationships, deliver innovative solutions with integrity, and exceed the expectations of our members." (<http://www.njpacoop.org/files/8613/8316/0353/aboutus.pdf>)

Grainger

Our Vision: Grainger's vision is to be the customer's first choice each and every time through:

- Providing the right products, services and solutions
- Providing exceptional customer experiences
- Innovation
- An expanded reach
- Leveraging our size
- Continuous improvements
- Saving our customers time and money

Our Mission: Grainger's mission is to help professionals keep their operations running and their people safe while providing an environment where hard-working and talented team members thrive. Every day our 23,700 team members get it done for our customers, suppliers and communities. Their global spirit of service fuels the company's commitment to making a positive difference everywhere we operate.

Grainger is committed to helping NJPA follow through with its mission "to provide efficient public service through our national contract purchasing program...as we face the budget and purchasing challenges in the future together." (<http://www.njpacoop.org/files/8613/8316/0353/aboutus.pdf>)

**Grainger's Response to
National Joint Powers Association
Request for Proposal (RFP) # 091214
Facilities Maintenance, Repair, and Operating Supplies**



2) What are your company's expectations in the event of an award?

Grainger expects to provide an expansive and growing product offering that adapts to changes in the market. Grainger will discuss the products and services we offer NJPA, including:

- Vendor Managed Inventory
- Adjusting to market changes
- A continuously expanding Green SKUs count

Grainger also expects to continue to align with NJPA in order to offer "a high quality selection of nationally leveraged, competitively bid contract solutions to help meet the ever challenging needs of our current and future member agencies." (<http://www.njpacoop.org/files/8613/8316/0353/aboutus.pdf>)

Grainger's key business objective is to listen and understand NJPA and NJPA Members business challenges and to provide solutions to satisfy their evolving facilities supply needs. To do so, Grainger invests in growth drivers such as; continued product line expansion, efficient management of a \$1.1 Billion inventory, sales force development, and eCommerce enhancements and global growth initiatives. Investing in these growth drivers allows Grainger to best position ourselves for success in a competitive marketplace, build strength in core competencies and drive share gain. It's part of a commitment to deliver outstanding service to NJPA and NJPA Members and outpace the competition for years to come.

In addition, the success of the NJPA MRO contract has been directly attributed to Grainger's focused and dedicated contract implementation process. The results speak for themselves; Grainger has grown the NJPA contract sales from approximately \$7.5 million in 2008 to approximately \$62.8 million in 2013 and \$30.17 for 2014 year to date and expects to continue to grow sales for years to come. As successful as Grainger has been for the past five years, we recognize a new award requires special focus on both existing and new participating Members and a focused, calculated approach to implementation. A formulated implementation plan to continue to drive contract awareness upon award will fuel additional organic growth.

3) Provide the full legal name, address, tax identifications number, and telephone number for your business.

W.W. Grainger, Inc.
100 Grainger Parkway
Lake Forest, IL 62045

Federal Tax ID: [REDACTED]

Phone: 800-GRAINGER

4) Demonstrate your financial strength and stability.

Grainger was established in 1927 and incorporated in 1928. As a publicly traded company since 1967 and largest MRO Supplier in North America, Grainger has the financial stability to support NJPA in providing MRO goods and services.

**Grainger's Response to
National Joint Powers Association
Request for Proposal (RFP) # 091214
Facilities Maintenance, Repair, and Operating Supplies**



As a Fortune 500 publicly traded company, Grainger takes its corporate responsibility very seriously. Because the SEC places very stringent requests on publicly traded companies NJPA can be assured that Grainger's financial condition is strong, with a DUNS credit rating of 5A1. Grainger understands the importance of NJPA's request to partner with a company holding a consistently strong financial position. Corporate responsibility is of utmost importance to Grainger. To that end, we have available various disclosure and audit controls and procedures which have been implemented to ensure the integrity of financial information reported by Grainger. Grainger has documentation certifying the accuracy of the financial information contained in Grainger's most recently filed annual report (a copy of which is included with this proposal as Exhibit A- 2013 Grainger Annual Report).

As attached and enclosed for NJPA to review, Grainger's annual financial report represents the level of detail we make publicly available regarding our business performance, Grainger continues to invest in and expand the infrastructure and services that make us valuable to customers like NJPA. We believe this exceptional service is the reason why our customer satisfaction level continues to perform at an all-time high.

- 5) Are you now, or have you ever been the subject of a bankruptcy action? Please explain.

Grainger is not and has never been the subject of a bankruptcy action.

- 6) Provide a brief history of your company that includes your company's core values and business philosophy.

History of Organization

Founded in 1927 by William W. (Bill) Grainger and incorporated in the State of Illinois in 1928, W.W. Grainger, Inc. ("Grainger"), with 2013 sales of \$9.4 billion, is the leading North American provider of maintenance, repair, and operating (MRO) supplies and related information to businesses and institutions. Grainger is a publicly held Fortune 500 company with shares traded on the New York and Chicago stock exchanges. He established the company to provide an efficient solution for customers to access a consistent supply of motors.

The business was incorporated as W. W. Grainger, Inc., in 1928. Sales in the early days were generated primarily through mail order via post cards and a catalog. The MotorBook, as the catalog was originally called, was the basis for today's Grainger catalog. To improve customer service, Bill Grainger opened a branch in Philadelphia in 1933 and then three additional branches the following year. By 1936, there were 15 branches in operation. It was evident that local branch service would be an integral part of the company's future growth.

In 1967, Grainger became a public company, and its stock was traded in the over-the-counter market. Today, Grainger stock is sold under the GWW symbol on the New York and Chicago stock exchanges.

To remain the leader in the industry, Grainger seized technology opportunities early. In 1976, Grainger became the first in the industry to implement optical character recognition equipment. Grainger continued to advance its systems throughout the 1980s by installing a national satellite-based digital communication network. In 1991, Grainger introduced the first comprehensive electronic MRO catalog on CD-ROM. Grainger launched the corporate Web site in 1995 and began taking orders online in 1996. In 2012, Grainger posted \$2.7 billion in eCommerce sales, representing 30 percent of total company sales and an increase of 23 percent versus the prior year.

**Grainger's Response to
National Joint Powers Association
Request for Proposal (RFP) # 091214
Facilities Maintenance, Repair, and Operating Supplies**



Over the years, Grainger's product line has expanded to more than 1 million products and repair parts. The Grainger branch network has grown steadily, and today there are more than 700 Grainger branches, making the company North America's leading broad-line supplier of maintenance, repair and operating products, with expanding global operations. The famous Grainger catalog is published annually, and is available online at Grainger.com and through its mobile app.

Core Values

Grainger's corporate core values include the company's commitments to operating responsibly, valuing our people, serving our communities and making sustainability a priority. These commitments shape the company's focus on corporate citizenship and its drive to continually expand its positive impact today and in the future.

Operating with the highest level of ethics and integrity is the foundation for the way Grainger does business everywhere, every day. It's a commitment that dates back to the company's founding and a commitment Grainger reinforces regularly through dialogue with team members, suppliers, customers and stakeholders. In 2013, Grainger worked closely with its 23,700 team members around the world to ensure compliance with the company's Business Conduct Guidelines. Grainger developed a Supplier Code of Ethics to help make sure the company's products are manufactured and delivered with the highest ethical standards. Grainger also worked proactively to provide a safe and fair workplace. No matter where Grainger operates around the world, the company is steadfast in its dedication to serving customers with the utmost integrity.

Business Philosophy

Grainger's business philosophy is to remain the leader in the industry by seizing technology opportunities early. In 1976, Grainger became the first in the industry to implement optical character recognition equipment. Grainger continued to advance its systems throughout the 1980s by installing a national satellite-based digital communication network. In 1991, Grainger introduced the first comprehensive electronic MRO catalog on CD-ROM. Grainger launched the corporate website in 1995 and began taking orders online in 1996.

Over the years, Grainger's product line has expanded to more than 1 million products and repair parts. The Grainger branch network has grown steadily, and today there are more than 700 Grainger branches, making the company North America's leading broad-line supplier of maintenance, repair and operating products, with expanding global operations. The famous Grainger catalog is published annually, and is available online at Grainger.com and through its mobile application.

- 7) How long has your company been in the FACILITIES MAINTENANCE, REPAIR AND OPERATING SUPPLIES industry?

Grainger has been providing maintenance, repair and operation (MRO) supplies for 87 years.

- 8) Is your organization best described as a manufacturer or a distributor/dealer/re-seller for a manufacturer of the products/equipment and related services being proposed?

Grainger is a distributor of MRO products.

**Grainger's Response to
National Joint Powers Association
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- a) If the Proposer is best described as a re-seller, manufacturer aggregate, or distributor, please provide evidence of your authorization as a dealer/re-seller/manufacturer aggregate for the manufacturer of the products/equipment and related services you are proposing.

Grainger is an authorized distributor for all of the products described in Grainger's printed and electronic catalogs. Grainger has contractual relationships with all of the suppliers included in its General Catalog and as such is authorized to include such suppliers' products in its General Catalog offering.

Grainger.com contains more than 1.1 million products from more than 4,800 manufacturers and suppliers. Grainger's nationwide inventory is valued at approximately \$1.2 billion. All products illustrated in Grainger Catalogs clearly state the name of the product manufacturer and the manufacturer model number.

- b) If the Proposer is best described as a manufacturer, please describe your relationship with your sales/service force and/or Dealer Network in delivering the products/equipment and related services proposed.

Grainger is a distributor and does not manufacture product.

- c) Are these individuals your employees, or the employees of a third party?

Not Applicable

- d) If applicable, is the Dealer Network independent or company owned?

Not Applicable

- 9) Please provide your bond rating, and/or a credit reference from your bank.

Grainger's DUNS number is 005-10-3494 and rating is 5A1.

- 10) Provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held by your organization in pursuit of the commerce and business contemplated by this RFP.

Grainger, as a nationwide distributor of Maintenance, Repair and Operations products, currently holds all licenses and certifications required for the distribution of such products in the states and localities in which we do business. Further detail regarding such licenses and certifications is available upon request.

- 11) Provide a detailed explanation outlining licenses and certifications both required to be held, and actually held, by third parties and sub-contractors to your organization in pursuit of the commerce contemplated by this RFP. If not applicable, please respond with "Not Applicable."

Any third parties and/or subcontractors to whom any performance pursuant to the awarded contract is delegated by Grainger shall be properly licensed and certified in their respective fields. Further detail regarding such licenses and certifications shall be available from such third parties and/or subcontractors upon request.

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- 12) Provide all "Suspension or Disbarment" information as defined and required herein.

Grainger has not been suspended or disbarred.

- 13) In addition to the \$1.5 million in General Liability and/or in conjunction with umbrella insurance coverage, what level of automobile and workers compensation insurance does your organization currently have? If none, please explain.

Grainger has an Automobile Liability policy with combined single coverage of \$2 Million. Grainger also has Workers' Compensation insurance coverage within statutory limits and Employer's Liability coverage of \$1 Million.

Please see Exhibit B – 2014 Grainger Memorandum of Insurance.

- 14) Within the RFP category there is potential to be several different sub-categories of solutions; list sub category title/s that best describe your equipment/products, services and supplies.

Please refer to Exhibit C - Grainger.com Category and SubCategories.

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Tab 2

Industry Requirements & Marketplace Success

15) List and document recent industry awards and recognition.

Grainger Industry Awards and Recognitions

2014 Year to Date

- Fortune 500 2014 (#295)
- Internet Retailer: Social 500 list (#470)
- Internet Retailer: 15th largest e-retailer in the US and Canada
- Internet Retailer: Mobile Hot 10
- Chicago Tribune: 2013 Top Workplaces (#11, Large Companies)

2013

- Grainger named to the 2013 FORTUNE 100 Best Companies to Work For® list (January)
- Grainger recognized by *Institutional Investor Magazine* as having the top IR team in the capital goods/industrials sector, as voted by the sell-side (March)
- Senior Director of Investor Relations William D. Chapman recognized by *Institutional Investor Magazine* as the top IR professional in the capital goods/industrials sector, as voted by the sell-side (March)
- Internet Retailer: Social 500 list (#470)
- Internet Retailer: 15th largest e-retailer in the U.S. and Canada
- Internet Retailer: Mobile Hot 10
- Chicago Tribune 2013 Top Workplaces (#11, Large Companies)
- Ranked No. 99, FORTUNE 100 Best Companies to Work for
- Ranked #213, Information Week 500 – Information Week (2012)
- Ranked #6, Chicago Tribune Top Workplaces 2012 – **Chicago Tribune** (November)
- Winner, Canada's 10 Most Admired Cultures award (November)
- Ranked #1, Wholesalers, Diversified, FORTUNE Most Admired Companies – **FORTUNE® Magazine** (2012)
- Ranked No. 2, MDM's 2012 Industrial Distributors Market Leaders - **Modern Distribution Management** (June)
- Ranked No. 9, MDM's Electrical Distributors Market Leaders - **Modern Distribution Management** (June)
- Grainger Power Transmission Products ranked No. 8, MDM's Power Transmission & Bearing Distributors Market Leaders - **Modern Distribution Management** (June)
- Ron Jadin, named one of the 100 Most Influential People in Finance - **Treasury & Risk Magazine** (June)
- #61 on 2012 Best Places to Work in IT - **Computerworld** (June)
- 2012 CIO 100 Award - **CIO Magazine** (June)
- Ranked No. 73, Barron's 500 , **Barron's Magazine** (June)

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- Ranked #23, Super Empresa 2012 Company – *Expansion Magazine* (May)
- Winner, Heritage Award, American Red Cross of Greater Chicago (April)
- Senior Director of Investor Relations William D. Chapman America's 2012 Top IR Professional in the Capital Goods Industry - *Institutional Investor Magazine* (March)
- 2012 Number 15 Internet Retailer - *Internet Retailer.com* (February)
- Ranked #34, Top 50 companies creating Shareholder Value – *Chief Executive Magazine* – January
- Ranked No. 2, Chicago Tribune Top Workplaces 2011 (November)
- 2011 Corporate Citizen Award for Best Partnership (with American Red Cross) – U.S. Chamber of Commerce Business Civic Leadership Center (November)
- Grainger named one of the Best Places to Work in Information Technology - *Computerworld* (June)
- Grainger Recognized for Outstanding Partnership with 2010 Supplier Performance Award and Corporate Business Achievement Award by **United States Postal Service** (March)
- Grainger's innovative applications recognized in 2011 Navigator Awards, by Endeca Technologies, Inc., a search and business intelligence company. (March)
- World's Most Admired Company, Diversified Wholesalers - *Fortune* (March)
- Grainger named to 2011 Today's Facility Manager Readers' Choice Awards (February)
- Grainger named to the 2011 FORTUNE 100 Best Companies to Work For list (January)
- Ron Jadin, *2011 All-America Team*, Best CFO, Capital Goods-Industrials/ Business, Education & Professional Services sector, *Institutional Investor's* (January)
- Grainger Investor Relations Team, *2011 All-America Team*, Top 3 IR Companies, Capital Goods-Industrials/ Business, Education & Professional Services sector, *Institutional Investor's* (January)

2012

- Illinois Governor's Sustainability Award (November 2010)
- Ranked No. 15 on the Most Admired Companies for HR - *Human Resource Executive Magazine*
- Ranked No. 6 among large companies on the *Chicago Tribune's Top Workplaces 2010 list*
- Named one of the Best Places to Work in Information Technology – *Computerworld*
- No. 1, America's Most Admired Company, Diversified Wholesalers - *Fortune* (March 2010)

16) Supply three references/testimonials from customers of like status to NJPA Members to include Government and Education agencies. Please include the customer's name, contact, and phone number.

1. Charles Compton
Sr. Buyer/Supervisor
Fairfax County Public Schools
5025 Sideburn Road
Fairfax, VA 22032
Email: charles.compton@fcps.edu
Phone: (703) 764-2522
*Best form of communication is email

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2. Amy Simpson
Director of Purchasing
City of Oklahoma City
100 N Walker
Oklahoma City, OK 73102
Email: amy.simpson@okc.org
Phone: (405)-297-3959

3. Allen Hunsberger
Purchasing Manager
County of San Diego
5560 Overland Ave., Suite 270
San Diego, CA 92123
Email: allen.hunsberger@sdcounty.ca.gov
Phone: (858) 505-6362

- 17) Provide a list of your top 5 Government and/or Education customers (entity name is optional) including: entity type, NJPA the entity is located in, scope of the project/s, size of transaction/s and dollar volumes from the past 3 fiscal years.

Grainger's sales to its government customers, inclusive of Grainger's education customer base, is represented as 13% of Grainger's 2013 sales of \$9.4 billion. Grainger serves customers that represent education, state and local government and non-profit entities.

As Grainger defines education customers, Grainger currently services thousands of Universities, colleges, community colleges and primary educational institutions.

Grainger will provide names and location of our top governments and/or education customers upon contract award and after permission is received from such customers to release this information.

- 18) What percentages of your current (within the past three (3) fiscal years) national sales are to the government and education verticals? Indicate government and education verticals individually.

As Grainger defines government sales, which includes education customers and non-profit agencies, sales for the past 3 years are shown as a percentage of overall sales below. This information can also be accessed online under our investor relations website at: <http://invest.grainger.com/phoenix.zhtml?c=76754&p=irol-IRHome>.

- 2013 Sales Government Sales 13% of overall Grainger sales of \$9.4 billion.
- 2012 Sales Government Sales 15% of overall Grainger sales of \$9 billion.
- 2011 Sales Government Sales of 15% of overall Grainger sales of \$8.1 billion.

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Tab 3

Proposer's Ability to Sell and Deliver Service Nationwide

- 19) Please describe your company sales force in terms of numbers, geographic dispersion, and the proportion of their attention focused on the sale and services of the equipment/products contemplated in this RFP?

Grainger has more than 4,400 sales team members located across the US who are passionate about helping customers get the products they need to get their jobs done. The branch network has approximately 4,700 employees who primarily fulfill counter and will-call product purchases and provide customer service. The sales force consists of Market Managers, Account Managers, Government Account Managers, Territory Sales Representatives and Onsite Service Consultants.

Account Management: Dedicated Sales Staff

Grainger has a dedicated focus for all of its Government, Commercial and Institutional customers. These internal cross-functional teams support our customers around the country.

In addition to the Commercial and Institutional local Account Managers employed by Grainger, we maintain a support staff 674 dedicated Account Managers for Government Accounts, inclusive of Higher Education customers. These Commercial and Government Sales Directors, District Sales Managers, local Account Managers, Account Relationship Managers, and branch support team members are strategically located across the United States. By utilizing our National Sales team, Grainger has the ability and capability to make face to face contact with all participating NJPA Member locations. Please note that all individuals are Grainger employees and not employees of any third party.

Please see Exhibit D for Grainger National Government Sales Organization Chart.

- 20) Please describe your dedicated dealer network and number of individual sales force within your dealer network in terms of numbers, geographic dispersion, and the proportion of their attention focused on the sales distribution and delivery of your equipment/products and related services contemplated in this RFP?

As a distributor, Grainger is not considered, nor employs, a dealer network. To deliver products to our customers, Grainger transports product through a robust transportation network of numerous carriers throughout the U.S. Due to the high number of shipments processed on a daily basis, Grainger is one of UPS's top customers on a global basis. UPS's 2013 actual nationwide on-time performance for Grainger was 99% (representing the percent of shipments which met the UPS committed transit time for standard shipments). The vast majority of shipments are carried by UPS. We also enjoy a preferred customer relationship with global provider FedEx. Due to our strong partnerships with UPS and FedEx, we have significant leverage to secure competitive rates and large capacities even in emergency situations.

In addition to Grainger's standard freight at no cost to NJPA Members, Grainger offers value added dynamic delivery options. Your Public Sector Account Management team will work closely with NJPA Members to insure all deliveries are efficiently handled to meet the demands of that location.

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To continue to help NJPA reduce costs, Grainger will work with customers to install our KeepStock Inventory Management Solutions* (described in detail in Tab 6, Question 48).

**Please note: Eligibility for Grainger's KeepStock solutions is subject to certain qualifying criteria, and may require an on-site assessment at customer site to be conducted by Grainger's Consulting Services group. Mutual agreement on the hours of weekly use of Grainger personnel is a condition of KeepStock OnSite implementation. Customer acceptance of licensing terms is required in regard to software-based solutions and a written service agreement is required for KeepStock solutions.*

For further eligibility criteria and keys to understanding Grainger's KeepStock solutions, please refer to Exhibit E – Grainger's KeepStock Solutions: Key Understandings.

- 21) Please describe your dedicated company service force or dedicated network in terms of numbers, geographic dispersion, and the proportion of their attention focused on the sale of the equipment/products and related services contemplated in this RFP?

Today Grainger serves and provides majority of products next day to over two million customers across the United States through a world class distribution network of over 360 branches in all 50 states, which are supported by 13 distribution centers (DCs), shown in Figure 1 – Grainger Distribution Centers. Grainger's world class distribution network and supply chain starts with over 4,800 supplier partnerships that provide Grainger access to over 1.1 million unique products across 32 broad product categories. 410,000 of these items are actively stocked in Grainger's U.S. branch and DC network. Grainger has invested over \$1.1 billion in inventory that is strategically located in our U.S. network. This industry leading inventory position is designed to ensure we consistently get our customers the right product, to the right place, at the right time.

Complete Listing of Current US Grainger Distribution Centers (DCs) and Master Branches

Distribution Centers			
Name of Facility	Location (City and State)	Approximate Number of SKUs	Approximate Square Footage
Los Angeles DC	Mira Loma, CA	129,000	335,000
San Francisco DC	Patterson, CA	219,000	820,000
Dallas DC	Dallas, TX	136,000	550,000
Greenville DC	Fountain Inn, SC	280,000	1,200,000
Jacksonville DC	Jacksonville, FL	113,000	230,000
Kansas City DC	Kansas City, MO	135,000	1,300,000
Cleveland DC	Macedonia, OH	132,000	380,000
Minooka DC	Minooka, IL	400,000	1,100,000
New Jersey DC	Robbinsville, NJ	143,000	430,000
Southaven DC	Southaven, MS	108,000	230,000
Denver Master Branch	Denver, CO	74,000	45,000
Plymouth Master Branch	Plymouth, MN	90,000	35,000
Seattle Master Branch	Seattle, WA	81,000	56,000

(Figure 1 – Grainger Distribution Centers)

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At each of Grainger's 360 branches nationwide, trained Customer Service Associates (CSAs) assist customers in identifying and filling their product needs. These services are available from 8:00 am to 5:00 pm Monday – Friday. Account Managers are assigned to work closely with specific NJPA Members to identify product and service needs. These needs are varied but include identification of product alternatives for cost savings, product standardization, vendor consolidation, and the exploration of cost savings opportunities through energy and lighting audits. In addition, Grainger will support NJPA Members with assistance in product application and selection as well as product training. In addition, Grainger also has Regional Contact Centers providing 24/7 Customer Service.

In the event there is a problem with any order placed by an NJPA Member, Grainger will promptly respond and work with the NJPA Member to take appropriate corrective action to resolve the situation.

All of these individuals are employees of Grainger and are focused on servicing Grainger's NJPA Members. With more than 23,700 knowledgeable employees, the Grainger sales teams and customer service teams are focused on providing NJPA Members with relevant solutions to meet their initiatives. Grainger's employees serve more than two million customers daily, which are inclusive of NJPA Members, through multiple channels.

- 22) Please describe your dedicated dealer service force or network in terms of numbers geographic dispersion, and the proportion of their attention focused on the sale of the equipment/products and related services contemplated in this RFP? Additionally, please describe any applicable road service and do they offer the ability to service customers at the customer's location?

Grainger does not have such a dealer service network and, instead engages our suppliers and manufacturers to provide such service through their respective items. Information regarding the availability and geographic dispersion of such services can be requested from our suppliers.

Key Suppliers

Grainger has multiple manufacturers and suppliers classified as Key Suppliers. Grainger has formed a strategic relationship with each of these suppliers. Most of our Key Suppliers have manufacturer's representatives who are dedicated to serving Grainger's customers.

As a distributor, Grainger relies on its manufacturers and suppliers to provide us with high quality finished goods. Therefore, Grainger's manufacturer and supplier selection and evaluation process is critical to Grainger's success. Grainger's Product Management Department is responsible for selecting and evaluating quality suppliers and communicating Grainger's expectations to them.

We evaluate our Grainger General Catalog manufacturers and suppliers using a quantitative-based performance Scorecard which compares the entire General Catalog supplier population and also provides direction on high-impact improvement opportunities.

Additionally, the Grainger supply chain team is responsible for driving continuous improvement and overall cost reduction initiatives.

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- 23) Describe in detail your customer service program regarding process and procedure. Please include, where appropriate, response time capabilities and commitments as a part of this RFP response and awarded contract.

At Grainger, customer service team members represent employees who take the time to learn about each customer's business needs and goals. Grainger's employees apply their knowledge and focus on each customer's individual needs to help save time and money.

At each branch location, trained Customer Service Associates (CSAs) assist every customer in identifying their product needs. Generally, order entry into Grainger's computerized order/inventory system occurs as the CSA takes the order from the customer. The branches also accept faxed and mailed orders. In addition, Grainger.com allows customers to order online 24 hours per day with full access to branch inventory and services.

Customer Service Toll-Free Help Desk

Grainger maintains a toll-free customer service number (1-800-GRAINGER) to provide assistance to NJPA Members as needed. These customers can call from 8:00 AM to 5:00 PM EST on business days and talk to a tenured customer service representative and/or technical support. NJPA Members can also call the Grainger.com Customer Service team 24 hours a day, 7 days a week or e-mail the team for assistance.

The Customer Service team, consisting of highly trained and experienced employees, is encouraged and empowered to go above and beyond to serve NJPA and NJPA Members.

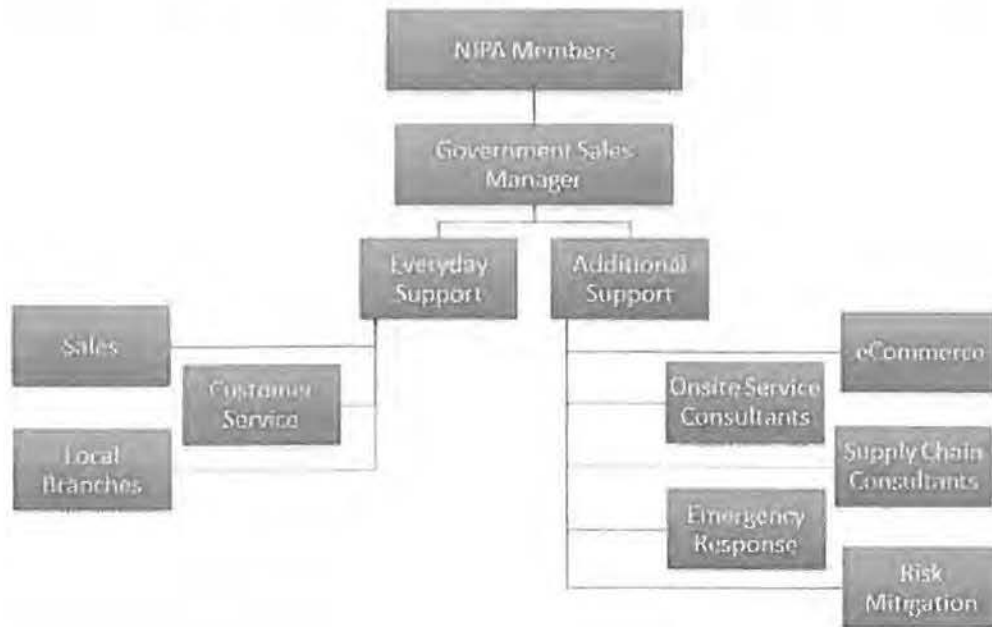
All Customer Service team members are able to provide information, answer questions, place orders and address customer concerns or issues, such as:

- Information on order status and deliveries
- Backorder information
- Item price information based on contract
- Product availability
- Detailed product information
- Helping Customer locate product for specific applications and finding products which meet certain technical requirements
- Providing dedicated manufacturer and technical support resources
- Helping Customers selecting alternate products to complete purchases
- Placing and managing emergency orders
- Generating product quotations and assisting with order placement

In addition, NJPA will be supported by a Senior Government Sales Manager, who facilitates the contract education, implementation and management of the NJPA contract. Post award, the Senior Government Sales Manager will implement and transition the new contract's features and benefits, identify additional cost savings opportunities and work to ensure contract compliance with the dedicated Grainger Sales team.

NJPA Members will also be supported by additional Grainger resources (described in Figure 2 below), solutions and activities, whether they are standard day in and day out functions or tailored to specific NJPA needs. See the chart below and the bulleted narrative for more detail regarding everyday support and additional support (Figure 2).

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(Figure 2 – NJPA Supporting Organizations)

Everyday Support (Local):

- The Senior Government Sales Manager will coordinate the efforts of the local Government Account Management teams, each consisting of a District Sales Manager, Government Account Relationship Managers, as well as a regional Public Safety and Emergency Management Program Managers. Our Government team has many years of experience serving government and education customers. This team will continue to bring its experience and expertise to help NJPA Members perform efficiently, manage their inventory needs, ensure compliance to the contract terms and, ultimately achieve incremental cost savings.
- Grainger's Customer Service team members, led by the Market Managers for each branch location, will also continue to bring their expertise and assistance with exceptional customer service, essential information and solutions.

Additional Support Options (National): To the extent applicable, Grainger has the following:

- Grainger brings its proven eCommerce punch-out functionality options to NJPA. The Grainger eCommerce Operations team members include Business-to-Business (B2B) Implementation Managers, eServices Specialists, System Analysts and a fully staffed Customer Care Team.
- Grainger's Onsite Services Consultants (OSSC) assists by bringing just-in-time product solutions to help optimize inventory, streamline ordering and restocking critical customer inventory as determined through mutually agreed upon stocking levels and customer approval. OSSC's are engaged when a Customer is leveraging one of Grainger's Onsite Vendor Managed Inventory (KeepStockSM) programs.
- Grainger also brings extensive experience in assisting customers when emergencies arise, including efficient and effective Emergency Operations Center Support assistance 24/7.

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- Grainger's Risk Mitigation plans are already prepared and in place in several states. They are focused on ensuring the First Responders and First Receivers have the products they need when responding to an emergency, from natural disasters to other events. Grainger's emergency response teams work directly with Federal, State and local first responder and emergency management agencies to help restore order and public services after and during disasters; for example, forest fires and floods in Colorado, Hurricane Sandy, devastating forest fires California and the BP Gulf Coast Oil Spill.

After Hour Emergencies

This service provides emergency product fulfillment service to all customers after normal branch business hours. A Grainger Call Center provides 24/7 service for calls to our 1-800-CALL-WWG service line. Once a request is received, the call center representative can immediately check local inventory and will contact a local Branch representative to open the branch location. A local Grainger field representative is committed to contacting the customer within 60 minutes of the initial call to help solve the customer's problem. **The fee for the emergency service is waived and provided at no cost to NJPA and NJPA Members.**

Technical Support

Grainger has an in-house Technical Product Support Department that is the source for answers to product-related questions, which is offered on an as needed basis at no cost to NJPA Members. NJPA Members will have easy access to technical support during standard business hours simply by contacting the local branch and requesting technical support. In Grainger's key supplier programs, manufacturers' dedicated field resources work solely with Grainger's field representatives

Our industry-leading Technical Product Support Specialists have the hands-on experience and training to assist you with the following:

- Product selection
- Application assistance
- Installation
- Troubleshooting
- Performance data
- Maintenance
- General technical guidance

NJPA Members can also email a product question directly to Grainger via our Grainger.com web-site. The questions are forwarded by email to the appropriate subject matter expert who, in turn, responds directly to the end-user.

"LiveChat with Photo", is a new feature of the Grainger.com mobile app for the iPhone. Customers can send or attach a photo of a product to a Grainger Customer Service representative during a live chat to get additional product related support.

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Customer Satisfaction

Grainger is dedicated to customer satisfaction, as well as driving cost out of our customers' businesses. To accomplish this, Grainger will conduct quarterly business meetings with NJPA and members of Grainger's Government Sales team led by the Senior Government Sales Manager. At this meeting we will review current NJPA customers' satisfaction as well as future goals in order to proactively make any changes and enhancements to ensure satisfaction. Also during these meetings, we will look for other opportunities for cost savings solutions such as reviewing NJPA's purchases and focus on those items most frequently purchased, as an example. In addition, we will review new initiatives of NJPA Members to see what solutions Grainger could bring to ensure customer satisfaction and to drive additional cost savings.

Problem Resolution Procedures

In the event of any problems or challenges, our Senior Government Sales Manager and local sales team members will collaborate with NJPA Members to gain a full understanding of the issue. They will assist the Member in identifying available product options and will use available resources to assist the Member in an immediate resolution. If the problem cannot be resolved right away, the Grainger Senior Government Sales Manager, District Sales Manager or Account Manager will elevate the issue to the appropriate Sales or Service Director for additional internal support.

At Grainger, it is our goal to minimize problems or issues from occurring in the first place. We have built a culture of Continuous Improvement (CI) as the foundation of our Quality Assurance Plan. This set of concepts, principles and tools is used to create and deliver the most value to our customers while consuming the fewest resources. A critical part of CI at Grainger is the use of a deliberate and iterative cycle of Plan, Do, Check and Adjust (PDCA) activities to drive quality.

- Plan: In the planning phase we will establish processes that meet the objectives and goals that NJPA has established in the RFP
- Do (Execute): during this phase we will implement the plan and execute identified the processes
- Check: we will study the actual results and measure those against the expected results NJPA has outlined to identify any variation. Through the use of data analysis, Grainger will identify deviations from the implementation plan to ensure we have the proper information for the next phase in the cycle. We will use specific reporting to check our performance against NJPA's goals
- Adjust: Grainger will take corrective action on differences between our actual and planned results. We will analyze the differences to determine their root causes using CI methods and identify where we need to apply changes that will improve the process to drive the desired outcomes

Once the adjustments are acted upon, the PDCA cycle will begin again. This comprehensive program of PDCA allows us to constantly measure our performance against the standards that NJPA has set. This process also allows Grainger the flexibility to quickly implement process improvements to eliminate issues that may arise.

- 24) Identify any geographic areas or NJPA market segments of the United States you will NOT be fully serving through the proposed contract.

Grainger will make the contract available and provide all MRO supplies requested in the proposed contract to all NJPA Members and market segments.

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- 25) Identify any of NJPA Member segments or defined NJPA verticals you will NOT be offering and promoting an awarded contract to? (Government, Education, Non-profit)

Grainger will make available an awarded contract to all NJPA Member segments and defined NJPA verticals.

- 26) Define any specific requirements or restrictions as it applies to our members located off shores such as and Alaska and the US Islands. Address your off shore shipping program on the Pricing form P of this document.

Title transfers to NJPA and Participating Public Agencies at time of delivery, FOB Destination. Other terms apply to Alaska, Hawaii, export orders, and for orders placed for Sourced Products. Any extra charges incurred for additional services, such as expedited delivery, carrier or special handling by the carrier, must be paid by Member.

In addition, any and all U.S. export restrictions and regulations shall apply to export shipments.

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Tab 4

Marketing Plan

- 27) Describe your contract sales training program to your sales management, dealer network and/or direct sales teams relating to a NJPA awarded contract.

Grainger will train and educate our national public sector sales force and the NJPA team on the features and benefits of our new Master Agreement. The training plan includes four main phases, as detailed here:

- Step 1:** Starting with the training materials Grainger and NJPA worked together to develop and which were used with the existing agreement, Grainger will work with the NJPA team to update those training materials to incorporate changes, enhancements and benefits provided under the new Master Agreement.
- Step 2:** Grainger will enhance the online training materials to allow for delivery through a Web-Ex format which will then be presented on a regional basis to the national audience. The training objectives are to provide a complete overview of the new Master Agreement and how Grainger team members can continue to deliver great service, solutions and contract compliance under and with the new Master Agreement.
- Step 3:** The training will be rolled out regionally, with endorsement from Grainger executive leadership, to all customer-facing employees and phone associates. Our eCommerce customer service representatives will also go through the training to ensure consistency of experience in delivering the e-Commerce solutions.
- Step 4:** All training will be tracked to ensure that all national sales employees have successfully completed the training and have a full understanding of how to bring the new program under the Master Agreement to market for our mutual customers.

- 28) Describe how you would market/promote an NJPA Contract nationally to ensure success.

Grainger's NJPA specific marketing plan will incorporate cooperation with NJPA marketing and sales leadership. This marketing plan activates a nationwide coverage targeting all NJPA Members and potential new Members through all of Grainger sales and marketing channels (including, but not limited to: Sales Force, Branches, General Catalog and eCommerce platforms). All products, services and solutions will be offered to all current and potential new NJPA Members. Grainger will also utilize webinars, trade publications, direct mail, internet-based advertising and trade shows as an opportunity to further market the NJPA Contract.

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- 29) Describe your marketing material, and overall marketing ability, relating to promoting this type of partnership and contract opportunity. Please send a few representative samples of your marketing materials in electronic format.

Consolidated Grainger – NJPA Marketing Plan:

External Marketing Plan Key Elements:

Grainger's NJPA specific marketing plan (elements previously listed in above sections) will require joint cooperation with NJPA marketing and sales leadership. This marketing plan activates a nationwide coverage targeting all NJPA Members and potential new Members through all of Grainger sales and marketing channels (Sales force, Branches, Catalog, eCommerce, Resellers). All products, services and solutions will be offered to all current and potential new NJPA Members.

• **Primary Go-To-Market Channels:**

- Government Sales Force: More than 674 sales professionals serving all 50 United States, with emphasis on the metro markets. Communication and training for all sellers, with additional emphasis for those target areas where there is significant growth opportunities. We will defend the NJPA Contract with existing Members/Customers. We will also focus on new Members to gain additional sales and service opportunities. Key marketing components: Intranet information, sell sheets, fact sheets, target lists.
- eCommerce Channel: Over \$1.1 billion in sales is conducted each year through Grainger's eCommerce channel. NJPA landing page created for Members. When Members log into grainger.com, they are directed to a landing page that highlights the NJPA Contract and the value that Grainger brings to the Members. Grainger can also provide Member specific "punch out" integration with e-procurement systems.
- Branches (Grainger Stores): Over 360 stores/branches located throughout all 50 United States. All customer service associates in the branches and government call centers will be able to position the value of the NJPA Contract.
- General Catalog: Hard copies of catalogs are printed and provided directly to customers. NJPA Members receive the Grainger catalog, with the product offering tied directly to the NJPA Contract and value offering. Grainger will continue to target NJPA Member locations with the Grainger catalog.
- Supplier Diversity (Small, Disadvantaged, Woman Owned, Veteran Owned Businesses): NJPA Members who have set-aside funds targeted for these types of businesses have the ability to meet those targets through Grainger's supplier diversity opportunities. Our Distributor Alliance team will be communicated and trained on the NJPA Contract and the value that it drives for Members and for their businesses.

Publications: Grainger has the ability to produce and maintain color files for print advertisement in full page, half page and quarter page formats. These ads will be used to coordinate with existing NJPA Catalog and other promotional media.

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Public Relations Plan: Grainger's NJPA marketing plan will include a PR schedule and plan. This will focus on articles targeting local periodical and industry trade publications. As Grainger's PR plan is executed, we will look for opportunities to promote and recognize the NJPA relationship and how value is delivered to Members. A press release will be issued upon award with NJPA, announcing our ongoing relationship between Grainger and NJPA, and the value that is provided to Members.

Grainger's primary marketing channel for NJPA is our sales force, with direct contact with Member decision makers. There are targeted advertising opportunities, however, that will be identified.

Tradeshows: Grainger actively participates in a variety of key national tradeshows that target our public sector customers in the state, local, and education markets. Examples of those we have attended include the National Institute of Government Purchasing (NIGP), National Association of Education Procurement (NAEP), and International Association of School Business Officials (I-ASBO). Grainger evaluates our tradeshow participation annually to determine which shows most closely align to our initiatives and budget. In addition to national tradeshows, Grainger may participate in a variety of regional/local tradeshows throughout the United States targeting our state, local, and education customers. Attendance at these shows may offer additional opportunities for Grainger to actively promote the NJPA contract and how we deliver value to Members.

Grainger will continue to work in conjunction with NJPA on the successful marketing and promotional efforts that have been implemented over the term of our current contract. Grainger is also committed to developing new material that would benefit all parties, including NJPA Members. Such efforts may consist of case studies, collateral pieces and presentations.

Please see Exhibits F.1, F.2, F.3 and F.4 – Grainger's NJPA Marketing Material Examples.

30) Describe your use of technology and the internet to provide marketing and ensure national contract awareness.

By selecting a distributor who already knows what to do, how to do it and is already doing it, NJPA can be sure the efficiencies it achieves today will continue, uninterrupted. With Grainger and through the use of a customized catalog, Grainger will provide marketing and ensure national contract awareness.

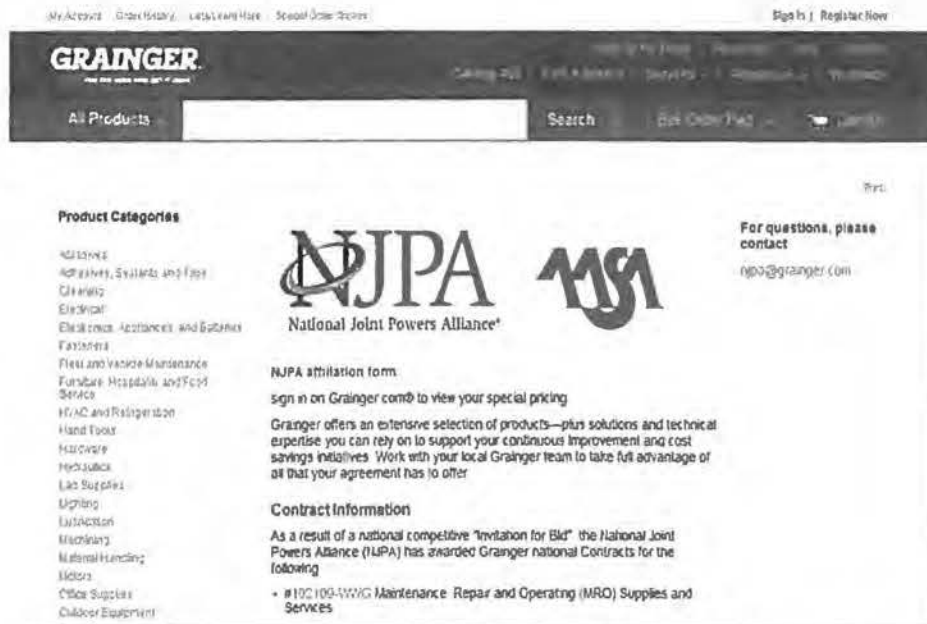
Grainger.com Landing Page

Grainger has developed an NJPA landing page for NJPA Members on Grainger.com (Figure 3 and Figure 4 below), which can be accessed via the following link:

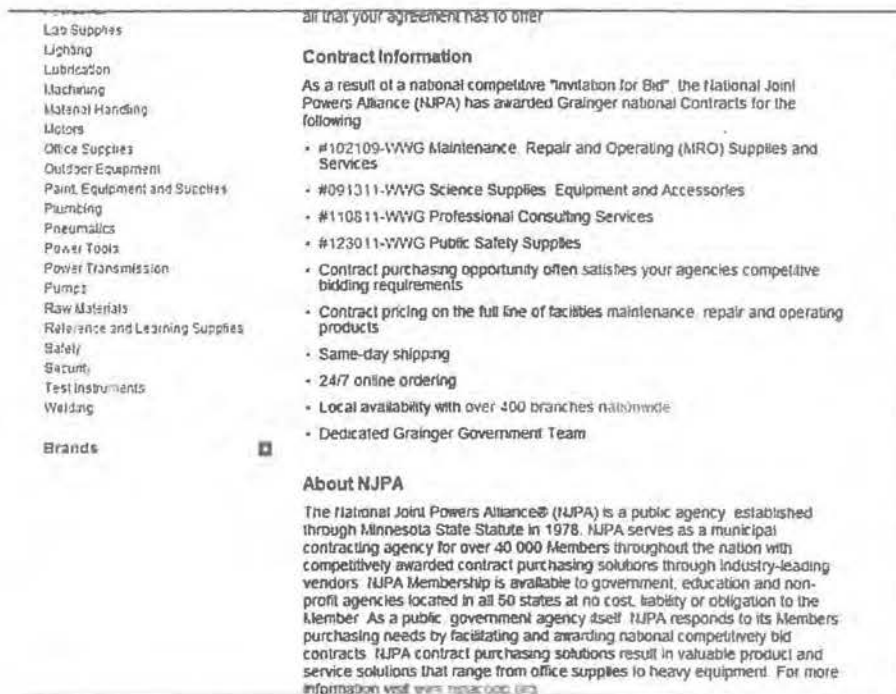
<http://www.grainger.com/content/njpacoop>

This landing page features new products, a contract overview and live links to solutions to assist NJPA Members in driving cost out of their facilities (i.e. Inventory Solutions, Site Audits). The landing page information may be used to communicate and create awareness of the contract benefits to NJPA Members, including information regarding products available through the existing NJPA - Grainger contracts.

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(Figure 3 – NJPA Landing Page)



(Figure 4 – NJPA Landing Page)

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- 31) Describe your perception of NJPA's role in marketing the contract and your contracted products/equipment and related services.

NJPA can help position the benefits of the NJPA - Grainger contracts with NJPA Members by continuing to provide tradeshow, newsletters and educational training opportunities. Through these marketing tools, NJPA Members will be able to recognize the benefits of utilizing the NJPA cooperative contract versus each individual Member agency conducting their own IFBs. Contracts benefits include, but are not limited to:

- Time and resource savings in purchasing processes
- Large volume pricing
- Access to Grainger's inventory of nearly \$1.1 billion nationwide
- Access to leading manufacturers and suppliers

- 32) Describe in detail any unique marketing techniques and methods as a part of your proposal that would separate you from other companies in your industry.

As the incumbent, Grainger is able to directly market the NJPA Contract. NJPA Members also have direct access to key Grainger personnel today. Grainger is also able to employ powerful marketing techniques, as NJPA Members have strong visibility to the current Contract. Grainger will continue to utilize our Brand team members who are focused on driving strategy in Public Sector accounts and team members who are focused in Marketing Communication and driving effective marketing campaigns. In addition, Grainger has the ability to customize web interfaces to drive compliance on contract spend.

- 33) Describe your company's Senior Management level commitment with regards to embracement, promoting, supporting and managing a resultant NJPA awarded contract

Upon award and renewal of our current partnership, Grainger will circulate e-mail notifications, voice messages and company intranet messages to all involved Grainger team members announcing the continuation of our successful partnership and the new Master Agreement. These messages will endorse the new Master Agreement as a viable option for Participating Public Agencies and will highlight some of the key changes and benefits of the new contract. They will also highlight the value that this contract brings so that sellers, in particular, are immediately equipped with information to position the new Master Agreement with our current customers and potential new customers to ensure the success of our relationship continues and grows. A specific call to action will also be developed and communicated with the Public Sector Leadership team explaining implementation strategies and plans for the new Master Agreement.

- 34) Do you view your products/equipment applicable to an E-procurement ordering process?

 X Yes No

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- a) If yes, describe examples of E-procurement system/s or electronic marketplace solutions that your products/equipment was available through. Demonstrate the success of government and education customers to ordering through E-procurement.

Grainger generates approximately \$3 billion in online sales and, measured by revenue, is the 15th largest eCommerce provider in the U.S. At Grainger, eProcurement supports over 54,000 active accounts. When Members log into grainger.com, they are directed to a landing page that highlights the NJPA Contract and the value that Grainger brings to the Members. Grainger can also provide Member specific "punch out" integration with e-procurement systems.

Our eProcurement team has more than 200 years of combined experience integrating customers across more than 100 third party providers to implement eProcurement punch-out solutions through direct connect software. In 2013, we processed more than 2,000,000 eProcurement orders and completed more than 280 new eProcurement integrations. We currently add approximately one new connection per day and continue to refine our processes to expedite the delivery of our integrated solutions.

Grainger's punch-out catalog allows for direct communication between the eProcurement System and a supplier's Enterprise Resource Planning system via eCommerce Extensible Markup Language (cXML) 1.0 or 1.1 standards.

Grainger's eProcurement system supports more than 100 B2B Platforms and Market Sites including Ariba, Oracle, PeopleSoft, Global Healthcare Exchange, and SAP. Grainger's eProcurement Punch-Out catalog functionality includes the features of our Grainger.com site as well as:

- Grainger's on-line catalog with up-to-date Contract pricing and real-time availability
- eQuotes provides NJPA Members with the ability to receive electronic quotations directly upon eProcurement punch-out
- Requisition returned to customer eProcurement system approval and order generation
- Order Confirmation (Estimated Ship Date, Items Ordered, Quantity and Price)
- eProcurement punch-out customers who place an order with Grainger will receive an email notification when the order has shipped
- Electronic and Paper Invoice
- EFT, P-Card and Ghost P-Card

Given our existing presence with NJPA, we are confident that, by selecting Grainger as the supplier, NJPA Members will experience a streamlined implementation process, a reduced implementation timeline and a minimal learning curve.

35) Please describe how you will communicate your NJPA pricing and pricing strategy to your sales force nationally?

Grainger will continue to educate its sales force on pricing and pricing strategies of the NJPA contracting process as well as the benefits of the NJPA Membership.

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Grainger requires that the Public Sector sales team members have knowledge, at a minimum, of each of the following:

- i. Competitive Market pricing
- ii. Contract terms and conditions
- iii. No cost to participate
- iv. Non-exclusive contract

Grainger will continue to conduct weekly calls with our aligned NJPA Contract Manager regarding business topics such as leads, targets and membership needs pertaining to the Master Agreement. It is Grainger's expectation that both Grainger and NJPA personnel continue to participate actively during these calls to move our mutual business forward.

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Tab 5

Other Cooperative Procurement Contracts

36) Describe your level of experience with national, state and local cooperative contracts.

Grainger utilizes various existing contracts to meet the unique purchasing needs of its customers. Grainger's successful relationships with various national cooperative agreements are based on Grainger's commitment to provide choice and value to its customers. I

Government Organization

Grainger's government and healthcare business in 2013 totaled \$1.3 billion, including sales to our state, local, education and federal customers. The breadth and extent of this business is vast, comprised of contracts with 47 states, thousands of local government entities and the federal government. Grainger's government sales organization, which is supported by approximately 674 professional Account Managers, is solely dedicated to servicing these government sector customers. Our government sales organization allows Grainger to focus on the unique needs of the government customer while gaining insight into and expertise in government procurement. All government team members receive annual compliance training to ensure that they know and understand our government customers' requirements and can meet our customers' ethical standards for procurement.

37) What is the annual dollar sales volume generated through each of the contract(s) identified in your answer to the previous question.

Grainger's sales to its government customers, contract-based and inclusive of Grainger's education customer base, represented 13% of Grainger's 2013 sales of \$9.4 billion.

38) Identify any GSA Contracts held or utilized by the Proposer.

Grainger holds a GSA Contract (#GS-06F-0007J) under the 51V - Super Hardware Stores Schedule along with other Blanket Purchase Agreements with GSA.

39) What is the annual combined dollar sales volume for each of these contracts?

Grainger's sales to its government customers, contract-based and inclusive of Grainger's education customer base, represented 13% of Grainger's 2013 sales of \$9.4 billion.

40) If you are awarded the NJPA contract, are there any market segments or verticals (e.g., higher education, K-12 local governments, non-profits etc.) or geographical markets where the NJPA contract will not be your primary contract purchasing vehicle? If so, please identify those markets and which cooperative purchasing agreement will be your primary vehicle.

Grainger will support and make the NJPA Facilities Maintenance, Repair and Operating Supplies Contract available to all NJPA Members who choose to access our broad product line.

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Grainger does hold contracts with other cooperative business partners. NJPA is positioned as one of our primary cooperative contracts for Local Government and Primary Education market segments. However, as stated above, Grainger will support the NJPA cooperative contract in all market segments related to state, local, primary education and higher education, based on the customer's decision to utilize the NJPA contract.

Upon award, existing Grainger customers that are purchasing products under the existing NJPA contract will transition over to the new Master Agreement from the first day the terms and conditions of this contract take effect. All new public agency customers that would like to use the NJPA Master agreement and its terms will execute the standard affiliation declaration process that is in place today under our existing agreement. Affiliation declaration can be done electronically through www.grainger.com/content/njpacoop or via hard copy. A sample of the affiliation document has been submitted with this proposal.

Please refer to Exhibit G – Participating Member Affiliation Document.

41) How would you leverage an NJPA awarded contract in your sales process?

Grainger will support all customers who choose to access our broad product line through the NJPA Contract. Grainger will support the NJPA Contract in all market segments related to state, local, primary education and higher education, based upon the customer's decision to utilize the NJPA Master Agreement.

42) Identify a proposed administrative fee payable to NJPA for facilitation, management and promotion of the NJPA contract, should you be awarded. This fee is typically calculated as a percentage of Contract sales and not a line item addition to the customers cost of goods.

Grainger is pleased to offer NJPA an administrative fee, please see our response in Exhibit H – Pricing Summary Offer.

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Tab 6

Value Added

43) If applicable, describe any product/equipment training programs available as options for NJPA members. If applicable, do you offer equipment operator training as well as maintenance training? X Yes No

Yes. Grainger offers various training programs depending on the specific needs of the Members end user. In the event NJPA Members require training on the use of the various ordering channels or product solutions, such training is available upon request.

Grainger will provide access to training or seminars to Members under an awarded contract, including mutually agreed upon content, locations and method of delivery that best fit the needs of the end user. Grainger will also notify potential users when seminars are available. Please note that all of Grainger's seminars are scheduled upon request and, without the knowledge of authorized user requirements, we are unable to provide content specifics within the scope of the proposal. The number of seminars will be based on the number of participants as applicable.

Examples of available seminars include: effective inventory management practices, Grainger.com training, manufacturer lead product / safety training and more. Grainger offers a free On the Job Webinar Series at Grainger.com, which provides current industry information and helpful updates. Industry experts and knowledgeable Grainger staff work together on relevant solutions for key business issues including:

- Safety
- OSHA Regulations
- Productivity
- Procurement & Inventory Management
- Green Solutions
- Emergency Preparedness

End users are able to register and attend free online Webinars and view past webinar recordings, which are all available online.

Grainger has also formed strategic relationships with key suppliers in many commodities. Most of these suppliers have manufacturer's representatives who are dedicated to serving Grainger's customers. For example, as one of our key Safety suppliers, Brady maintains a team dedicated to serving only Grainger's customers. In addition, Grainger works with Aearo, Miller, UVEX, MSA, 3M and North Safety, among others, for facility and product surveys. Grainger's strong relationship with our suppliers enables our site specific Account Managers to team with supplier representatives to provide access to seminars and training for eligible end users.

Grainger will work with NJPA end users to identify products and product categories for which they would like additional training. Grainger will work with our General Catalog manufacturers and suppliers to develop training programs, as required per NJPA's needs.

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Some examples of programs that we currently provide access to include:

DeWalt Power Tools - Customer safety presentation

- Hands on demonstration of safe operating practices for power tools
- Joint presentation by Grainger Account Manager and DeWalt representative
- Generally performed at customer location

GE Lighting Site analysis of requirements - Detailed evaluation of current usage and types of lamps used

- Recommendations based upon most energy efficient and cost effective available products
- Performed jointly by Grainger Account Manager and GE Sales Representative
- Performed at customer location

Proto Tools Hand tool safety seminar - Demonstration of correct method of tool usage

- Joint sales presentation by Proto and Grainger representatives
- Certificate issued upon completion of class
- Generally conducted at customer site locations

Brady Manufacturing Lock Out/Tag Out Class - Training for correct methods to apply lock out/tag out devices for compliance to OSHA

- Film presentation and hands on demonstration of different devices
- Joint presentation by Grainger Account Manager and Brady Representative at the customer location
- Note: Fee-based seminar

Safety Sign and Pipe Marking Survey - This survey consists of taking a facility tour during which the Brady representative notes any areas that may require additional signage or pipe markers.

- There is a short meeting after the tour to discuss the findings and to show possible solutions
- Performed jointly by Grainger Account Manager and Brady Representative at the customer location

Green Initiative Updates and Training - Grainger's green products currently exceed 33,000 SKU's, therefore we will provide product training on reducing energy, reducing water waste and improving indoor air quality at Customer sites.

**Note: Product-specific training will be mutually determined through the post-award implementation process and on-going as end user requirements are identified. Access to third-party-offered training may require separate agreement directly with third-party provider.*

44) Is this training standard as a part of a purchase or optional?

All training offered through Grainger is optional.

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45) Describe current technological advances your proposed equipment/products and related services offer.

Since Grainger's inception, the core belief of the organization focused on bringing value to every customer, along with providing best in class customer service. Grainger's unique core value proposition is grounded in providing cutting edge solutions that save customers time, money and space by providing the best available pricing, fast and efficient delivery...regardless of the location, dynamic reporting capabilities, a robust online ordering system and more.

By focusing on innovation and continuous improvement as a core pillar, Grainger stays on the cutting edge of customer issues and makes it easy to conduct business. Grainger understands the importance to NJPA of providing innovative solutions that go above and beyond NJPA's goals and also provides the best value to NJPA. Our approach is world class and we will continue to strive to exceed Customers' expectations. We believe our future goals will separate us from the competitors and are integrated from the concept of reporting to eCommerce, to distribution center operation, to KeepStock (Grainger's Inventory Management solutions).

Examples of solutions that can provide automation and technological advances include, but are not limited to, our **Inventory Solutions Programs** (described in detail in the Tab 6, Question 52), **Consulting Services** (described in this section below), and additional programs that are focused on **Sustainability and Safety** (described in this Tab 6, Question 46 and 50).

Consulting Services

Grainger's Consulting Services team of experts is the backbone for helping customers take costs out of their business. Grainger Consulting Services has been providing clients with solutions for over 20 years. The starting point is reviewing past purchases and use history, assessing current inventory positions and performing a baseline analysis designed to identify opportunities for cost savings.

The Consulting Services team's goal is to identify the customer's current state and provide customized strategies customized to help drive costs out. This innovative solution helps customer achieve their goals by:

- Optimizing inventory levels and reducing excess product stock and stock-outs
- Improving control and organization of inventory
- Increasing productivity and efficiency with a streamlined purchasing process and/or the requisition-through-payment-process
- Reducing procurement costs for frequently purchased MRO items

Depending on current state, reductions of 20%-30% from the baseline could be possible. This team focuses on areas to drive consistent and repeatable savings year over year. The following provides an overview of our typical client engagement including examples of a project proposal, findings and recommendations and business cases based on our work. A final scope of work is developed in conjunction with the client at the time of initial discovery meeting.

Grainger Consulting Services engages with customers to evaluate their MRO Supply Chain. This evaluation utilizes a strategic framework of identified cost drivers to benchmark and provide ideal and cost effective solutions.

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This strategic framework of cost drivers focuses on:

- Process
- Inventory
- Supplier
- Product
- Technology



(Figure 5 – Grainger Purchasing Solutions)

The engagement utilizes a proven methodology made up of Baseline Analysis, Strategy Development and Solution Execution. The Baseline Analysis identifies the behaviors displayed in the procurement and retention of MRO supplies including but not limited to interaction of current processes and systems, inventory and spend dynamics, and product mix and usage patterns. This Baseline Analysis becomes the foundation for establishing a Continuous Improvement program.

A typical scope of work involves the following:

- Process mapping of identified current MRO Supply Chain processes. A key point here is the focus on the whole MRO Supply Chain process from the time a need is identified by a maintenance tech through payment. Some examples of these processes are spot buy and / or inventoried purchases.
- Analysis of inventory dynamics such as value, aging, activity, criticality, and location
- Analysis of spend dynamics identifying supplier utilization, procurement / payment methods, and product mix
- Assessments based on specific customer objectives. Examples are energy, safety, and cleaning



(Figure 6– Grainger Purchasing Solutions)

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Based on this analysis, strategy and recommendations are developed. These recommendations focus on purchasing process improvement, stockroom and inventory management, and total cost savings programs. Once the Baseline Analysis and Projects are mutually agreed upon, Solution Execution begins.

Based on project prioritization, a master plan identifying sub projects is developed. Specific sub project plans are created identifying milestones, stakeholders, and project dependent specific steps. In Solution Execution, projects are managed to completion with an identified handoff of ownership to the client for continuous improvement. Contract and Project performance are reviewed on a mutually agreed upon schedule. Grainger utilizes a quarterly business review process (QBR) to monitor performance and continuous improvement initiatives. The frequency of the business review can be modified based on the needs of the customer. The local Sales and Services Team will conduct these reviews with support from appropriate Grainger resources representing their projects, including but not limited to, Grainger Consulting Services.

Additional expertise and insights provided by Grainger Consulting Services:

Change Management – the Grainger Consulting Services team is trained in the principals of Change Management and Grainger facilitates ongoing training and education for our consultants. Additionally we can make available Change Management workshops for clients as new programs and/or processes are implemented in a client's environment.

Sustainability Workshop – Grainger Consulting Services can facilitate a sustainability workshop, providing the client both leadership and direction in developing and achieving sustainability targets. We work with the customer to identify targeted impacts on People, Profit and/or Planet. Our LEED-accredited consultants have provided guidance with all levels of sustainability experience and maturity of programs.

Customer Satisfaction

Grainger is dedicated to Customer satisfaction, as well as driving cost out of our customers' businesses. To accomplish this Grainger will conduct quarterly business meetings with NJPA and members of Grainger's Government Sale's team led by our Senior Government Sales Manager. At this meeting we will review NJPA's current Customers' satisfaction, as well as future goals in order to proactively make any changes and enhancements to ensure satisfaction. Also during this meeting, we will look for other opportunities for cost saving solutions such as product standardization as an example. In addition, we will review new initiatives of NJPA Members to see what solutions Grainger could bring to ensure customer satisfaction and to drive additional cost savings.

Grainger Customer Service Quality Program

In addition to customer feedback and quarterly business reviews, Grainger's basic operating model is based on great customer service. Grainger's Customer Service Quality Program is centered on delivering the best customer experience. Grainger's Customer Service Associates (CSA) work to respond to each and every inquiry in a timely manner.

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Grainger's strategy in relation to customer support is to become the NJPA's 1st choice for maintenance, repair and operations (MRO) supplies and services. To that end, Grainger's Customer Service quality processes are designed to monitor and measure the progress toward this primary goal. Throughout every level of the Customer Service organization, service level and customer satisfaction are the objectives, and each and every team member is responsible for driving results.

Internally, metrics toward our specific Customer Service quality goals are provided weekly, monthly, quarterly, and annually and affect our decisions and actions.

In addition to our internal metrics, Grainger has two programs that measure and monitor how well we are servicing our customers – Customer Satisfaction Tracking (CSAT) and Seller Effectiveness. Both programs are designed to continually work to improve the way we interact and service all of our customers.

Customer Satisfaction (CSAT)

For the transactional customer satisfaction program, performance goals are applied annually to motivate continued excellence in customer experience. While customer satisfaction surveys are conducted every business day of the year, results are reported quarterly to senior management, channel owners and the branch district network. Seller effectiveness results are reported annually (as it is an annual study).

- Surveys conducted nearly every business day of the year
 - Designed to measure customer satisfaction based on most recent transaction (past 3-4 days)
 - Approximately 500 surveys per branch district per quarter
 - Scores are reported as the % of customers who rated a '10' on a 10-pt satisfaction scale (unless noted otherwise)
 - Metrics collected and monitored include:
 - Overall satisfaction with recent purchase
 - Overall expectations
 - Customer effort
 - Overall order origination channel satisfaction
 - Detailed order origination channel diagnostics
 - Overall order fulfillment channel satisfaction
 - Detailed order fulfillment channel satisfaction
 - Multi-channel impact on satisfaction (how satisfaction differs by what resource they used to research order prior to placing the order)
 - Loyalty (composite index)
 - Lost Sales, due to either product assortment, availability or price (reported as percent of customers who stated they didn't not something additional due to one of these three)
 - Results are reported quarterly to senior management including the Chief Executive Officer, President of Grainger U.S. Business, Regional Branch District Managers, Regional Branch Vice Presidents, Contact Center Vice President, Contact Center Senior Directors and Contact Center Senior Manager, District Sales Managers and Regional Sales Vice Presidents
 - The results of this survey are used to create annual performance goals.

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Seller Effectiveness

- Surveys conducted one wave, annually, among assigned customers being serviced by Account Managers, Account Relationship Managers, Territory Sales Representatives and Territory Sales Associates
- Designed to measure assigned customer satisfaction based on performance by the assigned seller during the past year
- Approximately 1,800 surveys in total, split across each functional sales group
- Scores are reported as the percent of customers who rated a '10' on a 10-pt satisfaction scale (unless noted otherwise)
- Metrics collected and monitored include:
 - Overall satisfaction with Grainger
 - Overall satisfaction with seller
 - Detailed seller diagnostic satisfaction
 - Amount of contact as well as preferences for contact (in person, phone, email, etc.) (actual values, not satisfaction ratings)
 - Results are reported annually to sales leadership and management.

46) Describe your "Green" program as it relates to your company, your products/equipment, and your recycling program, including a list of all green products accompanied by the certifying agency for each (if applicable).

Grainger currently has over 30,000 environmentally preferable products (EPP) that will help NJPA meet their sustainability objectives. Grainger understands the importance of operating sustainably wherever practicable and economically feasible. Grainger has a broad offering of environmentally responsible programs, products, procurement practices and solutions that support NJPA's goal of being environmentally responsible and proactive to mitigate or avoid negative environmental impacts. Grainger has defined four key pillars to its Sustainability Program/offering which are:

- **Energy Management** – Measure use, control effectiveness & output, & reduce consumption of energy in categories such as: Electrical, Lighting & Controls, HVAC/R, Steam and Compressed Air
- **Conserve Water** – Monitor use, filter impurities, recycle & reduce consumption at point of use, behind the wall, and outdoors in categories such as: Pumps, Valves, Fittings, Meters, Fixtures, Plumbing Equipment and Filters
- **Reduce Waste** – Facilitate recycling & decrease landfill expansion through biodegradable & recycled content in categories such as: Recycling Equipment, Paper & Packaging, Sorbents, Biodegradable and Chemical Free
- **Indoor Air Quality** – Create cleaner air within facilities through lower VOCs, filtration, & natural products in categories such as: Cleaners, Air Filters, Cleaning Equipment, Office Products, Low/No VOC and Paints/Coatings

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Grainger's online Green Resource Center at <http://www.grainger.com/content/green-resources> can assist NJPA in identifying, navigating and comparing "Green" products in certified and non-certified categories. "Green" products appearing on Grainger.com are marked with a "Green" icon for easy identification. This allows customers to easily determine which products have the "Green" characteristics that meet the criteria they are looking for.

Grainger makes it easier for purchasers to buy green products through the following online options/tools:

- "Green" filter that allows customer to search and view all environmentally preferable products
- Tips for Searching "Green" Products
- Top Sustainability Categories
- Sustainability Industry Resources
- Related Sustainability Articles
- Grainger's Corporate Social Responsibility website
- Third-Party "Green" certified logos (Figure 7):



(Figure 7 – Third-Party "Green" certified logos)

To help further support the goals of NJPA, Grainger can provide significant value-added solutions at no cost to help NJPA operate in a more sustainable manner and identify innovative ways to implement its policies, including:

- **"Green" Reporting** – Accountability and compliance can be significant barriers to implementing a sustainability initiative. To help, Grainger has the ability to review past purchases made by NJPA to assist in determining what products purchased can be categorized as "Green." Using historical data, Grainger will assist NJPA in setting and measuring progress towards (Environmentally Preferable Purchasing (EPP) goals.
- **"Green" Cross Referencing Services** – To assist in meeting EPP goals, Grainger will cross-reference historical purchases, as well as those made through other vendors, to locate greener product alternatives at no additional costs to NJPA.
- **Supplier Assessments** – Several of Grainger's supplier partners offer more than 20 assessment services at no additional cost; from power quality audits to green cleaning training to waste reduction services. These services will be coordinated locally through Grainger Sales Representatives.

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- **Sustainability Consulting** – Through our own experiences with sustainability, Grainger has developed a high level of expertise in sustainable operations. Grainger's Consulting Services division, at no cost, works with customers to identify areas of opportunity focused around four key environmental savings categories: Energy, Water, Waste and Air.

Hazardous Recycling Services

Grainger can assist NJPA in solving the disposal challenges for environmentally hazardous bulbs, dry-type batteries and ballasts with Grainger Hazardous Recycling Services. Grainger offers Call2Recycle recycling services. The customer will receive a certificate of reclamation that documents the products that have been recycled. With our hazardous recycling services, end users will be guaranteed that the products they recycle through Call2Recycle are disposed of with adherence to environmental regulations on materials containing mercury and lead and other applicable harmful materials as described in the Call2Recycle program description.

Recycling Kits

Grainger provides a turnkey service for an all-inclusive price. Customers can find in-stock kits at their local branch, including:

- UN/DOT-approved container
- Preprinted label with instructions
- Toll-free number for pick-up
- Certificate of reclamation
- Transportation from your site to the recycler

Bulk Pickup

Grainger may be able to provide certain customized programs for larger volume needs—including lamps, ballasts, batteries, electronics and mercury and also have containers delivered on-site. For more information, please contact the NJPA Senior Government Sales Manager.

Green/Sustainability Program

Grainger currently has sound environmental and sustainability practices in place. We read often about the focus today on sustainability and “greening” the environment. This is often posed in the context of aspirations but what really matters is what companies are doing to bring the aspirations to fruition. At Grainger, the commitment to ensuring that we not only talk the talk but walk the walk starts at the top.

“Corporate commitment to environmental stewardship is essential to the quality of life for our future generations. Grainger looks at sustainability in terms of People, Planet & Performance and how to best balance these priorities in the operation of our business. Our people are our number one resource. We are constantly looking for ways to use resources wisely and reduce our impact on the environment and we help our customers do the same by offering them a growing number of greener products and services.”

*James T. Ryan
Chairman, President and
Chief Executive Officer, Grainger*

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As indicated above, stewardship for the environment and managing our business processes and facilities consistent with sustainable practices is a key priority for Grainger. Our Web site, Grainger.com/sustainability, provides the detail on how we are meeting our commitments along with our policies. Below are some examples of how we have and are addressing and meeting our commitments.

In 2012, Grainger publicly disclosed for the first time its carbon footprint, a measure of greenhouse gas emissions. Grainger is among 3,000 organizations in 60 countries that disclose their greenhouse gas emissions and climate change strategies to the Carbon Disclosure Project (CDP). The reporting by the CDP provides transparency into an organization's sustainability practices and identifies risks that affect employees, customers, investors and ultimately, business performance. Reporting carbon emissions is a growing trend for companies and an indicator of a commitment to sustainability.

Grainger received a score of 73 on a 100-point scale, which exceeds the average score of 70 for S&P 500 companies that participated in the project. Grainger is the first MRO distributor to publicly disclose its carbon footprint via the CDP, another demonstration of its commitment to leadership in the industry.

The majority of Grainger's carbon footprint is comprised of energy consumed in distribution centers, branches and corporate offices. Grainger invests in energy-efficient facilities, which then have a direct effect on the carbon footprint.

For example, Acklands-Grainger has initiated a lighting efficiency program, updating more than 100 facilities in the last four years. The U.S. operation conducts a similar program that resulted in a 15 percent decrease in energy consumption at 50 upgraded facilities during the same time period.

For 2013, Grainger will set carbon emissions reduction targets that balance the growth of the organization with investments that aim to increase efficiency in operations and result in a healthier future for the organization and the planet.

It's important to Grainger that team members connect to the issue of sustainability. Grainger launched a program aimed at educating team members about what sustainability means to the business and encouraged them to interact and share their ideas.

Grainger's "Right Idea" initiative provided team members with the opportunity to share best practices with others across the network.

- Grainger offers more than 33,000 green products on Grainger.com
- Grainger sold more than 380,000 LED lamps and fixtures in 2012.
- Grainger Lighting ServicesSM, which provides lighting and lighting controls retrofit services, has saved customers 209 million kilowatt hours and \$22 million on electric bills since 2010. That's enough energy to power more than 17,500 homes for a year.*
- In 2012, Grainger distribution centers in the United States recycled 303 tons of cardboard and 22 tons of plastic wrap per facility for a total recycling rate of 72 percent.

* Source: EPA Clean Energy Calculations and References Guide. The calculations and information are estimates based on certain assumptions and do not constitute a guarantee of future savings. All calculations based on estimated 15-year life from the installation of energy efficient measures identified for a given project.

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LEED Certification

It is clear that LEED initiatives have found support and a following in both the public and private sectors. 45 states, 14 federal agencies or departments, and numerous counties and municipalities have embraced LEED initiatives (source: USGBC.org). Grainger is determined to set a new MRO standard for sustainable, environmentally safe operations. From adopting Leadership in Energy and Environmental Design (LEED) standards for new branch construction, to participating in numerous recycling programs, to working with the U.S. Green Building Council, the company is helping to preserve the natural resources within the communities where it does business. Grainger is the first industrial distributor to have LEED certified facilities. Grainger currently operates over 3.5 million square feet of LEED certified space. LEED certified facilities are not only more environmentally responsible, but also reduce energy costs by 30%, water usage by 35 to 50%, and overall waste by as much as 90%.

Most recently, Grainger added two new distribution centers in Minooka, IL and Patterson, CA. Both locations are LEED certified, achieving LEED-Commercial (CI) Platinum and LEED-New Construction (NC) Gold respectively. With the additions of the two distribution centers, Grainger now operates 14 LEED certified facilities. The Minooka facility is the largest LEED CI Platinum facility in the world and features sustainable technologies including a solar wall panel.

SmartWaySM Transport Partner

Another significant step towards operating a more sustainable organization occurred in August 2009 when Grainger became the **first and only** major industrial distributor to be recognized as an EPA SmartWaySM Transport Partner.

Grainger has joined an elite group of only 170 corporations to receive this recognition, and is the only major Maintenance, Repair, and Operating supplies distributor among them. Not only can Grainger deliver to the majority of our customers next day, we're doing it through a partnership with our SmartWaySM certified carriers, actively reducing carbon emissions with every mile.

The EPA's voluntary SmartWaySM program includes carriers, shippers, logistics companies, and truck stops that are committed to reducing transportation-related emissions to improve air quality for the future. Since launching in 2004, SmartWaySM partners have saved nearly 1.5 billion gallons of diesel fuel and prevented the formation of 14.7 million metric tons of carbon dioxide (CO₂) and other emissions that contribute to climate change. By continuing to examine Grainger's freight operations, as well as working with carriers who are SmartWaySM certified, Grainger will continue to experience even leaner distribution and reduce its carbon footprint.

Additional Initiatives

- Over the past 4 years, Grainger has completed over 50 lighting retrofits in its own facilities that have resulted in an average energy and cost reduction of 15%.
- In 2011, Grainger Distribution Centers recycled an average of 236 tons of cardboard, and 16 tons of plastic wrap for a total diversion rate of 72% across the DC network.
- In 2011, Grainger and Alliance Energy Solutions (AES) saved customers 94.679 million kilowatt hours and \$11.2 million on electric bills.
- Grainger partners with Call2Recycle by providing rechargeable battery drop-offs at all of our branch locations. Since 2007, Grainger customers have recycled over 63 tons of rechargeable batteries, equivalent to keep 13 schools buses out of landfills.
- 100% of Grainger electronic equipment waste is either remarketed or recycled and kept out of landfills.

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- Since 2010, 100% of Grainger's catalogs have been printed on paper certified by the Forest Stewardship Council (FSC). By using FSC certified paper, Grainger supports environmentally appropriate forest management and ensures that the harvest of timber and non-timber products maintains the forest's biodiversity, productivity, and ecological processes.
- The ENERGY STAR products that Grainger sold in 2009 will save 110 million kWh of electricity a year, 2 million therms of natural gas a year and 1,700 gallons of heating oil annually. That means that 201 million pounds of CO2 pollution will be avoided—that is equivalent to taking 17,000 cars off the road for a year. Grainger's customers will also save \$15.4 million annually on their utility bills.
- In 2010, Grainger transitioned our monthly employee newsletter online. This change saves approximately one million sheets of paper and diverts five tons of paper out of a landfill each year. The change is also equivalent to preserving 120 trees and pulling 3.6 mid-sized cars off the road annually.
- Recent recognition by the USDOE as a Lighting Facts partner. This recognition was awarded to companies who, in the words of the DOE, "have gone above and beyond to integrate Lighting Facts into their everyday business practices, demonstrating their ongoing commitment to the program and to product evaluation." For more information, please click on this link: <http://www.lightingfacts.com/default.aspx?cp=content/recognition>
- In October 2010, Grainger was presented with the Illinois Governor's Sustainability Award. The Illinois Sustainable Technology Center (ISTC), in cooperation with the
- Office of the Governor, has honored organizations for their efforts in sustainability and pollution prevention since 1987. Grainger was recognized for its' commitment to sustainability in our home State of Illinois.
- Grainger is committed to ensuring that green labeling meets current and developing standards in the industry. Grainger has commissioned Underwriters Lab-Environmental (UL-Environmental) to assist us in ensuring that any green claims in our catalogs meet the current standards.

47) Describe any Women or Minority Business Entity (WMBE) or Small Business Entity (SBE) accreditations and the general minority and small business program of your organization as it relates to a Contract resulting from this RFP.

Diversity Program: Distributor Alliance Program – Tier 1

Grainger's Distributor Alliance program utilizes small, diverse, disadvantaged, veteran, service disabled veteran, and women owned businesses to bring its offering directly to more customers, while promoting socio-economic growth. Distributor Alliance, launched in 2006, has diverse business (DBE) partners across the country and is managed by a team whose function is to align, manage, and improve the company's Tier 1 program. This includes dedicated regional business managers who mentor the diverse DBE partners and act as a liaison between Grainger, the End Customer, and the DBE. The DBE provides products and services to customers across federal, state, and local government agencies with set-aside mandates, as well as companies within the private sector that are committed to the development of small business.

How the Distributor Alliance Program Works

- Contractual terms
 - Each DBE is aligned, under contract, to a specific end customer. Each contract clearly outlines terms which ensure the authenticity of small business credit
 - The DBE takes title of the product ordered on behalf of the End Customer
 - The DBE is provided a credit limit based on their financial strength

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- The contract spells out additional services as required by the end customer, such as kitting, labeling, storage, delivery, or inventory management
- Mentorship and support
 - Grainger offers operational support to its DBEs enabling them to focus on processing orders and ensuring on-time delivery.
 - Mentorship includes:
 - Assigned regional business manager is an advocate for the DBE, and provides assistance in goal-setting, forecasting, marketing, and customer service process improvement
 - Grainger's regional small business advocate and small business team members collaborate to develop small business growth
 - Training on policies and procedures
 - Quarterly Business Reviews
 - Product Training
 - Grainger Value Advantage training
 - Interaction with Grainger's sales and operations staff aligned to participating locations
 - Grainger does not offer any financial support to the DBE through investment in infrastructure. Grainger maintains a clear separation to preserve the integrity of the program.
 - While Grainger continues to manage product content and pricing, DBE's build their own E-commerce platforms to receive and process end customer orders.
- The Distributor Alliance program is scalable and can be implemented at multiple locations.

For more information about our Distributor Alliance program, please visit us online at:

<http://www.grainger.com/content/distributoralliance>



Supplier Diversity Program – Tier II

Grainger is deeply committed to Supplier Diversity. Grainger affords historically under-represented businesses the maximum practicable opportunity to do business with Grainger. We have a viable Supplier Diversity Program, which is a corporate initiative. Periodically we conduct Product Line Reviews to see where we can be inclusive of MBE/WBE/VBE/LGBT firms. As a part of each Product Line Review conducted, we search the following databases for certified MBE/WBE firms:

- National Minority Supplier Development Council (NMSDC)
- Women's Business Enterprise National Council (WBENC)
- Small Business Administration/PRO-Net (SBA)
- National Gay & Lesbian Chamber of Commerce (NGLCC)
- Grainger's Internal Supplier Registration Portal hosted by SupplierGATEWAY

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Diversity made products are identified within the Grainger catalog and on our website with the Supplier Diversity symbol shown below. Reporting of your purchases of diversity products is available upon request. These reports, which can be generated monthly or quarterly, identify dollars spent with certified diversity supplier.

For more information about our program, please visit us online at:

http://www.grainger.com/Grainger/static.jsp?page=fos_supplierdiversity.html



The Grainger Model

By distributing products made by certified minority, woman, veteran and LGBT-owned businesses, Grainger helps to create an inclusive supply chain for customers. The model is truly a win/win because diverse manufacturers can concentrate on what they do best and leave the logistics and distribution of their products to Grainger. Grainger's customer benefits from one-stop shopping, and receives detailed reports upon request. The economic impact of this program continues to increase. The more than 130 diverse manufacturers in the 2014 Grainger catalog employ over 6,500 individuals.

Grainger is proud to be a member of the NMSDC. In addition, we also hold seats on four NMSDC Regional Councils. We are corporate members of the Woman's Business Enterprise National Council. Our Manager of Supplier Diversity, Nancy Conner, holds a seat and chairs a committee on the National Board of Directors of this organization. Grainger became a member of NGLCC in 2014.

Good Faith Efforts

Supplier recruitment continues to be a priority for Grainger. We continuously seek opportunities to meet diverse suppliers at Business Opportunity Fairs and other events that support M/WBE businesses. At these events, we feature products from our diversity suppliers and invite these suppliers to exhibit in the Grainger booth.

To increase exposure of our current suppliers, we host a National Sales and Services Meeting each year. At this event suppliers have an opportunity to meet Grainger sellers and customers, thereby increasing the exposure of their products. We feature our diversity suppliers with special signage and offer discounted participation rates to many diversity suppliers each year.

To keep diverse suppliers in our catalog, we monitor performance with a monthly balanced scorecard, provide feedback and offer assistance in any performance areas where improvement is needed.

- 48) Identify any other unique or custom value added attributes of your company or your products/equipment or related services. What makes your proposed solutions unique in your industry as it applies to NJPA members?

eCommerce Overview

Grainger generates approximately \$3 billion in online sales and, measured in revenue, is the 15th largest eCommerce provider in the U.S. At Grainger, eProcurement supports over 54,000 active accounts.

Our eProcurement team has more than 200 years of combined experience integrating customers across more than 100 third party providers to implement eProcurement punch-out solutions through direct connect software. In 2013, we processed more than 2,000,000 eProcurement orders and completed more than 280 new eProcurement integrations. We currently add approximately one new connection per day and continue to refine our processes to expedite the delivery of our integrated solutions.

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Reporting

Grainger is capable of offering a wide range of standard reports and we are extremely proud of this capability.

Examples of reporting are as follows, but limited to:

- Green Products Purchases
- Cost Savings Analysis
- Item Purchase History (by both sales dollar and item quantity)
- eCommerce Utilization Sales
- Inventory Management
- Key Supplier
- Product Line Distribution
- Supplier Diversity
- Purchases By Account Number
- Procurement Tendency
- Customer Focused Quality Report Card

The Customer-Focused Quality Report Card is a detailed breakdown of the following information:

- Delivery method
- Order completeness
- Credit memos
- Service level
- Number of orders
- Number of lines
- Order type (ship, will call /counter)
- Total purchase dollars
- Average order dollars
- Average number of lines per order
- Split shipments

Grainger will provide standardized reporting on a quarterly or as-needed basis during quarterly business reviews.

Additional Reporting Capabilities

Procurement Tendencies Reporting

The Procurement Tendency Report examines your purchasing behavior with Grainger throughout the year. The data points summarized in the analytics include the following: SKU purchase frequency, repeat items purchased, items purchased across sites, manufacturer spend, commodity spend, account number spend and order size. This type of analysis will help NJPA and NJPA Members fully understand the MRO supplies being purchased and frequency in order to assist in demand management.

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Order History Report

An Order History Report is a valuable feature that gives NJPA and NJPA Members the ability to download and analyze your purchasing history, and better manage and track purchasing trends. Order History Reports provide detail descriptions of all previously purchased items, dates items were purchased, quantity and the price paid. With Order History Reports, you can search by item, order number, confirmation number, PO number, PO Release number and Project number. When downloading order history, you may choose from multiple options, including text and XML format.

Green Reporting

Accountability and compliance can be significant barriers to implementing a sustainability initiative. To help, Grainger has the ability to review past purchases made by NJPA and NJPA Members to assist in determining what products purchased can be categorized as "green." Using historical data, Grainger will assist NJPA and NJPA Members in setting and measuring your progress towards EPP goals.

Inventory Management Reporting

KeepStock Scan (Grainger's Vendor Inventory Management solutions are referred to as KeepStock solutions) provides online reporting where you can quickly access your purchase order history to help you understand what items you're buying over a given period of time. This data will enable you to better decide which inventory you need to keep on hand.

KeepStock Track alerts you to low and out-of-stock inventory items. It helps you identify inventory usage and trends while providing quantifiable asset valuation for your physical on-hand inventory.

KeepStock Secure is a managed inventory solution which provides customized automated dispensing machines to control usage and reduce theft of consumable maintenance, repair and operations (MRO) items and provide detailed reporting of consumption of such items. This reporting also includes department, job and employee data, as well as which items are coming in and going out, so you can easily track the value of your inventory and measure purchasing accuracy.

Custom and Ad Hoc Reporting Capabilities

As noted above, Grainger has standard reports that can provide you with significant information and the list and range of standard reporting limits the need for custom reporting. That said, Grainger's robust data warehouse is the source for providing customized and ad hoc reporting to NJPA and NJPA Members. Grainger will work directly with NJPA and NJPA Members to determine what type of customized and ad hoc reporting is required and will have the report within 30 days of the request from the coordinators. Once the report is developed, Grainger can produce these reports on whatever timeline you require and on whatever frequency.

Report Confidentiality

Grainger's reporting capability represents an enormous investment in proprietary technology. This information assists us in assessing our customer's ongoing and changing needs. Our data allows detailed evaluation of technical and logistic demands. We use this information to work with our customer to chart a path to best meet your requirements. As a result, this process and data differentiates Grainger from our competition.

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Disclosure of reports, and the information contained therein, would put Grainger at a competitive disadvantage if provided to our competitors either as a result of third party request or due to release to the general public. Grainger's reports provide information derived from a significant investment in our system and processes. If released, these reports would provide a road map to competitors, identifying not only who is purchasing, but what they are purchasing and Grainger's corresponding contract price. We ask that this valuable information be protected by NJPA and NJPA Members from those unwilling to make a comparable investment.

The information contained in Grainger reports should be handled as proprietary, privileged and confidential and, accordingly, the reports we create shall be labeled as such.

Emergency Management

At Grainger, we take emergency planning and response very seriously. We have created standard practices and service capabilities to address any emergent needs of NJPA. With our broad-scope product line and focus on safety, emergency response, and recovery related products, we are uniquely qualified to support NJPA in the event of an emergency scenario.

After Hour Emergencies

This service provides emergency product fulfillment service to all customers after normal branch business hours. A Grainger Call Center provides 24/7 service for calls to our 1-800-CALL-WWG service line. Once a request is received, the call center representative can immediately check local inventory and will contact a local Branch representative to open the branch location.

A local Grainger field representative is committed to contacting the customer within 60 minutes of the initial call to help solve the customer's problem. The fee for the emergency service is waived and provided at no cost to NJPA.

Emergency Response & Recovery

During and after an emergency, Grainger provides special services to our customers and their communities:

- **Extended hours and personnel**
During major emergencies, Grainger branches stay open 24 hours (unless curfews are imposed by local authorities). Additional personnel are brought in to take orders, assist customers at the counter, and load trucks. Our Call Centers are able to accept phone orders 24 hours a day.
- **Emergency support teams**
When an emergency unfolds, we have a plan in place that quickly mobilizes internal and external resources to assist troubled communities.
- **Essential product availability**
Within hours of an emergency, trailers containing critical products are dispatched to support the relief effort. Contingency plans with our suppliers allow us to provide additional equipment quickly.

Emergencies and Natural Disasters

In the event of a natural disaster, Grainger has redundant systems in place to allow for continuation of service by utilizing non-affected parts of the country to assist customers. Grainger's supply chain network deploys trailers of needed items to the affected areas as necessary.

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Emergency Preparedness: W.W. Grainger Inc. Business Continuity Plan

Introduction and Overview

Grainger is uniquely positioned to respond to emergency situations. As noted, Grainger's network of 360 plus branches is supported by 13 strategically located distribution centers across the U.S. Grainger can pull from and re-locate its extensive inventory to areas of need quickly and efficiently. We have extensive experience in leveraging our logistics networks to get the right products in the right place to address the situation. In the event of an unforeseen emergency or disaster, our network capabilities ensure that constant product replenishment is nearby and easily accessible to all NJPA locations.

In the event of a damaged or destroyed branch, our expansive network allows us to continue to service customers under the most extreme conditions, including severe events. For example, during Hurricane Katrina, one of our two New Orleans branches was lost completely. In response, Grainger opened a temporary branch until the damaged branch reopened.

Grainger's dedicated support staff is a valuable resource in times of emergency. Customers can contact their local Market Manager, District Sales Manager or Government Account Manager in emergency situations. After Hours Emergency Service, as described above is always available and, depending on the situation or the nature of the emergency, Grainger branches will extend hours to best serve our NJPA Members.

Crisis Management Team

In an emergency situation, we have a pre-determined, experienced, cross-functional national team that leads the efforts to respond to the situation. Our emergency response team assesses the needs of the area and coordinates with emergency management agencies, first responders and first receivers to develop plans and bring needed solutions to the affected areas.

This team is prepared for emergencies; they have ready access to over a dozen, documented, emergency response plans outlining processes and procedures for dealing with issues ranging from hurricanes to wild fires to acts of terror. Each one of these functions as the starting point in developing a specific plan for the emergency situation. The prescribed plans allow for consistent execution even where the nature of the emergency differs.

Crisis Management Team Chart



(Figure 8 – Crisis Management Team)

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The Crisis Management Team has an established response list (Figure 8 above):

1. Ensure the safety of Grainger employees. Are they safe? Did their home sustain damage? Are they able to work?
2. Assess potential damage to the Grainger branch(es). Once safe, a determination is also made as to whether additional employees (from neighboring markets) are needed.
3. Inventory assessment is conducted. Depending on the nature of the emergency, a pre-determined product list is used to move needed items into the affected market. If additional products are needed, arrangements are made to move those products to the affected area from regional Distribution Centers, neighboring branches or directly from product suppliers.
4. Operationalize the facility by re-routing phone lines and restoring (or using emergency) power.

Enterprise System Continuity Plan

The other main component of Grainger's Business Continuity Plan is providing disaster recovery capabilities for our IT systems both by services of third party experts and internally managed recovery sites. This approach helps keep our systems up and running and able to support our Crisis Management Team and our customers. In order to keep Grainger's IT platform available during any emergency, Grainger has developed a robust Business Continuity Plan to support system integrity and functionality during an emergency. Grainger has built redundancy into the system and tests the disaster recovery procedures regularly.

Product Prioritization

Lastly, Grainger is cognizant of the need to ensure the health and safety of the public. In severe emergency situations, product is prioritized for First Responders/First Receivers and other Government organizations. Local leadership works with the Crisis Management Team and emergency management agencies, local law enforcement, first responders and first receivers, along with others to ensure appropriate and fair distribution to those prioritized entities. Grainger has demonstrated its capability to meet some of the most demanding needs in New York City during 9/11, for the Gulf Coast region's responders during Hurricanes Katrina and Rita, during the tornado in Joplin, Missouri and recently for Superstorm Sandy. A more detailed outline of Grainger's support during those emergencies can be provided upon request.

Recent Emergency Examples:

Superstorm Sandy – October 2012:

Within hours, critical supplies & equipment were routed to Grainger branches located in affected communities in New York, New Jersey & Connecticut. Dozens of employee volunteers from across the US were brought in to assist multiple first responder and first receiver agencies including FEMA, New York City Office of Emergency Management as well as the NY-NJ Port Authority. Grainger committed \$100,000 to the American Red Cross Hurricanes 2012 Disaster Relief Fund. Grainger *Ready When Time Comes* volunteers were deployed to aid recovery efforts in affected areas including Queens, NY. Grainger became the national launch sponsor of the American Red Cross Volunteer Connection system in 2012, a next-generation volunteer management system which was utilized following the devastation of Superstorm Sandy.

EMPLOYEE ASSISTANCE PROGRAM



Alliance Work Partners

This benefit provides short-term confidential counseling to help you and your family deal with life's stresses and problems. This is a City-paid benefit.

Contact Alliance Work Partners at 328-1144, or 24 hours a day at 1-800-343-3822.

Toll free Teen Helpline 1-800-334-8336.

Alliance Work Partners can help you with:

Marital/Family Problems

Crisis

Legal Issues

Management

Work/Vocation
Issues

Adolescence

Substance
Abuse/Dependency

If your EAP counselor makes a referral for additional assistance, you are responsible for the cost. However, when making the referral, your counselor will consider your resources, including applicable medical coverage.

As an added feature of the EAP, counselors can assist you with such work-life issues as:

Financial Planning

Child/Elder Care
Referral

Travel Information/Referral

Adoption Education/Coordination

Academic Services

Law Access - 30 Minutes
Free

Consumer Product Information

Alliance Work Partners has joined with Safe Ride to offer reimbursement for a cab ride, up to 30 miles one way, when you or a family member is impaired by alcohol or drugs.

For additional information contact the Employee Benefits Division at 974-3284.

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Joplin – May 2011:

Within days following the Tornado that struck the city of Joplin, MO on May 22nd, 2011 Grainger opened a temporary branch within 1 mile of the impacted area to streamline the supply chain for first responders, first receivers and affected businesses in the area. Within hours trailers containing critical supplies were routed to the Joplin area. When the State Office of Emergency Management agency contacted Grainger over the weekend to obtain critical supplies needed to control access to the disaster zone, Grainger employees quickly located the inventory needed and arranged for overnight delivery. Grainger employees quickly established communications with Mercy Health to provide communications equipment and emergency lighting solutions needed at St. John's Regional Medical Center which was destroyed by the Tornado. Grainger delivered a check for \$52,000 to the Greater Ozark Regional Chapter of the American Red Cross to assist relief efforts in Joplin and neighboring communities.

Please refer to Exhibit I – Grainger Disaster Recovery for additional information.

- 49) Other than what you have already demonstrated or described, what separates your company, your products/equipment and related services from your competition?

Grainger feels that our (i) vertical structure, (ii) government sales experience and its independence from our other sales force teams, (iii) ability to tailor our sales force to our customers' needs, (iv) our sales force certifications and (v) alignment of our Cooperatives are all factors that separate us from the competition.

Grainger's Government Sales Experience

Grainger's Public Sector Sales personnel and technicians experience is extensive. Grainger's government team members receive annual compliance training to ensure that they know and understand our customers' requirements and can meet our customers' ethical standards. Grainger takes its commitments with all of its customers seriously and its dedicated government sales organization allows Grainger to ensure our Government Customers that they can count on Grainger to meet the promises we make. Grainger takes great pride in being a partner with Government Customers. One area of focus is the training and certification of our team members on Government Procurement and Ethics. In addition to Grainger's Business Code of Conduct, Grainger has a separate Code of Ethics that specifically applies to team members servicing our Government Customers. This Code of Ethics and related training includes our No Gift Policy, Procurement Integrity and Grainger's internal processes to ensure compliance to the commitments we make with our Government Customers.

Exclusive Brands

Grainger offers "Private Line" products, which Grainger labels as Exclusive Brand products as shown in Figure 9 below. These products are available through Grainger's standard offering and allow for high quality, lower cost alternatives to national brands. Grainger's Exclusive Brands will allow NJPA the opportunity to leverage additional quality products at a highly competitive price.

For Grainger, quality is critical whether the product is a National Brand or an Exclusive Brand. Every Exclusive Brand product must meet the same rigid standards and specifications as those applied to product from our National Brand suppliers. The Grainger Engineering and Quality team developed a process for introducing new product to the Exclusive Brands line involving several pre-production steps including:

- Rigorous supplier selection
- Factory audits that identify and verify quality

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- An Engineering Scope and Test plan identifying what the product specifications should be and verifying its compliance with national standards
- A review of Federal and State regulations - such as the EPA or FDA - and Industry standards—like OSHA and ANSI—to be sure manufactured products are compliant
- Once a product is created, each is evaluated to verify its performance and attributes for accuracy
- Building of technical specifications, testing and documentation
- Random production sampling and inspection



(Figure 9 – Grainger Exclusive Brands)

Within our pricing offer, Grainger's Exclusive Brand Line has a strong presence. Due to the lower cost and high quality nature of these lines, NJPA will realize even greater cost savings.

Implementation (Day 1 – Day 90)

Phase 1: Starting with the training materials Grainger and NJPA will work together to develop and update existing agreement, to update those training materials to incorporate any changes, enhancements and benefits provided under the new Master Agreement

NJPA MRO Supplies Contract Kickoff:

- Conference call announcing award to Grainger's Sales Force and Customer Service/Branch organization outlining final details of the contract
- Communicate new contract terms to Grainger's sales force and branch staff
 - Review Pricing and Programs available under the new contract
 - Communication targeting potential current and potential NJPA Members
 - Communication targeting participating Agency/poly -subs
- Conference call announcing award to Grainger Executives and outlining final details of contract
- E-mail notifications to current participating NJPA customers notifying them of the new award Align current participating NJPA accounts to new contract
- Begin creating marketing collateral to promote NJPA MRO Supplies

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Step 1 – First 30 Days

- Position the new NJPA MRO Supplies (insert contract here) Grainger Contract with all participating customers as well as selected targeted potential Agency and poly-sub affiliations
- Present the Grainger Core Value Proposition
- Gain a more thorough understanding of each of the participating and potential customers overall procurement goals and initiatives
- Engage with existing or potential procurement personnel to understand their needs and current procurement vehicles

Step 2 – Days 30-60 Grainger strategy and proposal based on customer needs

- Develop Agency and poly-sub 2014/2015 strategy based on customer initiatives
- Engage resources for implementation of programs
- Affiliate relevant Agency/poly-sub/Higher Education by communicating contract benefits
 - Target relevant, key locations
 - NJPA Grainger Contract Introduction
 - Affiliation Process

Step 3 – Days 60-90 Implement agreed upon strategy and continue to leverage the strengths of the NJPA MRO – Grainger contract

- Implement Agency and poly-sub 2014/2015 programs
- Engage all resources needed to execute upon strategy
- Continue to drive and grow revenue

Phase 2: Grainger will enhance the online training materials to allow for delivery through a Web-Ex format which will then be presented on a regional basis to the national audience. The training objectives are to provide a complete overview of the new Master Agreement and how Grainger team members can continue to deliver great service, solutions and contract compliance under and with the new Master Agreement.

Phase 3: The training will be rolled out regionally, with endorsement from Grainger executive leadership, to all customer-facing employees and phone associates. Our eCommerce customer service representatives will also go through the training to ensure consistency of experience in delivering the e-Commerce solutions.

Phase 4: All training will be tracked to ensure that all national sales employees have successfully completed the training and have a full understanding of how to bring the new program under the Master Agreement to market for our mutual customers.

In addition, please refer to Exhibit J – Grainger's Draft Implementation Plan Example.

- 50) Identify and describe any service contract options included in the proposal, or offered as a proposed option, for the products/equipment being offered.

Safety Solutions to Solve Your Safety Business Challenges

For years Grainger has been helping customers with their safety programs. Here is what we know about how customers think about safety:

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First, customers think about and manage their safety programs in two main categories: (1) How to keep their people safe and healthy - sending them home from work the same way they arrived - and (2) how to operate safer facilities - minimizing the hazards within the facility that could harm individuals.

Second, there are four drivers for organizational safety programs:

- Avoid INJURIES, because when you reduce injuries your people feel safer on the job and are more effective in their jobs.
- Stay COMPLIANT with regulations that affect your organization, because you want to avoid the potential fines and bad publicity associated with citations and fines
- Minimize your safety RISKS, because one of the ways to manage safety risk is through Workers Compensation and an effective safety program can help you to keep those costs as low as possible
- Increase your PRODUCTIVITY through your safety programs, because if you don't have effective safety programs your productivity will suffer through shut downs or work stoppage when injuries occur.

As a result, Grainger is uniquely positioned to help NJPA and NJPA Members manage and operate your safety programs. We understand your safety business challenges and have built our safety capabilities and solutions specifically for NJPA and NJPA Members' organization's safety programs.

Grainger's People Safety Solutions help keep NJPA and NJPA Members employees and guests safe and healthy from hazards individuals are exposed to on the jobsite. Here are brief descriptions of each solution designed to protect a person from head to toe.

Each solution consists of products, resources and services to aid your busy safety professionals or those in safety responsible roles so those safety leaders are more effective in running your People Safety programs:

- Personal Protective Equipment capabilities that help protect individuals from head, face, eyes, ears, body, hand, feet, respiratory, and fall work hazards
- Medical & First Aid products to help heal employees and guests should they get injured at work
- Temperature Stress Hazard solutions that help employees work in extreme temperatures conditions
- Ergonomics products and resources to help engineer out employee exposure to Muscular Skeletal Disorders like sprains and strains while on the job
- Occupational Health Hazards products identifies work environment monitoring or engineering controls that could help avoid injuries

Grainger's Facility Safety solutions help your business operate and maintain its facilities and worksites safely.

Today, NJPA and NJPA Members' Safety Professionals operate and maintain plants, institutions and facilities with products for many important areas like Maintenance, Production, and Electrical, to name a few. Rely on a proven safety partner like Grainger to provide safety expertise and knowledge to help NJPA and NJPA Members become more effective in operating your facility safety programs in the following important areas:

- Electrical Safety products, services and resource solutions needed within a facility to provide protection to employees from electrical hazards such as arc flash
- Confined Spaces solutions include the proper equipment and services to keep employees safe while working in permit-required confined spaces
- Signs & Communications promote the appropriate safety information within a facility or worksite about hazards

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- Slip, Trip or Fall solutions help prevent employees and guests from an injury due to a hazard in a facility or worksite
- Lockout/Tagout solutions used to support processes during maintenance procedures
- Environmental Safety Hazards safely control and handle incidents/hazards such as chemical storage and spills
- Exits & Fire Protection products and resources provide help with exits & fire protection within a facility or worksite
- Machine Guarding equipment and services used on and around machines to keep employees safe from injury while working
- Security products and resources help keep the workplace safe and secure during operations and after hours

Grainger's "Safety First" Philosophy

Grainger team members know they are part of something bigger than just their jobs. Every day, they serve those who keep facilities running and the people in those facilities safe. Team members are motivated to bring their whole self – including their own ideas, experiences and differences – to work every day and, in turn Grainger is dedicated to ensuring team member safety and well-being. In 2013, Grainger continued to invest in its team members by fostering an environment of empowerment, inclusion and professional development, while keeping workplace safety paramount.

Safety First

Products, equipment and team members are constantly in motion at Grainger branches and distribution centers. Ensuring a safe working environment requires a comprehensive approach that includes specialized training, regular safety drills, ongoing maintenance and specially designed equipment. Team members at Grainger's distribution centers participate in weekly safety trainings as well as longer monthly sessions. From daily stretching exercises to inspection of protective gear at distribution centers, Grainger takes seriously its role as North America's largest distributor of safety supplies.

Safety Around the World

In 2013, Grainger introduced the Safety Around the World initiative including the roll-out of a new web-enabled Environmental, Health and Safety (EH&S) management system that harmonizes global implementation of the International Organization for Standardization (ISO) 14001 and Occupational Health and Safety Assessment Series (OHSAS) 18001 requirements. The system will improve Grainger's ability to consistently communicate and manage EH&S principles on a global scale. In 2013, Grainger implemented the system in its US Facilities, achieving 100 percent adoption by managers and supervisors at the company's distribution centers and branches.

Grainger has now begun implementing Safety Around the World in Canada. During the first quarter of 2014, 65% of managers of Canadian distribution centers had already registered to use the system. The multilingual system will be implemented throughout the facilities in Mexico and Europe in 2014.

Safety Around the World also includes a web-based program that teaches safety through fast and fun games to promote learning and retention. The functionality keeps players motivated and promotes healthy competition.

Safety Community

Safety Community is connecting with other safety professionals through associations meetings with organizations like the National Safety Council and American Society of Safety Engineers.

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We make sure safety is a core personal value to our employees. We want employees to not only be safe at work but also when they go home. We encourage Grainger team members to practice the same safety procedures at home that we have at work.

"We are focused on building a culture where it is everyone's responsibility to keep themselves and the folks around them safe. Safety is about going home at the end of the day to your loved ones in the same condition you came to work that morning." — Michael Fearing, Area EH&S Manager, Jacksonville DC

Safety Initiative

Due to our ongoing dedication to safety, Grainger has had zero incidences of employee fatalities in the last five (5) years and a very low rate of OSHA incidents-

- **OSHA Incident Rate (RAI) - Company 2009-2013 average: 2.2**
- **Experience Modification Rate (EMR) - Company 2009-2013 average: 0.83**

Safety Product Category Selection

As a full line distributor of safety products, Grainger carries more than 134,000 safety products from 600 industry-leading safety manufacturers to fit all of NJPA and NJPA Members' people and facility safety items to keep your workers protected and your workplace compliant with safety regulations. Grainger's nationwide network of distribution centers and branch locations gives NJPA and NJPA Members fast, easy access to a broad selection of products to help operate a safer facility, making sure every NJPA and NJPA Members employee returns home safely at the end of the day.

Personal Protective Equipment capabilities help organizations keep individuals safe by providing products focused on protecting them from hazards while they are working, participating in, or visiting a facility or worksite.

- **Head Protection** products that provide head protection to individuals' heads
- **Face Protection and Eye Protection and Accessories** products that provide eye and face protection
- **Hearing Protection** products that provide hearing protection
- **Workwear** products that provide protection to individuals' body
 - **Fire Fighting Clothing and Accessories**
 - **Flame Resistant and Arc Flash Clothing**
 - **Disposable and Chemical Resistant Clothing**
 - **Rainwear**
- **Gloves and Hand Protection** products that provide hand protection to individuals' hands
- **Footwear and Footwear Accessories** products that provide foot protection
- **Respiratory** products that provide respiratory protection
- **Fall Protection** products that help organizations keep individuals safe by providing fall protection

Medical & First Aid capabilities enables individuals to provide medical first aid or apply injury prevention procedures while at a facility or worksite which helps heal employees and guests should they get injured at work

- **First Aid** products that provide site-specific First Aid to individuals
- **AED** products required to provide a location with an automated emergency defibrillator
- **Emergency Eyewash and Shower Equipment** products that provide a system for eye flushing or body dowsing

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- **Blood Borne Pathogens** products needed to protect individuals who may be in contact with blood borne pathogens or other potentially infectious body fluids

Temperature Stress Hazard capabilities help organizations keep individuals safe and productive when they work or participate in conditions where the temperatures are excessively hot or cold.

- **Cold Stress** protect individuals during extreme cold working environments and cold stress
- **Heat Stress** protect individuals during excessive heat working conditions and heat stress

Ergonomics capabilities help organizations identify ergonomic risk factors and minimize those workplace hazards associated with Muscular Skeletal Disorders like sprains and strains while on the job.

- **Repetitive Motion / Vibration** products that help to identify and resolve repetitive tasks or motion that could lead to strains in muscles or ligaments
- **Lifting/Carrying** products that help to identify and resolve issues with lifting heavy items in a twisting or awkward motion
- **Pushing/Pulling** products that help to identify and resolve issues with pushing and pulling large or heavy items
- **Extended Standing / Sitting** products to identify and resolve continuous standing, leaning, bending, kneeling or squatting fatigue or strains

Occupational Health Hazards capabilities helps organizations that need to do monitoring and implementing of controls that safety professionals and industrial hygienists use to evaluate and assess facilities and worksites for occupational health hazards that could help avoid injuries

- **Environment Monitoring** products that help to monitor air quality, noise levels or chemical exposures in a facility or worksite
- **Environment Controls** products that help with controls that are put in place to improve air quality, noise levels or chemical exposures in a facility or worksite

Electrical Safety capabilities to help organizations protect individuals from electrical safety issues and hazards that are found within their facility or worksite

- **Temporary Power & Lighting** products that are needed with temporary power or lighting is required
- **Working on Live Electricity** products that are used with individuals need to work on live electricity components
- **Potential Electrical Hazard** products that are used in potentially hazardous electrical areas
- **Arc Flash Protection** products used with an arc flash event could occur that would harm individuals and equipment.

Confined Spaces capabilities that help organizations when they have permit required confined space entry work needing to be done

- **Confined Space Entry** products used to comply with entry and working requirements for Permit-Required confined space entry
- **Extraction and Rescue** products used to retrieve an individual should they become incapacitated while in a permit-required confined space

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Safety Communications capabilities help organizations keep their facilities safer by providing safety signs, messaging, and communications in potentially hazardous areas within a facility or worksite about hazards

- **Signs & Tags** products that communicate safety messages or information
- **Traffic Signs & Crowd Control** products used to help with traffic control signs or crowd control
- **Hazard Communications** products used to communicate potential hazards with harmful chemicals and gases that could put individuals at risk including the new Globally Harmonized System (GHS)
- **Facility Communication** products used to help with long distance communications or loud environments

Slip, Trip or Fall capabilities helps organizations prevent individuals from slips, trips and falls hazards within their facility or worksite

- **Walking/Working Surfaces** products that help with providing safer walking and working surfaces within a facility or worksite
- **Guarded Floor & Wall Openings** products that help with providing a safer environment for work around floor and wall openings
- **Ladders & Scaffolding Safety** products that help with providing safer scaffolding and ladder safety programs and policies
- **Fall Protection** products that help keep employees safe from fall hazards by providing fall protection solutions for their facilities and worksites

Lockout/Tagout capabilities help organizations that need to maintain powered equipment with Lockout/Tagout processes and procedures without exposing individuals' energized hazards

- **Electrical and other Hazardous Energy** products that lockout and Tagout components of machines that need to be turned off and electrically de-energized so it can be worked on safely

Environmental Safety Hazards capabilities that help organizations when they have chemicals at their facility or worksite and need to prevent or manage spills from chemicals or other environmental safety hazards

- **Chemical Storage** products that provide proper and safe storage of chemicals in a facility or worksite to prevent spills
- **Spill Containment** products that help organizations contain and clean up chemical spills and other hazardous liquids
- **Combustible Dust** products that help organizations prevent combustible dust hazards

Exits & Fire Protection capabilities that help organizations with their exits and fire emergencies within their facility or worksite

- **Exit Routes** products that provide proper exit routes and means of evacuation within a facility or worksite so that individuals can safely exit
- **Fire Protection Equipment** products that help with the suppression or extinguishing of small fires that occur within a structure
- **Emergency Plans** products that help provide a plan of evacuation for individuals in a facility or worksite

Machine Guarding capabilities that help organizations when they need to guard their machines from injuring individuals while the machines are operated or maintained

- **Protecting Employees** products that help organizations guard individuals from machine hazards

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- **Protecting Equipment** products that help organizations guard their machines or property from damage due to individuals contacting it

Security capabilities that help organizations keep their facility safe and secure during normal operation as well as after hours

- **Operations Security** products that help organizations with their security concerns throughout the facility like closed circuit TV systems and accessories and access barriers and crowd control
- **Office Security** products that help organizations individuals keep safe within the office or guest area with key control and identification and security alarms and warnings
- **Workplace Communications** products that help organizations communicate within their facilities over long distances or in loud environments

Additional Safety capabilities from Grainger include:

- **Water Safety** products for employees working in or around water

Condor[®], a Grainger Exclusive Safety Brand

NJPA and NJPA Members can take advantage of Grainger "Exclusive Brand" products, a lower-cost alternative to more recognized product brands. For our Safety customers, Condor[®] personal protective equipment offers a wide range of high-quality gear made to meet or exceed relevant ANSI safety standards. Protect workers with products that consistently perform and help you comply with OSHA safety regulations. Condor exclusive brand products deliver a reliable combination of performance and durability that can help NJPA and NJPA Members run safer facilities, while saving money and improving the bottom line. Choose from over 3,300 Condor products available exclusively from Grainger.

Grainger Safety Resources

Not just products. NJPA and NJPA Members can count on Grainger's field-tested team of safety specialists when you need help selecting products, complying with complex safety regulations or implementing new safety initiatives, rely on our team of safety specialists. They have the education, training and hands-on field experience to answer your safety questions.

Field-Tested Team of Safety Professionals

Our safety professionals hold degrees in safety, safety engineering, industrial hygiene, industrial technology, chemistry and related fields. Trained in OSHA's 30-Hour General Industry safety course, they have authored papers for safety trade journals and presented seminars at national training events. In the field, on the phone or online, Grainger's tested team of safety specialists can help you identify, control and prevent workplace safety and health hazards. Email them at safetysupport@grainger.com

Online Safety Resources

Get 24/7 access to hundreds of safety resources at the click of a button from your computer or mobile through Grainger INFO Library. Stay on top of the latest safety news, trends and regulatory issues free of charge to help protect your employees and site visitors. Grainger INFO Library can provide:

- Quick TipsSM Technical Resources
- Safety On the Job Webinar Series^{IR}

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- Safety Data Sheet (SDS) information
- Thinking Safety and Techlines eNewsletters
- "Click to Chat" safety technical support

Please go online to grainger.com/content/infolibrary to help you identify, control and prevent workplace safety and health hazards.

In-Field Safety Specialist Resources:

- Grainger's OSHA-30 hour / QSSP certified field resources are strategically positioned locally across the country. Our growing team of Safety Specialists brings practical safety knowledge to (INSERT CUSTOMERS NAME) facilities and locations. In addition, this field based safety team, provides expertise solving safety business issue challenges, cost-savings proposals, and program standardization strategies.
- Your assigned in-field Safety Specialist and / or Safety Program Manager will align the right Supplier Representatives and additional safety technical resources to meet your facilities selection of appropriate product use and subsequent training. Use of the in-field Safety Program Manager team helps drive proper product selection based and contract compliance through use of on-site surveys, product use analysis and product standardization.
- Grainger has over 600 Safety Suppliers whose representative resources are dedicated to Grainger's customers in order to help bring additional technical, service, and resources to help you with your Safety programs.

For Grainger's Safety Service Selection, please see Exhibit K.

Grainger will price available services as reflected on www.grainger.com at time of transaction ("List Price"). As Grainger adds new services to www.Grainger.com and that service has a List Price, Grainger will offer those services. Grainger will advise NJPA of any new service(s) to be made available under the Master Agreement by providing an email to the Contract Administrator and describing the new service(s). These services will be included as part of the Master Agreement and no written amendment is necessary to include them under the Master Agreement.

51) Identify your ability and willingness to offer an awarded contract to qualifying member agencies in Canada specifically and internationally in general.

Please note: Mexico and Canada have full service locations, but operate on a separate platform with different product and pricing designed to suit local markets and would be contracted under separate agreements. Grainger Industrial Supply is happy to assist in engaging resources at Acklands-Grainger and Grainger S.A. de C.V. (Mexico) to meet with NJPA representatives to discuss the possibility of a separate agreement covering NJPA Members' Canadian and/or Mexico facilities.

Canada: Acklands-Grainger, Inc., acquired in 1996, is Canada's leading broad-line distributor of industrial, fleet and safety products. Acklands-Grainger operates more than 170 branches and six distribution centers across Canada. Offering more than 180,000 in-stock items to more than 51,000 customers in Canada, Acklands-Grainger provides its customers access to products online at acklandsgrainger.com and through a customized catalog, in English and French. Acklands-Grainger employs over 325 sales representatives throughout Canada.

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International Presence

Our customers value extensive product lines and reliable delivery no matter where their facilities are located. Understanding this, Grainger provides quality service to customers throughout the world.

Local On-the-Ground Support

Grainger operates physical locations outside of the United States – in Puerto Rico, Mexico, Canada, and now in China.

Puerto Rico: Grainger established its first branch in Puerto Rico in 1993. It was the first branch location set up outside of the United States. Operating as Grainger Caribe, Inc., there are 2 Grainger branches in Puerto Rico - Cataño (near San Juan) and Mayagüez (located on the western part of the Island). The Cataño location, with more than 20,000 products in stock, acts as the Island's distribution and customer service center; it is composed of a 67,000 square foot warehouse, counter/will call area, office and meeting space. The satellite location in Mayagüez features a counter/will call area.

Mexico: Grainger, S.A. de C.V., a wholly owned subsidiary of W.W. Grainger, Inc., is the leading distributor of facilities maintenance products in Mexico. The distribution center, composed of an 84,000 square foot warehouse, counter/will call area, and office space, became fully operational and opened to the public on October 14, 1996. The Grand Opening event was held in February 1997. In addition to the distribution center located in Apodaca, Nuevo Leon, Grainger operates 21 branches in Mexico. Customers also have access to more than 35,000 products through a Spanish-language catalog, which is customized to the local marketplace and online at grainger.com.mx. Grainger, S.A. de C.V. has its own sales force operating throughout Mexico and uses its own direct mail and telesales initiatives.

China: Grainger China LLC opened its facility in Shanghai, China in July 2006. The Master Branch located in the Shanghai suburb of Minhang, stocks approximately 20,000 products in several categories including welding, electrical, lighting, material handling, pumps and safety. Guaranteed availability of products makes it easy and convenient for customers to get the right solution when they need it. Grainger China also offers a Chinese language catalog, 24 hours phone service, 1000 square meter showroom and a web site, www.grainger.com.cn, allowing customers in China to find and order everything they need from one source. Grainger China also maintains a satellite location in downtown Shanghai for customer ordering and order pickup.

Europe: In August 2011, Grainger announced its acquisition of Fabory Group, a Europe-based fastener distributor servicing customers in Belgium, Czech Republic, France, Hungary, The Netherlands, Poland, Portugal, Romania, Slovakia, and the United Kingdom. This business is enabling Grainger to accelerate its growth in both mature (Western Europe) and emerging (Central and Eastern Europe) markets, while gaining more scale and relevance in fastener purchasing and distribution. Serving over 100,000 customers, Fabory Group maintains 137 branch locations across Europe, and 2 strategically located distribution centers. By offering 89,000+ products, Fabory Group is well equipped to meet the needs of European customers. Value added services like VMI make Fabory Group capable of close and continuous interaction with its customers.

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Worldwide Export Services

Grainger International Export Team focuses on serving customers in more than 125 countries around the world. Grainger brings value to customers who do not have a reliable local source of facilities maintenance products, especially items that are difficult to find, through its network of U.S.-based and foreign-based field territory managers and a centralized distribution platform.

Through Grainger's export platform, we provide expert services to various types of customers, including the following:

- Foreign resellers and distributors;
- U.S. military overseas, embassies, and consulates;
- U.S. and foreign owned multi-nationals;
- U.S. trading and export companies; and
- U.S. based companies purchasing for overseas operations.

Grainger maintains centralized export processes that include providing necessary export documentation and regulations compliance. Grainger uses designated freight forwarders and express carriers and also works with the customer's forwarder to manage the goods from port to door.

Our sales and customer services teams are comprised of specialists who are multi-lingual, highly skilled, culturally aware and knowledgeable in international trade. Grainger's Export Centers are strategically located in the US to meet customers' needs.

Caribbean, Central & South America: Grainger serves the Latin America Region from our Miami, Florida branch.

Asia & Pacific Rim: Grainger serves the Asia-Pacific Region from our Oakland, California branch.

Europe, Middle East & Africa: Grainger serves the Europe, Middle East, Africa Region from our Niles, Illinois and Waterloo, Iowa branches.

Mexico Border: Grainger serves the Mexico/United States Border Operations from the following 5 U.S. branches: Laredo, Texas; McAllen, Texas; El Paso, Texas; Tucson, Arizona; and Chula Vista, California.

Grainger International Export's value to our customers is evident:

- Grainger products, services, and information
- Assistance with international product selection (knowledge about foreign product regulations, codes, restrictions, and compliance)
- Cultural awareness
- Export documentation
- International transportation/logistics expertise
- Order consolidation
- Special packaging requirements
- Quoting and proforma invoices

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- Multiple payment options (credit card, wire transfer, letter of credit, and open account)
- OEM replacement parts and sourced items

52) Describe any unique distribution and/or delivery methods or options offered in your proposal.

Grainger understands the importance of product delivery requirements at no cost to NJPA. To that end, Grainger provides all NJPA Members with free delivery with no minimum order requirements for standard ground deliveries. Grainger will meet the NJPA's requirements through its extensive inventory and robust distribution network through two key functions. First, Grainger's end-to-end supply chain strategy brings together customer demand, sources of supply and Grainger's distribution operations to deliver a robust capability aimed at helping customers procure product in a just-in-time manner to reduce their operating costs. Second, a fully integrated supply chain network, designed for stability, flexibility and efficiency, we ensure customers get the right product, at the right place, at the right time and we work with customers to understand what they need and when they need it.

Grainger's world class supply chain starts with over 4,800 supplier partnerships that give Grainger access to over 1.1 million unique products. Over 410,000 of these items are actively stocked and purchased in Grainger's U.S. branch and distribution center network. Grainger has invested over \$1.1 billion in inventory that is strategically located in our U.S. network of over 360 branches and 13 distributions centers to provide industry leading service to our customers (Figure 10 – Grainger's Branch and DC locations). This large inventory investment allows Grainger the ability to fill over 95% of our customer order lines that same day they are received.



(Figure 10 – Grainger's Branch and DC Locations)

After Hour Emergencies

This service provides emergency product fulfillment service to all customers after normal branch business hours. A Grainger Call Center provides 24/7 service for calls to our 1-800-CALL-WWG service line. Once a request is received, the call center representative can immediately check local inventory and will contact a local Branch representative to open the branch location. A local Grainger field representative is committed to contacting the customer within 60 minutes of the initial call to help solve the customer's problem. **The fee for the emergency service is waived and provided at no cost to NJPA and NJPA Members.**

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Inventory Management Solutions – KeepStockSM* (Grainger refers to our Inventory Management solutions as KeepStock)

Range of Solutions

Grainger KeepStock offers a range of solutions to help you make your MRO inventory management as efficient as possible. Grainger can help you gain a more thorough understanding of your inventory needs:

- What are your operational requirements?
- What is your staffing situation?
- Do you need a complete makeover or just minor adjustments?

Control and Organize Your MRO Inventory

Grainger currently has more than 55,000 active customers involved with KeepStock Managed Inventory Solutions programs. Grainger services more than 4,000 government customers on KeepStock Inventory Solutions programs, of which over 1,000 have Grainger personnel onsite assisting in inventory management. Grainger offers a wide variety of MRO inventory management services to help you identify and improve your procurement processes. Many of these solutions can be fully integrated with your purchasing systems or Grainger.com®.

Grainger has solutions to help customers streamline processes, improve productivity and save money all while helping them to keep their people safe and operate safer facilities.

There's no room for waste when it comes down to purchasing and managing your inventory. Too much inventory and you run the risk of waste and money sitting on your shelves. Too little and you may end up dealing with delayed production, or worse. With the right solution and support, Grainger can help you take costs out of your business by saving you time, money and space.

Key strategies for reducing operating costs:

- **Vendor Consolidation** – consolidate with fewer suppliers to reduce the number of POs and invoices and lower your order processing costs. Consolidate purchases to help leverage your spend.
- **Leveraged Technology** – personalized eCommerce solutions available to streamline processes and reduce the amount of time and effort required to purchase and manage supplies. Remove steps that don't add value.
- **Product Standardization** – standardize products to reduce inventory
- **Inventory & Usage Reduction** – personalized inventory management solutions available to help reduce inventory consumption by up to 40%. Increase productivity by reducing frequent trips to store rooms
- **Safety Solutions** – Helping to keep employees and guests safe and operate safer facilities through insights and solutions. Reduce costs through safety programs by avoiding injuries, staying compliant, managing safety risk and increasing productivity.

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The day-to-day management of building operations is challenging enough—even without the responsibilities of purchasing, managing, and controlling your MRO product and inventory needs to support your maintenance activities. Grainger's KeepStock® solutions are designed to help you:

- Reduce procurement process costs for consumable MRO supply purchases
- Improve optimization of inventory levels – reduce overstocking or “out-of-stocks”
- Improve control and organization of your inventory
- Enhance productivity of your MRO procurement team

Data Security

- All communications can be made over HTTPS protocol and corresponding encryption is in effect. All communication requires encryption. Databases reside behind multiple firewalls and one or more DMZ's and are not directly accessible from outside the Grainger corporate network.
- Grainger serves a very large base of customers, partners and employees. Because of this critical role, security is multi-faceted within the Grainger environment and supported by Company Information Security policies and procedures. Data availability, performance, security and capacity for all systems, including Grainger.com and our enterprise ERP system, are constantly monitored and actively managed.
- All customer data has relational keys to insure that each customer can only see its own universe of data. Access and viewable functions can be tailored to the role the user plays in the organization. Each dispensing machine has its own unique CribID. This ID is used to associate the machine to a customer, Employees, Transactions, Departments, and other customer specific data driven rules. In addition, all communication requires encryption and is not directly accessible from outside the Grainger corporate network, the Database server is behind multiple firewalls.

Grainger's suite of managed inventory solutions includes:

- **KeepStock® OnSiteSM**
 - *Onsite Assistance to Help You Control Your Inventory Management Processes*
- **KeepStock® LabelSM**
 - *A Simple Labeling Solution that Helps You Manage Your Inventory So You Can Focus on Your Operations*
- **KeepStock® ScanSM**
 - *An Inventory Management Solution Using Barcode Scanning to Streamline Your Ordering Processes*
- **KeepStock® TrackSM**
 - *An Inventory Management Solution to Help You Track the Movement of MRO Inventory*
- **KeepStock® MobileSM**
 - *The Inventory Management Solution for Your Mobile Environment*
- **KeepStock® SecureSM**
 - *An Industrial Dispensing Solution Using Secure Machines to Control Supplies Usage*

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Please note:

** Eligibility for Grainger's KeepStock solutions is subject to certain qualifying criteria, and may require an on-site assessment at customer site to be conducted by Grainger's Consulting Services group. Mutual agreement on the hours of weekly use of Grainger personnel is a condition of KeepStock OnSite implementation. Customer acceptance of licensing terms is required in regard to software-based solutions and a separate written service agreement is required for KeepStock Secure.*

KeepStock Solution Capabilities

Solution: KeepStock® OnsiteSM

We'll Provide Onsite Assistance to Help You Control Your Inventory Management Processes

KeepStock® OnsiteSM is your turnkey MRO vendor-managed inventory (VMI) solution. A knowledgeable Grainger professional visits your site for a mutually determined amount of time (up to 40 hours per week*), and utilizes scanning technology to replenish and reorder Grainger products to save you both time and money. Plus, with the workflow options, you are in complete control of which products get ordered.

KeepStock® OnsiteSM can help you save time and money managing your maintenance, repair and operations (MRO) supplies by:

- **Identifying Grainger Catalog products:** This includes working off purchase requisitions/orders to cross reference items. Coordinates other Grainger resources to identify the best product solutions.
- **Place Orders for You:** Scan managed items and place spot buy orders for you, as needed. All orders are submitted and managed according to your workflow processes.
- **Dedicated Inventory Management:** Specialist Handle invoice inquiries, process product returns, expedite orders, source hard-to-find products, organize inventory, restock products, place spot buy orders and more!
- **Understand Your Inventory Needs:** Put away Grainger shipments in your designated storage area (certain guidelines for product handling and storage restrictions apply), make product recommendations, take spot buy orders and provide valuable inventory insight.

Solution: KeepStock® LabelSM

A Simple Labeling Solution that Helps You Manage Your Inventory So You Can Focus on Your Operations

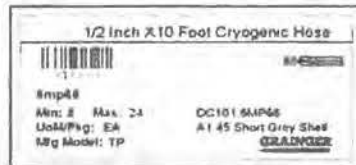
KeepStock® LabelSM is a Grainger.com® inventory management solution that helps you identify, organize and manage your inventory. Create online Inventory Lists that enable faster identification of materials and simplify reordering. KeepStock Label requires no special software or advanced technology, and is available for everyone to use at no additional cost.

- **Create an Inventory List:** Keep track of your commonly used Grainger inventory items, including inventory levels, stocking locations and any internal part numbers. Share this list with others or export into a .txt file. A download option lets you export and save your lists.

**Grainger's Response to
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Facilities Maintenance, Repair, and Operating Supplies**



- **Find Your Items Faster and Easier:** Print a label for each item on your Inventory List. Lists and labels make organizing and locating your items faster and easier. The inventory lists on Grainger.com® and printed labels include the Grainger product number, picture, brief description, your part number and minimum/maximum levels.
- **Simplify the re-ordering process:** Print a re-order form from your Inventory List. Use the re-order form to help you cycle count your inventory or use it as a reference to place your next Grainger order.



Solution: KeepStock® ScanSM

An Inventory Management Solution Using Barcode Scanning to Streamline Your Ordering Processes

KeepStock® ScanSM is a customer managed inventory replenishment solution that utilizes Grainger-provided scanning technology to help streamline ordering processes for stocked Grainger items. By using this automated tool to order your Grainger inventory, your workers will have more time to focus on their jobs.

This solution offers the following benefits:

- **Easy to use:** The easy-to-use scanner provides a true point and click single bar code reading system to easily automate the reordering of stocked items for tool cribs, storerooms, multiple storage areas and any number of point-of-use locations. The solution makes it easier than ever for you to manage and reorder the Grainger supplies you use everyday.
- **Streamline purchasing:** Once an item is scanned, connect the scanner to upload the scans directly into the Grainger system. This will create an order that can be routed via email for final approval(s). Once an order is approved, it will ship next day to your desired location.
- **Minimize time spent on paperwork:** KeepStock Scan provides online reporting where you can quickly access your purchase order history to help you understand what items you're buying over a given period of time. This data will enable you to make better decisions on the inventory you need to keep on hand.

Process:

1. **Scan**
 - a. Scan the Grainger-provided barcode labels to easily automate reordering of stocked items for your tool crib, storeroom, closet, storage area or any point-of-use location.
2. **Find**
 - a. With the smartphone app, you can quickly and easily place orders for additional items that are not typically stocked. Just search the online Grainger catalog or Grainger.com® and get all the products you need from one convenient source.
3. **Order**
 - a. Finish scanning on your smartphone and simply send the order. Your Grainger Rep can also work with you to have one person approve all orders placed by authorized employees.

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4. Done

- a. Work with your Grainger Rep to add items to your inventory program change/add users and receive more scanning labels. This gives you more time to invest back into your business.

Solution: KeepStock® TrackSM

An Inventory Management Solution to Help You Track the Movement of MRO Inventory

KeepStock® TrackSM is a managed barcode inventory control system that lets you manage the movement of maintenance, repair and operations (MRO) inventory as it is received, issued and transferred into and throughout your business.

This Grainger KeepStock® solution helps you manage the maintenance and movement of your Grainger inventory by knowing what items are being used by your employees at any given time. Know what you have in real time and who is using that inventory. Also, Grainger offers a variety of different ways to implement this software solution. With this Customer Managed Inventory (CMI) or Grainger Managed Inventory (GMI) solution, we can provide you with the essential equipment for your central storeroom employees to use themselves or Grainger can do it for you with a dedicated resource to help manage your Grainger inventory.

This solution offers the following benefits:

- **Easy-to-use program.** Grainger provides barcode scanning hardware and a web-based management application program. An on-site specialist will help you install and train your staff on how to use the program.
- **Tracking of inventory movement and product consumption:** Help keep your inventory management costs down by identifying slow and inactive moving inventory items; furthermore, this solution alerts you to low- and out-of-stock inventory before you run out. The system allows for a check-in/check-out functionality helps you track items used by multiple employees, and allows you to allocate usage to appropriate users, cost center or customer account number. No more wondering who, what, when and where. In addition, this system can even place orders for you once you get below your minimum quantity level.
- **Real time analytics and reporting.** KeepStock Track alerts you to low and out-of-stock inventory items. It helps you identify inventory usage and trends while providing quantifiable asset valuation for your physical on-hand inventory.

Solution: KeepStock® MobileSM

The Inventory Management Solution for Your Mobile Environment

KeepStock® MobileSM is a customer managed replenishment solution that utilizes Grainger-provided scanning software to help you manage inventory that moves, such as supplies in a service truck or van.

**Grainger's Response to
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This solution offers the following benefits:

- **Easy-to-use:** Grainger provides assistance with scanning hardware, barcode labels and project implementation. Once set up, Your service technicians can create orders while they're on the go by simply scanning the barcodes of Grainger items stocked in their service truck or van.
- **Streamline purchasing:** After an item is scanned, simply send directly from your phone using your smartphone app. don't use a smartphone? No problem, we'll provide you scanners that allow you to connect the scanner and upload directly into the Grainger system. This creates an order that can be routed by email for final approvals.
- **Maximize productivity:** Help improve productivity by reducing time spent identifying and ordering products. With the help of KeepStock Mobile® solutions, technicians can focus on using their valuable trade skills and completing work orders on time.

Solution: KeepStock® SecureSM*

An Industrial Dispensing Solution Using Secure Machines to Control Supplies Usage

KeepStock® SecureSM is a managed inventory solution which provides customized automated dispensing machines to control usage and reduce theft of consumable maintenance, repair and operations (MRO) items and provide detailed reporting of consumption of such items.

This solution offers the following benefits:

- **Secure product:** Those of your Grainger consumable products we mutually select are secured in a locked vending machine to reduce excessive product use and theft.
- **24/7 access:** Easy unattended and secure access to highly consumable and durable items.
- **Reduce storeroom trips and waiting time:** Located at point-of-use locations, helps improve employee productivity by limiting extra trips around the facility to obtain items.
- **Reduce on-hand inventory:** Helps improve control over inventory costs. Automated reordering reduces carrying costs by decreasing on-hand inventory, eliminating stock-outs and lowering P.O. processing costs.
- **Robust reporting:** Includes department, job and employee data, along with helping you know what items are coming in and going out so you can easily track the value of your inventory and measure purchasing accuracy.
- **Grainger Inventory Management Specialist:** These Grainger employees provide valuable support by helping to keep inventory levels wherever you set them, only replacing the products that have been used, as well as performing spot buys and product put-away—without receiving any commission for these services.

Dispensing Solutions

GRAINGER
FOR THE ONES WHO GET IT DONE

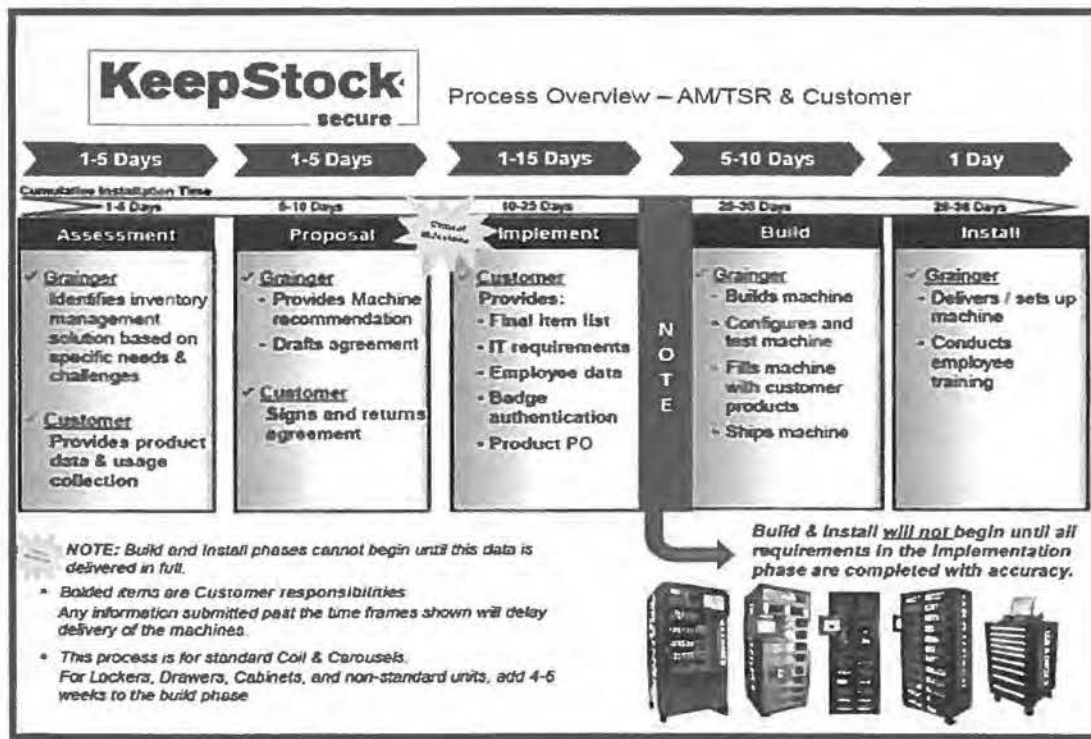
When you want to control consumption

- | | | | | |
|--|---|--|--|---|
| <p>Coil</p> <ul style="list-style-type: none"> • High security • Single-item dispensing • Low SKU count, high usage • 60 unique item capacity • Small to medium item storage | <p>Carousel</p> <ul style="list-style-type: none"> • High security • Single-item dispensing • High SKU count • 660 unique item capacity • Modular design provides check-out/check-in capability | <p>Locker</p> <ul style="list-style-type: none"> • High-Medium security • Consumables and durables • Single or multi-item dispensing • Flexible volume • Check-in/out capability | <p>Cabinet</p> <ul style="list-style-type: none"> • Medium security • Single door/shelf access • Requires little to no product repackaging • Flexible shelf configurations accommodate items of various sizes | <p>Drawers</p> <ul style="list-style-type: none"> • Medium security • Controllable drawer access • Assemble tools by use for easy access • Various drawer configurations to accommodate items of different sizes |
|--|---|--|--|---|



Grainger KeepStock Process

Grainger's KeepStock process overview is displayed below. This overview is based on average time frames.



**Grainger's Response to
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Grainger will provide complete project management of the dispensing machines implementation including planning, transportation, installation, on-site training and replenishment services. The Customer is responsible for providing the necessary electrical and internet connections. Please refer to Exhibit E – Grainger's KeepStock Key Understandings

Please note:

** Eligibility for Grainger's KeepStock solutions is subject to certain qualifying criteria, and may require an on-site assessment at customer site to be conducted by Grainger's Consulting Services group. Mutual agreement on the hours of weekly use of Grainger personnel is a condition of KeepStock OnSite implementation. Customer acceptance of licensing terms is required in regard to software-based solutions and a separate written service agreement is required for KeepStock Secure.*

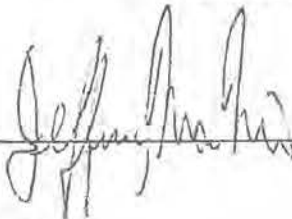
- 39) What is the annual combined dollar sales volume for each of these contracts?
- 40) If you are awarded the NJPA contract, are there any market segments or verticals (e.g., higher education, K-12 local governments, non-profits etc.) or geographical markets where the NJPA contract will not be your primary contract purchasing vehicle? If so, please identify those markets and which cooperative purchasing agreement will be your primary vehicle.
- 41) How would you leverage an NJPA awarded contract in your sales process?
- 42) Identify a proposed administrative fee payable to NJPA for facilitation, management and promotion of the NJPA contract, should you be awarded. This fee is typically calculated as a percentage of Contract sales and not a line item addition to the customers cost of goods.

Value Added

- 43) If applicable, describe any product/equipment training programs available as options for NJPA members. If applicable, do you offer equipment operator training as well as maintenance training? ☐ Yes ☐ No
- 44) Is this training standard as a part of a purchase or optional?
- 45) Describe current technological advances your proposed equipment/products and related services offer.
- 46) Describe your "Green" program as it relates to your company, your products/equipment, and your recycling program, including a list of all green products accompanied by the certifying agency for each (if applicable).
- 47) Describe any Women or Minority Business Entity (WMBE) or Small Business Entity (SBE) accreditations and the general minority and small business program of your organization as it relates to a Contract resulting from this RFP.
- 48) Identify any other unique or custom value added attributes of your company or your products/equipment or related services. What makes your proposed solutions unique in your industry as it applies to NJPA members?
- 49) Other than what you have already demonstrated or described, what separates your company, your products/equipment and related services from your competition?
- 50) Identify and describe any service contract options included in the proposal, or offered as a proposed option, for the products/equipment being offered.
- 51) Identify your ability and willingness to offer an awarded contract to qualifying member agencies in Canada specifically and internationally in general.
- 52) Describe any unique distribution and/or delivery methods or options offered in your proposal.

NOTE: Questions regarding Payment Terms, Warranty, Products/Equipment/Services, Pricing and Delivery, and Industry Specific Items are addressed on Form P.

Signature: _____



Date: _____

9-11-14

**PROPOSER INFORMATION**Company Name: W.W. Grainger, Inc.Address: 100 Grainger ParkwayCity/State/Zip: Lake Forest, IL 60045-5201Phone: 800-535-1000 Fax: N/AToll Free Number: 800-535-1000 E-mail: N/AWeb site: www.grainger.com

Voids sometimes exist between management (those who respond to RFPs) and sales staff (those who contact NJPA Members) that result in communication problems. Due to this fact, provide the names of your key sales people, phone numbers, and geographic territories for which they are responsible

COMPANY PERSONNEL CONTACTS**Authorized Signer for your organization*:**Name: Jeffrey MacNeilEmail: jeff.macneil@grainger.com Phone: (804) 357-3158

* By executing Form F, the "Proposer's Assurance of Compliance," you are certifying this person identified here has their authorization to sign on behalf of your organization:

Author of your proposal responseName: Jeffrey MacNeil Title: Senior Government Sales ManagerEmail: jeff.macneil@grainger.com Phone: (804) 357-3158**Your Primary Contact person regarding your proposal:**Name: Jeffrey MacNeil Title: Senior Government Sales ManagerEmail: jeff.macneil@grainger.com Phone: (804) 357-3158**Other important contact information:**Name: N/A Title: N/AEmail: N/A Phone: N/AName: N/A Title: N/AEmail: N/A Phone: N/A

Form C

**EXCEPTIONS TO PROPOSAL, TERMS, CONDITIONS
AND SOLUTIONS REQUEST**



Company Name: W.W. Grainger, Inc.

Note: Original must be signed and inserted in the inside front cover pouch.

Any exceptions to the Terms, Conditions, Specifications, or Proposal Forms contained herein shall be noted in writing and included with the proposal submittal. Proposer acknowledges that the exceptions listed may or may not be accepted by NJPA and may or may not be included in the final contract. NJPA may clarify exceptions listed here and document the results of those clarifications in the appropriate section below.

Section/page	Term, Condition, or Specification	Exception	NJPA ACCEPTS
Section G/Page 24	Certification of Insurance, Paragraph 6.21	Notwithstanding the foregoing, current and prospective Members may be added to the requested policy as additional insured.	NJPA Accepts

Proposer's Signature: _____

[Handwritten Signature]

Date: 9-11-14

NJPA's clarification on exception/s listed above:



Contract Award
RFP 091214

FORM D



Formal Offering of Proposal
(To be completed Only by Proposer)

FACILITIES MAINTENANCE, REPAIR AND OPERATING SUPPLIES

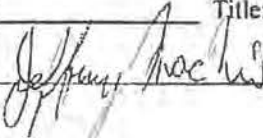
In compliance with the Request for Proposal (RFP) for FACILITIES MAINTENANCE, REPAIR AND OPERATING SUPPLIES the undersigned warrants that I/we have examined this RFP and, being familiar with all of the instructions, terms and conditions, general specifications, expectations, technical specifications, service expectations and any special terms, do hereby propose, fully commit and agree to furnish the defined equipment/products and related services in full compliance with all terms, conditions of this RFP, any applicable amendments of this RFP, and all Proposer's Response documentation. Proposer further understands they accept the full responsibility as the sole source of responsibility of the proposed response herein and that the performance of any sub-contractors employed by the Proposer in fulfillment of this proposal is the sole responsibility of the Proposer.

Company Name: W.W. Grainger, Inc. Date: September 12, 2014

Company Address: 100 Grainger Parkway

City: Lake Forest State: IL Zip: 60045-5201

Contact Person: Jeffrey MacNeil Title: Senior Government Sales Manager

Authorized Signature (ink only):  Jeffrey MacNeil
(Name printed or typed)



Contract Acceptance and Award

(To be completed only by NJPA)

NJPA 091214# FACILITIES MAINTENANCE, REPAIR AND OPERATING SUPPLIES

W.W. GRAINGER, INC.

Proposer's full legal name

Your proposal is hereby accepted and awarded. As an awarded Proposer, you are now bound to provide the defined product/equipment and services contained in your proposal offering according to all terms, conditions, and pricing set forth in this RFP, any amendments to this RFP, your Response, and any exceptions accepted or rejected by NJPA on Form C.

The effective start date of the Contract will be October 21, 20 14 and continue for four years from the board award date. This contract has the consideration of a fifth year renewal option at the discretion of NJPA.

National Joint Powers Alliance® (NJPA)

NJPA Authorized signature:

NJPA Executive Director

Dr. Chad Coquette

(Name printed or typed)

Awarded this

21st

day of

October

, 20

14NJPA Contract Number 091214-WWG

NJPA Authorized signature:

NJPA Board Member

Scott Veronei

(Name printed or typed)

Executed this

21st

day of

October

, 20

14NJPA Contract Number 091214-WWG

Proposer hereby accepts contract award including all accepted exceptions and NJPA clarifications identified on FORM C.

Vendor Name

W.W. Grainger Inc.

Vendor Authorized signature:

Jeffrey MacNeilJeffrey MacNeil

(Name printed or typed)

Title:

Senior Government Sales Manager

Executed this

27th

day of

October

, 20

14NJPA Contract Number 091214-WWG

PROPOSER ASSURANCE OF COMPLIANCE



Proposal Affidavit Signature Page

PROPOSER'S AFFIDAVIT

The undersigned, representing the persons, firms and corporations joining in the submission of the foregoing proposal (such persons, firms and corporations hereinafter being referred to as the "Proposer"), being duly sworn on his/her oath, states to the best of his/her belief and knowledge:

1. The undersigned certifies the Proposer is submitting their proposal under their true and correct name, the Proposer has been properly originated and legally exists in good standing in its state of residence, that the Proposer possesses, or will possess prior to the delivery of any equipment/products and related services, all applicable licenses necessary for such delivery to NJPA members agencies nationally, and that they are authorized to act on behalf of, and encumber the "Proposer" in this Contract; and
2. To the best of my knowledge, no Proposer or Potential Proposer, nor any person duly representing the same, has directly or indirectly entered into any agreement or arrangement with any other Proposers, Potential Proposers, any official or employee of the NJPA, or any person, firm or corporation under contract with the NJPA in an effort to influence either the offering or non-offering of certain prices, terms, and conditions relating to this RFP which tends to, or does, lessen or destroy free competition of the Contract sought for by this RFP; and
3. The Proposer or any person on his/her behalf, has not agreed, connived or colluded to produce a deceptive show of competition in the manner of the proposal or award of the referenced contract; and
4. Neither the Proposer nor any officer, director, partner, member or associate of the Proposer, nor any of its employees directly involved in obtaining contracts with the NJPA or any subdivision of the NJPA, has been convicted of false pretenses, attempted false pretenses or conspiracy to commit false pretenses, bribery, attempted bribery or conspiracy to bribe under the laws of any state or federal government for acts or omissions after January 1, 1985; and
5. The Proposer has examined and understands the terms, conditions, scope, contract opportunity, specifications request and other documents of this solicitation and that any and all exceptions have been noted in writing and have been included with the proposal submittal; and
6. If awarded a contract, the Proposer will provide the equipment/products and/or services to qualifying members of the NJPA in accordance with the terms, conditions, scope of this RFP, Proposer offered specifications and other documents of this solicitation; and
7. The undersigned, being familiar with and understand the expectations requested and outlined in this RFP under consideration, hereby proposes to deliver through valid requests, Purchase Orders or other acceptable forms ordering and procurement by NJPA Members. Unless otherwise indicated, requested and agreed to on a valid purchase order per this RFP, only new, unused and first quality equipment/products and related services are to be transacted with NJPA Members relating to an awarded contract; and
8. The Proposer has carefully checked the accuracy of all proposed products/equipment and related services and listed total price per unit of purchase in this proposal to include shipping and delivery considerations. In addition, the Proposer accepts all general terms and conditions of this RFP, including all responsibilities of commitment as outlined and proposed; and

9. In submitting this proposal, it is understood that the right is reserved by the NJPA to reject any or all proposals and it is agreed by all parties that this proposal may not be withdrawn during a period of 90 days from the date proposals were opened regarding this RFP; and
10. The Proposer certifies that in performing this Contract they will comply with all applicable provisions of the federal, state, and local laws, regulations, rules, and orders; and
11. The Proposer understands that submitted proposals which are marked "confidential" in their entirety, or those in which a significant portion of the submitted proposal is marked "nonpublic" will not be accepted by NJPA. Pursuant to Minnesota Statute §13.37 only specific parts of the proposal may be labeled a "trade secret." All proposals are nonpublic until the contract is awarded; at which time, both successful and unsuccessful vendors' proposals become public information.
12. The Proposer understands and agrees that NJPA will not be responsible for any information contained within the proposal.
13. By signing below, the Proposer understands it is his or her responsibility as the Vendor to act in protection of labeled information and agree to defend and indemnify NJPA for honoring such designation. Proposer duly realizes failure to so act will constitute a complete waiver and all submitted information will become public information; additionally failure to label any information that is released by NJPA shall constitute a complete waiver of any and all claims for damages caused by the release of the information.

[The rest of this page has been left intentionally blank. Signature page below]

By signing below, Proposer is acknowledging that he or she has read, understands and agrees to comply with the terms and conditions specified above.

Company Name: W.W. Grainger, Inc.

Contact Person for Questions: Jeffrey MacNeil

(Must be individual who is responsible for filling out this Proposer's Response form)

Address: 100 Grainger Parkway

City/State/Zip: Lake Forest, IL 60045-5201

Telephone Number: 800-535-1000 Fax Number: N/A

E-mail Address: jeff.macneil@grainger.com

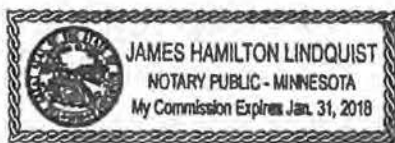
Authorized Signature: 

Authorized Name (typed): Jeffrey MacNeil

Title: Senior Government Sales Manager

Date: September 11, 2014

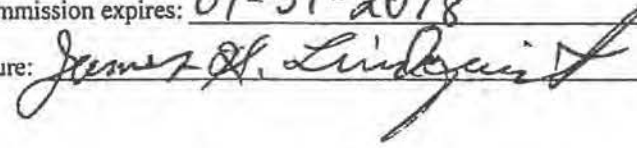
Notarized



Subscribed and sworn to before me this 11th day of sept., 2014

Notary Public in and for the County of Sherburne State of MN

My commission expires: 01-31-2018

Signature: 

**Grainger's Response to
National Joint Powers Association
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Facilities Maintenance, Repair, and Operating Supplies**



Tab 7

Payment Terms and Financing Options

- 1) Identify your payment terms if applicable. (Net 30, etc.)

Grainger's standard payment terms are net thirty (30) days from date of shipment, subject to applicable statute.

- 2) Identify any applicable leasing or other financing options as defined herein.

Not Applicable

- 3) Briefly describe your proposed order process for this proposal and contract award. (Note: order process may be modified or refined during an NJPA member's final Contract phase process).
- a. Please specify if you will be including your dealer network in this proposal. If so, please specify how involved they will be. (For example, will the Dealer accept the P.O.?), and how are we to verify the specific dealer is part of your network?

Ordering Process

Grainger's multi-channel platform allows customers to utilize the option that best meets their needs and preferences for placing orders. Once an order is received, a Customer Service Associate will process the order immediately and a Grainger distribution center or branch will ship all in-stock orders received by 4:00 pm local-time on the day the order is received.

Grainger's systems and process ensure consistent pricing and order processing. Depending on the requirements of the end-user, orders can be placed through any of the following channels:

- eProcurement
- Grainger.com
- Mobile Web-site
- Tablet App
- Telephone / Fax / Email
- Walk-in and Will Call at Local Branches
- KeepStock

eProcurement

Multiple platforms and eProcurement (ePro) connectivity is available for localities or other users that require an ePro connection, as described in detail in Tab 5.1.

**Grainger's Response to
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Facilities Maintenance, Repair, and Operating Supplies**



Grainger.com

Our Grainger.com site carries well over 1.1 million products and parts from more than 4,800 manufacturers and suppliers. Grainger.com provides on-line ordering and product search capabilities with real-time access to our Branch and Distribution Center inventories. This real-time inventory view supports end-users in finding the right product to meet their needs and provides a reliable measure of product availability. The ability to view inventory availability on-line helps to reduce unwanted back-orders or delays.

Also available through Grainger.com, our Order Management System (OMS) is an online ordering system with robust workflow capabilities. By allowing customers to automate the order routing process, view and approve orders, and apply unique spend limits, OMS helps to control spend and secure additional cost savings.

NJPA end users may contact the Grainger.com Customer Care team via email or toll-free at 1-888-361-8649, 24 hours a day, 7 days a week.

Mobile Website or Smart Phone / Tablet App

Customers are able to access Grainger.com from their smart phone's web browser. On the mobile site, customers can search for products, sign in, see their account-specific pricing, place an order, find the nearest branch and even approve orders generated through the Order Management System. A specific Grainger App is also available for iPhone, iPad or Android devices to perform the same tasks.

Telephone

Grainger's state of the art phone system routes in-coming customer calls to the first available phone agent. Our goal is to have the highest level of customer service in the MRO industry. Grainger Service Level Goals are 90% of calls answered within 20 seconds or less (range of 88% - 92%) AND 99% of calls answered in 60 seconds or less.

Fax / Email

Customers can fax or email orders at any time to Grainger. Once received a branch Customer Service Associate will process the order or follow-up directly with the customer.

Walk-In and Will Call

Our local branches are not simply store-fronts with limited inventory. Our branches have an average of 23,000 products available to meet walk-in customer requirements and are available from approximately 7:00 AM to 5:00 PM Monday through Friday. On a national basis, Grainger serves over 165,000 transactions per day and operates over 360 branches across the United States -- all available for same day service.

Customizable Products

Grainger can customize certain products with size, configuration and messaging based on unique customer requirements. NJPA can apply a logo or unique message to just about any product to promote an idea, department or for easy identification. Customizable products include products such as filters (unique sizing), hardhats, safety wear or signs to meet NJPA's needs. NJPA will decide the size, configuration or message and Grainger will take care of the rest. Please note that these products will have a different set of purchase terms and conditions for Sourced Products. Please see Exhibit L – Grainger Sourcing Terms and Conditions.

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- 4) Do you accept the P-card procurement and payment process?

Yes, Grainger accepts P-card procurement and payment processes.

P-Card Purchases

Grainger accepts all types of VISA, MasterCard and American Express (AMEX) cards as a means of payment. The customer will receive a packing slip with each purchase that serves as the receipt. AMEX Corporate Purchasing Card and Credit card transactions are all processed through our branch SAP network. At the point of sale, Grainger branch personnel can record all AMEX Corporate Purchasing Card information, including card member reference number, tax, and free form information. This information will appear on the bill or statement from AMEX.

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Facilities Maintenance, Repair, and Operating Supplies**



Tab 8

Warranty

- 5) Describe, in detail, your Manufacture Warranty Program including conditions and requirements to qualify, claims procedure, and overall structure.

All products sold are warranted by seller only to buyers for resale or use in business or original equipment manufactured against defects in workmanship or materials under normal use for one (1) year after date of purchase from seller, unless otherwise stated. During such one (1) year period, seller will use reasonable efforts to repair or replace any defective product; provided, however, that buyer has returned the defective product to the appropriate seller branch or authorized service location, as designated by seller, shipping costs prepaid. Any repair or replacement or, at seller's option, seller's refund of amounts paid by buyer for the defective product, shall be buyer's sole and exclusive remedy.

Warranty Disclaimer. Seller shall have no liability for, and expressly disclaims any warranty or affirmation of fact, express or implied, other than as set forth in this agreement, including without limitation (i) the implied warranties of merchantability and fitness for a particular purpose; (ii) any warranty or affirmation of fact related to misuse, improper selection, recommendation, or misapplication of any product; and (iii) any warranty or affirmation of fact that the catalogs, literature and websites it provides accurately illustrate and describe products. Seller reserves the right to correct publishing errors.

Limitation of Liability. Any liability for consequential, incidental, special, exemplary or punitive damages is expressly disclaimed. Seller's liability in all events shall not exceed the purchase price paid for the product that gives rise to such liability. Seller's payment of such amount shall be the final and exclusive remedy in the exhaustion or unavailability of any other remedy specified herein and shall not be construed or alleged by buyer to have failed of its essential purpose.

No Warranties to Consumers. Seller makes no warranties under the Magnuson-Moss Warranty-Federal Trade commission improvement act,

Prompt Disposition. Seller will make a good faith effort to promptly correct or otherwise make an adjustment under its warranty with respect to any Product which proves to be defective within the warranty period. Before returning any Product, write or call the Seller's branch from which the Product was purchased, giving the date and number of original invoice, and describing the defect.

Product Use. Buyer shall be responsible for complying with all applicable laws, codes and regulations, including, without limitation, ANSI, UL, NEC, FAA and CSA, regarding installation or use of Products.

**Grainger's Response to
National Joint Powers Association
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Cross-Referencing Information. Seller may provide cross-reference information for product comparisons or substitution. CROSS-REFERENCED PRODUCTS ARE NOT REPRESENTED OR WARRANTED AS EXACTLY COMPARABLE OR AS FUNCTIONAL OR PERFORMANCE EQUIVALENTS. Buyer will review all specifications prior to purchase and use to determine suitability for Buyer's intended use. Selection of Product is the sole responsibility of Buyer.

Manufacturers' Warranties & Sales Literature. Many of the Products listed in Seller's General Catalog are warranted by the manufacturer to the final user. Upon request by Buyer, as a service for the Term of this Agreement, Seller will obtain copies of manufacturers' consumer warranties and will furnish them free of charge to Buyer. Such requests must include the Seller's stock number and the manufacturer's model number (if shown) of each Product for which a copy of the warranty is requested. Seller may also furnish sales brochures and other literature of the manufacturer. Seller assumes no responsibility for the content or coverages contained in any manufacturer's warranty or sales literature by providing this service.

OSHA Hazardous Substance Product Information. Manufacturer's Material Safety Data Sheets (MSDS) are also available: (i) at Buyer's local Grainger branch; (ii) by accessing www.grainger.com; or (iii) by contacting Seller in writing at Grainger, Dept. B2.L41, 100 Grainger Parkway, Lake Forest, IL 60045 U.S.A. Seller makes no warranty, and expressly disclaims all liability, with respect to the accuracy or reliability of any MSDS.

Materials of Trade. Buyer represents that it is purchasing Products as its "materials of trade" as defined in the Hazardous Materials Regulations in Title 49 of the Code of Federal Regulations. It further represents that the Products shall be used in direct support of its business, which is not transportation, and that such Products shall not be resold or transported in a vehicle other than one owned by itself.

6) Do all warranties cover all products/equipment parts and labor?

All warranties cover all products/equipment parts, Grainger doesn't provide labor, unless manufacturer's warranty covers labor.

7) Do warranties impose usage limit restrictions?

Grainger shall have no liability for, and expressly disclaims any warranty, express or implied, including (i) the implied warranties of merchantability and fitness for a particular purpose and (ii) any warranty or affirmation of fact related to misuse, improper selection, recommendation, or misapplication of any product.

8) Do warranties cover the expense of technicians travel time and mileage to perform warranty repairs?

This is not applicable because Grainger is a distributor, not the manufacturer, and therefore does not have technicians on staff.

9) Please list any other limitations or circumstances that would not be covered under your warranty.

All limitations and exceptions are as addressed in Grainger's warranty.

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- 10) Please list any geographic regions of the United States for which you cannot provide a certified technician to perform warranty repairs. How will NJPA Members in these regions be provided service for warranty repair?

Grainger, as a nationwide distributor of Maintenance, Repair and Operations products, generally will not be the manufacturer and service provider for the majority of the products offered pursuant to the awarded contract. Upon request, the manufacturer of a given product will address the geographic availability of a warranty repair technician.

Tab 9

Equipment/Product/Services, Pricing, and Delivery

- 11) Provide a general narrative description of the equipment/products and related services you are offering in your proposal.

Grainger diligently strives to select high quality, reliable goods and services from equally high performing companies. More than 4,800 key manufacturers supply us with more than 1.1 million new products which are available company wide. Our dedicated Product Management team members identify the right supplier partners and work with them to ensure their products meet the needs of customers today and in the future in 32 product categories.

Key Suppliers

Grainger has multiple manufacturers and suppliers classified as Key Suppliers. Grainger has formed a strategic relationship with each of these suppliers. Most of our Key Suppliers have manufacturer's representatives who are dedicated to serving Grainger's customers.

As a distributor, Grainger relies on its manufacturers and suppliers to provide us with high quality finished goods. Therefore, Grainger's manufacturer and supplier selection and evaluation process is critical to Grainger's success. Grainger's Product Management Department is responsible for selecting and evaluating quality suppliers and communicating Grainger's expectations to them.

We evaluate our Grainger General Catalog manufacturers and suppliers using a quantitative-based performance Scorecard which compares the entire General Catalog supplier population and also provides direction on high-impact improvement opportunities.

Additionally, the Grainger supply chain team is responsible for driving continuous improvement and overall cost reduction initiatives.

Grainger Product Sourcing

Grainger has one of the broadest and deepest product lines in the MRO industry. In the event that a product beyond our standard catalog offer is required, NJPA is able to purchase through Grainger's Sourcing arm. Grainger's sourcing team procures those facilities maintenance products not found in the Grainger General Catalog. Grainger's sourcing team leverages Grainger's buying power for miscellaneous facilities maintenance related products and provides customers with a total cost solution for acquiring infrequently ordered items.

Through this channel Grainger provides quick access to over sixty-five hundred suppliers and more than five million products beyond the Grainger catalog offering. Additionally, this channel provides access to line extensions (non-Grainger General Catalog product from Grainger General Catalog suppliers) and some discontinued product catalog lines.

**Grainger's Response to
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The pricing and discounts do not apply to items purchased through Grainger's Sourcing arm. Pricing will be quoted on a case-by-case basis. Grainger Sourcing Terms and Conditions apply to any Sourced Products purchases.

Please see Exhibit L – Grainger's Sourcing Terms and Conditions.

Exclusive Brands

Grainger offers "Private Line" products, which Grainger labels as Exclusive Brand products as shown in Figure 11 below. These products are available through Grainger's standard offering and allow for high quality, lower cost alternatives to national brands. Grainger's Exclusive Brands will allow NJPA the opportunity to leverage additional quality products at a highly competitive price.

For Grainger, quality is critical whether the product is a National Brand or an Exclusive Brand. Every Exclusive Brand product must meet the same rigid standards and specifications as those applied to product from our National Brand suppliers. The Grainger Engineering and Quality team developed a process for introducing new product to the Exclusive Brands line involving several pre-production steps including:

- Rigorous supplier selection
- Factory audits that identify and verify quality
- An Engineering Scope and Test plan identifying what the product specifications should be and verifying its compliance with national standards
- A review of Federal and State regulations - such as the EPA or FDA - and Industry standards - like OSHA and ANSI—to be sure manufactured products are compliant
- Once a product is created, each is evaluated to verify its performance and attributes for accuracy
- Building of technical specifications, testing and documentation
- Random production sampling and inspection



(Figure 11 – Grainger Exclusive Brands)

Within our pricing offer, Grainger's Exclusive Brand Line has a strong presence. Due to the lower cost and high quality nature of these lines, NJPA will realize even greater cost savings.

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- 12) Provide a general narrative description of your pricing model identifying how the model works (line item and/or published catalog percentage discount).

Grainger's Pricing Summary Offer (please see Exhibit H – Pricing Summary) reflects a combination of several methods of pricing strategies: Cooperative Hot Lists, A Category-discount program and a General Catalog discount.

- 13) Please quantify the discount range presented in this response pricing as a percentage discount from MSRP/published list.

The discounts in our Pricing Summary Offer range from 10% to 40% off our current catalog price at time of purchase. Discounts are reflected in our Pricing Summary Offer in Exhibit H.

- 14) Provide an overall proposed statement of method of pricing for individual line items, percentage discount off published product/equipment catalogs and/or category pricing percentage discount with regard to all equipment/products and related services and being proposed. Provide a SKU number for each item being proposed.

Grainger's Pricing Summary Offer (Exhibit H) consists of: Line Item Pricing, the CSP Program described in Exhibit H, Pricing Summary Offer; a General Catalog discount; minority, small business and women business enterprises program; and a Sourcing program. For additional information, please refer to Exhibit 12, Pricing Summary Offer.

Grainger offers a Cooperative Hot List consisting of approximately 750 items as included in Tab 1, Cooperative Hot List, of Exhibit H, CSP Programs. The Cooperative Hot List is based upon the 750 top items, by sales, from the 21 NJPA categories (referred in Exhibit H). These items include, but not limited to, the most frequently purchased items from actual NJPA Members over the latest twelve (12) month period.

- 15) Propose a strategy, process, and specific method of facilitating "Sourced Equipment/Products and/or related Services" (AKA, "Open Market" items or "Non-Standard Options").

The pricing and discounts do not apply to items purchased through Grainger's Sourcing arm. Pricing will be quoted on a case-by-case basis. Grainger Sourcing Terms and Conditions apply to any Sourced Products purchases.

Please see Exhibit L – Grainger's Sourcing Terms and Conditions.

- 16) Describe your NJPA customer volume rebate programs, as applicable.

Grainger will be offering NJPA a rebate program; please see response incorporated into our offering in Exhibit H – Pricing Summary Offer.

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- 17) Identify any Total Cost of Acquisition (as defined herein) cost(s) which is **NOT** included "Pricing" submitted with your proposal response. Identify to whom these charges are payable to and their relationship to Proposer.

Grainger does not provide desktop delivery, customization, installation, and/or set-up and certain third-party services (as specified) are to be contracted for directly by the NJPA Member. The Pricing provided does not reflect costs associated with such services and, therefore, this is a deviation from the stated "Total Cost of Acquisition" as described in Section G, Paragraph 5.24 of the RFP materials.

- 18) If freight, delivery or shipping is an additional cost to the NJPA member, describe in detail the complete shipping and delivery program.

Grainger will not charge for standard ground deliveries. Title transfers to NJPA Members at time of delivery, FOB Destination. Other terms apply to Alaska, Hawaii, export orders, and for orders placed for Sourced Products. Any extra charges incurred for additional services, such as expedited delivery, carrier or special handling by the carrier, must be paid by Member.

- 19) As an important part of the evaluation of your offer, indicate the level of pricing you are offering.

Prices offered in this proposal are:

- ☐ a. Pricing is the same as typically offered to an individual municipality, Higher Ed or school district.
- ☒ b. Pricing is the same as typically offered to GPOs, cooperative procurement organizations or state purchasing departments.
- ☐ c. Better than typically offered to GPOs, cooperative procurement organizations or state purchasing departments.
- ☐ d. Other; please describe.

- 20) Do you offer quantity or volume discounts?

☒ YES ☐ NO Outline guidelines and program.

Grainger will work with NJPA Members to leverage additional discounts from our General Catalog manufacturers and suppliers for large, single orders, based on size and scope.

- 21) Describe in detail your proposed exchange and return program(s) and policy(s).

Return Policy

Returns for Grainger products must be made within one (1) year from the date of purchase, unless otherwise indicated. Returned product must be in original packaging, unused, undamaged and in saleable condition. Proof of purchase is required. Grainger will either replace the product or issue a credit for the purchase price.

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Product Warranty

All products sold are warranted only for resale or use in business or original equipment manufacturer against defects in workmanship or materials under normal use for one (1) year after date of purchase. During such one (1) year period, Grainger will use reasonable efforts to repair or replace any defective product provided that NJPA has returned the defective product to the appropriate Grainger branch or authorized service Grainger location. Any repair or replacement or, at Grainger's option, refund of amounts paid by NJPA for the defective product, shall be the NJPA's sole and exclusive remedy.

Grainger shall have no liability for, and expressly disclaims any warranty other than as set forth in this agreement, including warranties of merchantability and fitness for a particular purpose, warranty or affirmation of fact related to misuse, improper selection, recommendation, or misapplication of any product and warranty or affirmation of fact that the catalogs, literature and websites it provides accurately illustrate and describe products. Grainger reserves the right to correct publishing errors.

Extended Warranty: Triple Guard Warranty

See the TripleGuard program below.

Grainger TripleGuard repair & replacement coverage is offered on products that are mechanical or electrical, and which may have a tendency to fail on fairly regular intervals.

- **Replacement Plan** — for eligible products listing less than \$500. Get one-time product replacement for failed covered products; no repair service necessary. Your replacement product comes from Grainger with an additional full one-year Grainger warranty. Coverage can be added to the replacement product at the current catalog/list price. Current Grainger coverage prices will apply. If placing order by phone, customers can request that the Grainger representative add the coverage to the order.
- **Repair Plan** — for eligible products listing at \$500 or more. Receive 100% coverage on parts and labor for mechanical and electrical failures. If your covered product cannot be repaired, it may be replaced at no additional charge with a product of equal or similar features and functionality. Any product replacement fulfills your coverage obligation.

Upon ordering Grainger TripleGuard repair & replacement coverage, the end-user will receive coverage documents by mail in about 30 days. No registration is required. If a covered product fails, the end-user would call our warranty service line at 1-800-811-1747 anytime (24/7). Using the applicable Grainger account number, our customer service representative will arrange for service or replacement of the covered product.

* Coverage is not available outside the U.S.

- 22) Specifically identify those shipping and delivery and exchange and returns programs as they relate to Alaska and Hawaii and any related off shore delivery of contracted products/ equipment and related services

Title transfers to NJPA and Participating Public Agencies at time of delivery, FOB Destination. Other terms apply to Alaska, Hawaii, export orders, and for orders placed for Sourced Products. Any extra charges incurred for additional services, such as expedited delivery, carrier or special handling by the carrier, must be paid by Member.

**Grainger's Response to
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- 23) Please describe any self-audit process/program you plan to employ to verify compliance with your anticipated contract with NJPA. Please be as specific as possible.

Grainger's ability to ensure compliance to the terms and conditions of our existing NJPA contract has been a key contributor to the mutual success we have had over the last seven years. Utilizing various internal channels and reports, Grainger performs periodic self-audits of all of its Government contracts. If awarded the contract, NJPA and NJPA Members can be confident that we will continue with the same processes in place to ensure that Grainger will be in compliance for the term of the contract.

19) As an important part of the evaluation of your offer, indicate the level of pricing you are offering.

Prices offered in this proposal are:

- ☐ a. Pricing is the same as typically offered to an individual municipality, Higher Ed or school district.
- ☐ b. Pricing is the same as typically offered to GPOs, cooperative procurement organizations or state purchasing departments.
- ☐ c. Better than typically offered to GPOs, cooperative procurement organizations or state purchasing departments.
- ☐ d. Other; please describe.

20) Do you offer quantity or volume discounts?

☐ YES ☐ NO Outline guidelines and program.

21) Describe in detail your proposed exchange and return program(s) and policy(s).

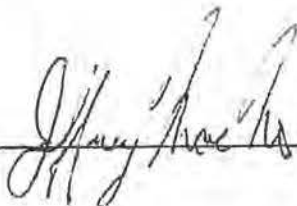
22) Specifically identify those shipping and delivery and exchange and returns programs as they relate to Alaska and Hawaii and any related off shore delivery of contracted products/ equipment and related services

23) Please describe any self-audit process/program you plan to employ to verify compliance with your anticipated contract with NJPA. Please be as specific as possible.

Industry Specific Items

n/a

Signature: _____



Date: _____

9-11-14

www.njpacoop.org



202 12th Street NE
P.O. Box 219
Staples, MN 56479

Pricing, financials and marketing material were submitted with the response and is available upon request. Due to the difficulty in emailing such a large file they were not included.

As a public agency, NJPA proposals, responses and awarded contracts are a matter of public record, except for that data included in the proposals, responses and awarded contracts that is classified as nonpublic; thus, pursuant to NJPA policies and RFP terms and conditions, all documentation, except for data which is nonpublic, is available for review through a formal request process including a written request.





National Joint Powers Alliance® (herein NJPA)

REQUEST FOR PROPOSAL (herein RFP)

for the procurement of

FACILITIES MAINTENANCE, REPAIR AND OPERATING SUPPLIES

RFP Opening

SEPTEMBER 15, 2014

8:00 A.M. Central Time

At the offices of the

National Joint Powers Alliance®

202 12th Street Northeast, Staples, MN 56479

RFP #091214

The National Joint Powers Alliance® (NJPA), on behalf of NJPA and its current and potential Member agencies to include all Government, Higher Education, K12 Education, Non-Profit, Tribal Government, and all other Public Agencies located nationally in all fifty states, Canada, and internationally, issues this Request For Proposal (RFP) to result in a national contract solution for the procurement of FACILITIES MAINTENANCE, REPAIR AND OPERATING SUPPLIES. Details of this RFP are available beginning July 10, 2014 and continuing until September 4, 2014. Details may be obtained by letter of request to Maureen Knight, NJPA, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479, or by e-mail at RFP@njpacoop.org. Proposals will be received until September 12, 2014 at 4:30 p.m. Central Time at the above address and opened September 15, 2014 at 8:00 A.M. Central Time.

RFP Timeline

JULY 10, 2014

Publication of RFP in the print and online version of the Minneapolis Star Tribune, in the print and online version of the Salt Lake News within the State of Utah, in the print and online version of the Daily Journal of Commerce within the State of Oregon (note: OR entities this pertains to: <http://www.njpacoop.org/oregon-advertising>), in the print and online version of The State within the State of South Carolina, the NJPA website (njpacoop.org), MERX, Noticetobidders.com, PublicPurchase.com, Biddingo and Onvia.

**SEPTEMBER 2, 2014
10:00 A.M. Central Time**

Pre-Proposal Conference (webcast – conference call - Connection information sent to all inquirers 2 business days prior to event)

SEPTEMBER 4, 2014

Deadline for RFP requests and questions

**SEPTEMBER 12, 2014
4:30 P.M. Central Time**

Deadline for Submission of Proposals. Late responses will be returned unopened.

**SEPTEMBER 15, 2014
8:00 A.M. Central Time**

Public Opening of Proposals

Direct questions regarding this RFP to: Maureen Knight at maureen.knight@njpacoop.org or (218)895-4114

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1 DEFINITIONS

A. CONTRACT

“Contract” as used herein shall consist of: this RFP, pricing, fully executed forms C, D, F & P from the Proposer’s response pursuant to this RFP, and a fully executed form E (“Acceptance and Award”) with final terms and conditions. Form E will be executed on or after award and will provide final clarification of terms and conditions of the award.

B. CURRENCY

All transactions are payable in U.S. dollars on U.S. sales. All administrative fees are to be paid in U.S. dollars.

C. EXCLUSIVE VENDOR

A sole Vendor awarded in a product category. NJPA reserves the right to award to an Exclusive Vendor in the event that such an award is in the best interests of NJPA Members nationally. A Proposer that exhibits and demonstrates the ability to offer and execute an outstanding overall program, demonstrates the ability and willingness to serve NJPA current and qualifying Members in all 50 states and comply with all other requirements of this RFP, is preferred.

D. FOB

FOB stands for “Freight On Board” and defines the point at which responsibility for loss and damage of product/equipment purchased is transferred from Seller to Buyer. “FOB Destination” defines that transfer of responsibility for loss is transferred from Seller to Buyer at the Buyer’s designated delivery point. FOB does not identify who is responsible for the costs of shipping. The responsibility for the costs of shipping is addressed elsewhere in this document.

E. HUB PARTNER

An organization that a member requests to be served through with an Awarded Vendor for the purposes of complying with a Law, Regulation, or Rule to which that individual NJPA Member deems to be applicable in their jurisdiction.

F. PROPOSER

A company, person, or entity delivering a timely response to this RFP.

G. REQUEST FOR PROPOSAL

Herein referred to as RFP.

H. SOURCED GOODS

A Sourced Good or Open Market Item is a product within the RFP’s scope - generally deemed incidental to the total transaction or purchase of contract items - which a member wants to buy under contract from an Awarded Vendor that is not currently available under the Vendor’s NJPA contract.

I. TIME

Periods of time, stated as number of days, shall be in calendar days.

J. TOTAL COST OF ACQUISITION

The Total Cost of Acquisition for the equipment/products and related services being proposed is the cost of the proposed equipment/products and related services delivered and operational for its intended purpose in the end-user’s location.

K. VENDOR

A Proposer whose response has been awarded a contract pursuant to this RFP.

2 ADVERTISEMENT OF RFP

2.1 NJPA shall advertise this solicitation: 1) for two consecutive weeks in both the hard copy print and on-line editions of the MINNEAPOLIS STAR TRIBUNE; 2) once each in Oregon's Daily Journal of Commerce, South Carolina's The State and Utah's Salt Lake Tribune; 3) on a national wire service and website by the MINNEAPOLIS STAR TRIBUNE; 4) on NJPA's website; 5) on other third-party websites deemed appropriate by NJPA. Other third party advertisers may include Onvia, PublicPurchase.com, MERX and Biddingo.

2.2 NJPA also notifies and provides solicitation documentation to each State level procurement departments for possible re-posting of the solicitation within their systems and at their option for future use and to meet specific state requirements.

3 INTRODUCTION

A. ABOUT NJPA

3.1 The National Joint Powers Alliance® (NJPA) is a public agency serving as a national municipal contracting agency established under the Service Cooperative statute by Minnesota Legislative Statute §123A.21 with the authority to develop and offer, among other services, cooperative procurement services to its membership. Eligible membership and participation includes states, cities, counties, all government agencies, both public and non-public educational agencies, colleges, universities and non-profit organizations.

3.2 Under the authority of Minnesota state laws and enabling legislation, NJPA facilitates a competitive bidding and contracting process on behalf of the needs of itself and the needs of current and potential member agencies nationally. This process results in national procurement contracts with various Vendors of products/equipment and services which NJPA Member agencies desire to procure. These procurement contracts are created in compliance with applicable Minnesota Municipal Contracting Laws. A complete listing of NJPA cooperative procurement contracts can be found at www.njpacoop.org.

3.3 NJPA is a public agency governed by publicly elected officials that serve as the NJPA Board of Directors. NJPA's Board of Directors calls for all proposals, awards all Contracts, and hosts those resulting Contracts for the benefit of its own and its Members use.

3.3.1 Subject to Approval of the NJPA Board: NJPA contracts are awarded by the action of NJPA Board of Directors. This action is based on the open and competitive bidding process facilitated by NJPA. The evaluation and resulting recommendation is presented to the Board of Directors by the NJPA Proposal Evaluation Committee.

3.4 NJPA currently serves over 50,000 member agencies nationally. Both membership and utilization of NJPA contracts continue to expand, due in part to the increasing acceptance of Cooperative Purchasing throughout the government and education communities nationally.

B. JOINT EXERCISE OF POWERS LAWS

3.5 NJPA cooperatively shares those contracts with its Members nationwide through various Joint Exercise of Powers Laws or Cooperative Purchasing Statutes established in Minnesota, other States and Canadian Provinces. The Minnesota Joint Exercise of Powers Law is Minnesota Statute §471.59 which states "Two or more governmental units...may jointly or cooperatively exercise any power common to the contracting parties..." This Minnesota Statute allows NJPA to serve Member agencies located in all other states. Municipal agencies nationally have the ability to participate in cooperative purchasing activities as a result of specific laws of their own state. These laws can be found on our website at <http://www.njpacoop.org/national-cooperative-contract-solutions/legal-authority/>.

C. WHY RESPOND TO A NATIONAL COOPERATIVE PROCUREMENT CONTRACT

3.6 National Cooperative Procurement Contracts create value for Municipal and Public Agencies, as well as for Vendors of products/equipment and services in a variety of ways:

3.6.1 National cooperative contracts potentially save the time and effort of Municipal and Public Agencies who would have been otherwise charged with soliciting vendor responses to individual RFP's, resulting in individual contracts, to meet the procurement needs of their respective agencies. Considerable time and effort is also potentially saved by the Vendors who would have had to otherwise respond to each of those individual RFPs. A single, nationally advertised RFP, resulting in a single, national cooperative contract can potentially replace thousands of individual RFPs for the same equipment/products/services that might have been otherwise advertised by individual NJPA member agencies.

3.6.2 NJPA contracts offer our Members nationally leveraged volume purchasing discounts. Our contract terms and conditions offer the opportunity for Vendors to recognize individual member procurement volume commitment through additional volume based contract discounts.

3.7 State laws that permit or encourage cooperative purchasing contracts do so with the belief that cooperative efficiencies will result in lower prices, better overall value, and considerable time savings.

3.8 The collective purchasing power of thousands of NJPA Member agencies nationwide offers the opportunity for volume pricing discounts. Although no sales or sales volume is guaranteed by an NJPA Contract resulting from this RFP, substantial volume is anticipated and volume pricing is requested and justified.

3.9 NJPA and its Members desire the best value for their procurement dollar as well as a competitive price. Vendors have the opportunity to display and highlight value added attributes of their company, equipment/products and services without constraints of a typical individual proposal process.

D. THE INTENT OF THIS RFP

3.10. National contract awarded by the NJPA Board of Directors: NJPA seeks the most responsive and responsible Vendor relationship(s) to reflect the best interests of NJPA and its Member agencies. Through a competitive proposal and evaluation process, the NJPA Proposal Evaluation Committee reviews and recommends vendors for to award a national contract by the action of the NJPA Board of Directors. NJPA's primary intent is to establish and provide a national cooperative procurement contract which offer opportunities for NJPA and our Member agencies to procure quality product/equipment and services as desired and needed. The contracts will be marketed nationally through a cooperative effort between the awarded vendor(s) and NJPA. Contracts are expected to offer price levels reflective of the potential and collective volume of NJPA and the nationally established NJPA membership base.

3.11 Beyond our primary intent, NJPA further desires to:

3.11.1 Award a four year term contract with a fifth year contract option resulting from this RFP;

3.11.2 Offer and apply any applicable technological advances throughout the term of a contract resulting from this RFP

3.11.3 Deliver "Value Added" aspects of the company, equipment/products and services as defined in the "Proposer's Response";

3.11.4 Deliver wide spectrums of solutions to meet the needs and requirement of NJPA and NJPA Member agencies.

3.11.5 Award an exclusive contract to the most responsive and responsible vendor when it is deemed to be in the best interest of NJPA and the NJPA Member agencies

3.12 Exclusive or Multiple Awards: Based on the goals and scope of this RFP, NJPA is requesting responders to demonstrate their ability to serve the needs of NJPA's national membership. It is NJPA's intent and desire to award a contract to a single exclusive Vendor to serve our membership's needs. To meet the goals of this RFP, NJPA reserves the right to award a Contract to multiple Proposers where the result justifies a multiple award and multiple contracts are deemed to be in the best interests of NJPA Member agencies.

3.13 Non-Manufacturer Awards: NJPA reserves the right to make an award related to this invitation to a non-manufacturer or dealer/distributor if such action is in the best interests of NJPA and its Members.

3.14 Manufacturer as a Proposer: If the Proposer is a Manufacturer or wholesale distributor, the response received will be evaluated on the basis of a response made in conjunction with that Manufacturer's authorized Dealer Network. Unless stated otherwise, a Manufacturer or wholesale distributor Proposer is assumed to have a documented relationship with their Dealer Network where that Dealer Network is informed of, and authorized to accept, purchase orders pursuant to any Contract resulting from this RFP on behalf of the Manufacturer or wholesale distributor Proposer. Any such dealer will be considered a sub-contractor of the Proposer/Vendor. The relationship between the Manufacturer and wholesale distributor Proposer and its Dealer Network may be proposed at the time of the proposed submission if that fact is properly identified.

3.15 Dealer/Re-seller as a Proposer: If the Proposer is a dealer or re-seller of the products and/or services being proposed, the response will be evaluated based on the Proposer's authorization to provide those products and services from their manufacturer. Where appropriate, Proposers must document their authority to offer those products and/or services.

E. SCOPE OF THIS RFP

3.16 Scope: The scope of this RFP is to award a contract to a qualifying vendor defined as a manufacturer, provider, or dealer/distributor, established as a Proposer, and deemed responsive and responsible through our open and competitive proposal process. Vendors will be awarded contracts based on the proposal and responders demonstrated ability to meet the expectations of the RFP and demonstrate the overall highest valued solutions which meet and/or exceed the current and future needs and requirements of NJPA and its Member agencies nationally within the scope of FACILITIES MAINTENANCE, REPAIR AND OPERATING SUPPLIES .

3.17 Additional Scope Definitions: For purposes of the scope of this solicitation:

3.17.1 In addition to FACILITIES MAINTENANCE, REPAIR AND OPERATING SUPPLIES this solicitation should be read to include, but not limited to:

3.17.1.1 N/A

3.17.2 NJPA reserves the right to limit the scope of this solicitation for NJPA and current and potential NJPA member agencies.

3.18 Overlap of Scope: When considering equipment/products/services, or groups of equipment/products/services submitted as a part of your response, and whether inclusion of such will fall within a “Scope of Proposal,” please consider the validity of an inverse statement.

3.18.1 For example, pencils and post-it-notes can generally be classified as office supplies and office supplies generally include pencils and post-it-notes.

3.18.2 In contrast, computers (PCs and peripherals) can generally be considered office supplies; however, the scope of office supplies does not generally include computer servers and infrastructure.

3.18.3 In conclusion: With this in mind, individual products and services must be examined individually by NJPA, from time to time and in its sole discretion, to determine their compliance and fall within the original “Scope” as intended by NJPA.

3.19 Best and Most Responsive – Responsible Proposer: It is the intent of NJPA to award a Contract to the best and most responsible and responsive Proposer(s) offering the best overall quality and selection of equipment/products and services meeting the commonly requested specifications of the NJPA and NJPA Members, provided the Proposer’s Response has been submitted in accordance with the requirements of this RFP. Qualifying Proposers who are able to anticipate the current and future needs and requirements of NJPA and NJPA member agencies; demonstrate the knowledge of any and all applicable industry standards, laws and regulations; and possess the willingness and ability to distribute, market to and service NJPA Members in all 50 states are preferred. NJPA requests proposers submit their entire product line as it applies and relates to the scope of this RFP.

3.20 Sealed Proposals: NJPA will receive sealed proposal responses to this RFP in accordance with accepted standards set forth in the Minnesota Procurement Code and Uniform Municipal Contracting Law. Awards may be made to responsible and responsive Proposers whose proposals are determined in writing to be the most advantageous to NJPA and its current or qualifying future NJPA Member agencies.

3.21 Use of Contract: Any Contract resulting from this solicitation shall be awarded with the understanding that it is for the sole convenience of NJPA and its Members. NJPA and/or its members reserve the right to obtain like equipment/products and services solely from this contract or from another contract source of their choice or from a contract resulting from their own procurement process.

3.22 Awarded Vendor’s interest in a contract resulting from this RFP: Awarded Vendors will be able to offer to NJPA, and current and potential NJPA Members, only those products/equipment and services specifically awarded on their NJPA Awarded Contract(s). Awarded Vendors may not offer as “contract compliant,” products/equipment and services which are not specifically identified and priced in their NJPA Awarded Contract.

3.23 Sole Source of Responsibility- NJPA desires a “Sole Source of Responsibility” Vendor. This means the Vendor will take sole responsibility for the performance of delivered equipment/products/ services. NJPA also desires sole responsibility with regard to:

3.23.1 Scope of Equipment/Products/Services: NJPA desires a provider for the broadest possible scope of products/equipment and services being proposed over the largest possible geographic area and to the largest possible cross-section of NJPA current and potential Members.

3.23.2 Vendor use of sub-contractors in sourcing or delivering equipment/product/services: NJPA desires a single source of responsibility for equipment/products and services proposed. Proposers are assumed to have sub-contractor relationships with all organizations and individuals whom are external to the Proposer and are involved in providing or delivering the equipment/products/services being proposed. Vendor assumes all responsibility for the equipment/products/services and actions of any such Sub-Contractor. Suggested Solutions Options include:

3.24.1 Multiple solutions to the needs of NJPA and NJPA Members are possible. Examples could include:

3.24.1.1 Equipment/Products Only Solution: Equipment/Products Only Solution may be appropriate for situations where NJPA or NJPA Members possess the ability, either in-house or through local third party contractors, to properly install and bring to operation those equipment/products being proposed.

3.24.1.2 Turn-Key Solutions: A Turn-Key Solution is a combination of equipment/products and services which provides a single price for equipment/products, delivery, and installation to a properly operating status. Generally this is the most desirable solution as NJPA and NJPA Members may not possess, or desire to engage, personnel with the necessary expertise to complete these tasks internally or through other independent contractors

3.24.1.3 Good, Better, Best: Where appropriate and properly identified, Proposers are invited to offer the CHOICE of good – better – best multiple grade solutions to NJPA and NJPA Members’ needs.

3.24.1.4 Proven – Accepted – Leading Edge Technology: Where appropriate and properly identified, Proposers are invited to provide an appropriate identified spectrum of technology solutions to compliment or enhance the functionality of the proposed solutions to NJPA and NJPA Members’ needs both now and into the future.

3.24.2 If applicable, Contracts will be awarded to Proposer(s) able to deliver a proposal meeting the entire needs of NJPA and its Members within the scope of this RFP. NJPA prefers Proposers submit their complete product line of products and services described in the scope of this RFP. NJPA reserves the right to reject individual, or groupings of specific equipment/products and services proposals as a part of the award.

3.25 Geographic Area to be Proposed: This RFP invites proposals to provide FACILITIES MAINTENANCE, REPAIR AND OPERATING SUPPLIES to NJPA and NJPA Members throughout the entire United States and possibly internationally. Proposers will be expected to express willingness to explore service to NJPA Members located abroad; however the lack of ability to serve Members outside of the United States will not be cause for non-award. The ability and willingness to serve Canada, for instance, will be viewed as a value-added attribute.

3.26 Contract Term: At NJPA’s option a contract resulting from this RFP will become effective either the date awarded by the NJPA Board of Directors or the day following the expiration date of an existing NJPA procurement contract for the same or similar product/equipment and services.

3.26.1 NJPA is seeking a Contract base term of four years as allowed by Minnesota Contracting Law. Full term is expected. However, one additional one-year renewal/extension may be offered by NJPA to Vendor beyond the original four year term if NJPA deems such action to be in the best interests of NJPA and its Members. NJPA reserves the right to conduct periodic business reviews throughout the term of the contract.

3.27 Minimum Contract Value: NJPA anticipates considerable activity resulting from this RFP and subsequent award; however, no commitment of any kind is made concerning actual quantities to be acquired. NJPA does not guarantee usage. Usage will depend on the actual needs of the NJPA Members and the value of the awarded contract.

3.28 Estimated Contract Volume: Estimated quantities and sales volume are based on potential usage by NJPA and NJPA Member agencies nationally.

3.29 Contract Availability: This Contract must be available to all current and potential NJPA Members who choose to utilize this NJPA Contract to include all governmental and public agencies, public and private primary and secondary education agencies, and all non-profit organizations nationally.

3.30 Proposer's Commitment Period: In order to allow NJPA the opportunity to evaluate each proposal thoroughly, NJPA requires any response to this solicitation be valid and irrevocable for ninety (90) days after the date proposals were opened regarding this RFP.

F. EXPECTATIONS FOR EQUIPMENT/PRODUCTS AND SERVICES BEING PROPOSED

3.31 Industry Standards: Except as contained herein, the specifications or solutions for this RFP shall be those accepted guidelines set forth by the FACILITIES MAINTENANCE, REPAIR AND OPERATING SUPPLIES industry, as they are generally understood and accepted within that industry across the nation. Submitted products/equipment, related services, and their warranties and assurances are required to meet and/or exceed all current, traditional and anticipated needs and requirements of NJPA and its Members.

3.31.1 Deviations from industry standards must be identified by the Proposer and explained how, in their opinion, the equipment/products and services they propose will render equivalent functionality, coverage, performance, and/or related services. Failure to detail all such deviations may comprise sufficient grounds for rejection of the entire proposal.

3.31.2 Technical Descriptions/Specifications. Excessive technical descriptions and specifications which, in the opinion of NJPA unduly enlarge the proposal response may reduce evaluation points awarded on Form G. Proposers must supply sufficient information to:

3.31.2.1 demonstrate the Proposer's knowledge of industry standards;

3.31.2.2 identify the equipment/products and services being proposed; and

3.31.2.3 differentiate equipment/products and services from others.

3.32 New Current Model Equipment/Products: Proposals submitted shall be for new, current model equipment/products and services with the exception of certain close-out products allowed to be offered on the Proposer's "Hot List" described herein.

3.33 Compliance with laws and standards: All items supplied on this Contract shall comply with any current applicable safety or regulatory standards or codes.

3.34 Delivered and operational: Products/equipment offered herein are to be proposed based upon being delivered and operational at the NJPA Member's site. Exceptions to "delivered and operational" must be explicitly disclosed in the "Total Cost of Acquisition" section of your proposal response.

3.35 Warranty: The Proposer warrants that all products, equipment, supplies, and services delivered under this Contract shall be covered by the industry standard or better warranty. All products and equipment should carry a minimum industry standard manufacturer's warranty that includes materials and labor. The Proposer has the primary responsibility to submit product specific warranty as required and accepted by industry standards. Dealer/Distributors agree to assist the purchaser in reaching a solution in a dispute over warranty's terms with the manufacturer. Any manufacturer's warranty which is effective past the expiration of the warranty will be passed on to the NJPA member. Failure to submit a minimum warranty may result in non-award.

3.36 Additional Warrants: The Proposer warrants all products/equipment and related services furnished hereunder will be free from liens and encumbrances; defects in design, materials, and workmanship; and will conform in all respects to the terms of this RFP including any specifications or standards. In addition,

Proposer/Vendor warrants the products/equipment and related services are suitable for and will perform in accordance with the ordinary use for which they are intended.

G. SOLUTIONS BASED SOLICITATION

3.37 NJPA solicitations and contract process will not offer specific specifications for proposers to meet or base your response on. This RFP is a “Solutions Based Solicitation.” This means the proposers are asked to understand and anticipate the current and future needs of NJPA and the nationally located NJPA membership base, within the scope of this RFP, and including specifications commonly desired or required by law or industry standards. Your proposal will be evaluated in part on your demonstrated ability to meet or exceed the needs and requirements of NJPA and our member agencies within the defined scope of this RFP.

3.38 NJPA does not typically provide product and service specifications; rather NJPA is requesting an industry standard or accepted specification for the requested product/equipment and services. Where specific line items are specified, those line items should be considered the minimum which can be expanded by the Proposer to deliver the Proposer’s “Solution” to NJPA and NJPA Members’ needs.

4 INSTRUCTIONS FOR PREPARING YOUR PROPOSAL

A. INQUIRY PERIOD

4.1 The inquiry period shall begin at the date of first advertisement and continue to the “Deadline for Requests.” RFP packages shall be distributed to Potential Bidders during the inquiry period. The purpose for the defined “Inquiry Period” is to ensure proposers have enough time to complete and deliver the proposal to our office.

B. PRE-PROPOSAL CONFERENCE

4.2 A non-mandatory pre-proposal conference will be held at the date and time specified in the time line on page one of this RFP. Conference call and web connection information will be sent to all Potential Proposers through the same means employed in their inquiry. The purpose of this conference call is to allow Potential Proposers to ask questions regarding this RFP and hear answers to their own questions and the questions of other Potential Proposers. Only answers issued in writing by NJPA to questions asked before or during the Pre-proposal Conference shall be considered binding.

C. IDENTIFICATION OF KEY PERSONNEL

4.3 Vendor will designate one senior staff individual who will represent the awarded Vendor to NJPA. This contact person will correspond with members for technical assistance, questions or problems that may arise including instructions regarding different contacts for different geographical areas as needed.

4.4 Individuals should also be identified (if applicable) as the primary contacts for the contents of this proposal, marketing, sales, and any other area deemed essential by the Proposer.

D. PROPOSER’S EXCEPTIONS TO TERMS AND CONDITIONS

4.5 Any exceptions, deviations, or contingencies a Proposer may have to the terms and conditions contained herein must be documented on Form C.

4.6 Exceptions, deviations or contingencies stipulated in Proposer’s Response, while possibly necessary in the view of the Proposer, may result in disqualification of a Proposal Response.

E. PROPOSAL FORMAT

4.7 It is the responsibility of all Proposers to examine the entire RFP package, to seek clarification of any item or requirement that may not be clear and to check all responses for accuracy before submitting a Proposal. Negligence in preparing a Proposal confers no right of withdrawal after the deadline for submission of proposals.

4.8 All proposals must be properly labeled and sent to “The National Joint Powers Alliance®, 202 12th ST NE Staples, MN 56479.”

4.9 **Format for proposal response:** All proposals must be physically delivered to NJPA at the above address in the following form and with all required hard copy documents and signature forms/pages inserted as loose pages at the front of the Vendor’s response:

4.9.1 Hard copy original signed, completed, and dated forms C, D, F and hard copy signed signature page only from forms A and P from this RFP;

4.9.2 Hard copies of all addenda issued for the RFP with original counter signed by the Proposer;

4.9.3 Hardy copy of Certificate of Insurance verifying the coverage identified in this RFP; and

4.9.4 A complete copy of your response on a CD (Compact Disc) or flash drive. The copy shall contain completed Forms A, B, C, D, F & P, your statement of products and pricing (including apparent discount) together with all appropriate attachments. Everything you send with your hard copy should also be included in the electronic copy. As a public agency, NJPA proposals, responses and awarded contracts are a matter of public record, except for that data included in the proposals, responses and awarded contracts that is classified as nonpublic; thus, pursuant to statute, NJPA policies and RFP terms and conditions, all documentation, except for that data which is nonpublic is available for review by the public through a public records request. If you wish to request that certain information that falls within Minnesota Statute §13.37 be redacted, such request must be made within thirty-days of award/non-award.

4.10 All Proposal forms must be submitted in English and be legible. All appropriate forms must be executed by an authorized signatory of the Proposer. Blue ink is preferred for signatures.

4.11 Proposal submissions should be submitted using the electronic forms provided. If a Proposer chooses to use alternative documents for their response, the Proposer will be responsible for ensuring the content is effectively equal to the NJPA form and the document is in a format readable by NJPA.

4.12 It is the responsibility of the Proposer to be certain the proposal submittal is in the physical possession of NJPA on or prior to the deadline for submission of proposals.

4.12.1 Proposals must be submitted in a sealed envelope or box properly addressed to NJPA and prominently identifying the proposal number, proposal category name, the message “**Hold for Proposal Opening**”, and the deadline for proposal submission. NJPA cannot be responsible for late receipt of proposals. Proposals received by the correct deadline for proposal submission will be opened and the name of each Proposer and other appropriate information will be publicly read.

4.13 Corrections, erasures, and interlineations on a Proposer’s Response must be initialed by the authorized signer in original ink on all copies to be considered.

4.14 Addendums to the RFP: The Proposer is responsible for ensuring receipt of all addendums to this RFP.

4.14.1 Proposer’s are responsible for checking directly with the NJPA website for addendums to this RFP.

4.14.2 Addendums to this RFP can change terms and conditions of the RFP including the deadline for submission of proposals.

F. QUESTIONS AND ANSWERS ABOUT THIS RFP

4.15 Upon examination of this RFP document, Proposer shall promptly notify NJPA of any ambiguity, inconsistency, or error they may discover. Interpretations, corrections and changes to this RFP will be made by NJPA through addendum. Interpretations, corrections, or changes made in any other manner will not be binding and Proposer shall not rely upon such.

4.16 Submit all questions about this RFP, in writing, referencing FACILITIES MAINTENANCE, REPAIR AND OPERATING SUPPLIES to Maureen Knight, NJPA 202 12th Street NE, Staples, MN 56479 or RFP@njpacoop.org. Those not having access to the Internet may call Maureen Knight at (218) 895-4114. Requests for additional information or interpretation of instructions to Proposers or technical specifications shall also be addressed to Maureen Knight. NJPA urges Potential Proposers to communicate all concerns well in advance of the deadline to avoid misunderstandings. Questions received less than seven (7) days ending at 4:00 p.m. Central Time of the seventh (7th) calendar day prior to proposal due-date cannot be answered; however, communications permitted include: NJPA issued addenda or potential Vendor withdrawal of their response prior to RFP submission deadline.

4.17 If the answer to a question is deemed by NJPA to have a material impact on other potential proposers or the RFP itself, the answer to the question will become an addendum to this RFP.

4.18 If the answer to a question is deemed by NJPA to be a clarification of existing terms and conditions and does not have a material impact on other potential proposers or the RFP itself, no further documentation of that question is required.

4.19 As used in this solicitation, clarification means communication with a Potential Proposer for the sole purpose of eliminating minor irregularities, informalities, or apparent clerical mistakes in the RFP.

4.20 Addenda are written instruments issued by NJPA that modify or interpret the RFP. All addenda issued by NJPA shall become a part of the RFP. Addenda will be delivered to all Potential Proposers using the same method of delivery of the original RFP material. NJPA accepts no liability in connection with the delivery of said materials. Copies of addenda will also be made available on the NJPA website at www.njpacoop.org by clicking on “Current and Pending Solicitations” and from the NJPA offices. No questions will be accepted by NJPA later than seven (7) days prior to the deadline for receipt of proposals, except Each Potential Proposer shall ascertain prior to submitting a Proposal that it has received all addenda issued, and the Proposer shall acknowledge their receipt in its Proposal Response.

4.21 An amendment to a submitted proposal must be in writing and delivered to NJPA no later than the time specified for opening of all proposals.

G. MODIFICATION OR WITHDRAWAL OF A SUBMITTED PROPOSAL

4.22 A submitted proposal may not be modified, withdrawn or cancelled by the Proposer for a period of ninety (90) days following the date proposals were opened. Prior to the deadline for submission of proposals, any proposal submitted may be modified or withdrawn by notice to the NJPA Contracts and Compliance Manager. Such notice shall be submitted in writing and include the signature of the Proposer and shall be delivered to NJPA prior to the deadline for submission of proposals and it shall be so worded as not to reveal the content of the original proposal. However, the original proposal shall not be physically returned to the Potential Proposer until after the official proposal opening. Withdrawn proposals may be resubmitted up to the time designated for the receipt of the proposals if they are then fully in conformance with the Instructions to Proposer.

4.23 Examples of Value Added Attributes: Value-Added attributes, products and services are items offered in addition to the products and services being proposed which adds value to those items being proposed. The availability of a contract for maintenance or service after the initial sale, installation, and set-up may, for instance, be “Value Added Services” for products where a typical buyer may not have the ability to perform these functions. The opportunity to indicate value added dimensions and such advancements will be available in the Proposer’s Questionnaire and Proposer’s product and service submittal.

4.24 Value added equipment/products and services and expanded services, as they relate to this RFP, will be given positive consideration in the award selection. Consideration will be given to an expanded selection of FACILITIES MAINTENANCE, REPAIR AND OPERATING SUPPLIES and advances to provide equipment/products/services or supplies meeting and/or exceeding today’s industry standards and expectations. A value add would include a program or service that further serves the members needs above and possibly beyond standard expectation and complements the equipment/products/services and training. Value added could include areas of equipment, product and service, sales, ordering, delivery, performance, maintenance, technology, and service that furthers the functionality and effectiveness of the procurement process while remaining within the scope of this RFP.

4.25 Minority, Small Business, and Women Business Enterprise (WMBE) participation: It is the policy of some NJPA Members to involve Minority, Small Business, and WMBE contractors in the process to purchase equipment/products and related services. Vendors should document WMBE status for their organization AND any such status of their affiliates (i.e. Supplier networks) involved in carrying out the activities invited. The ability of a Proposer to provide “Credits” to NJPA and NJPA Members in these subject areas, either individually or through related entities involved in the transaction, will be evaluated positively by NJPA and reflected in the “value added” area of the evaluation. NJPA is committed to facilitating the realization of such “Credits” through certain structuring techniques for transactions resulting from this RFP.

4.26 Environmentally Preferred Purchasing Opportunities: There is a growing trend among NJPA Members to consider the environmental impact of the equipment/products and related services they purchase. “Green” characteristics demonstrated by responding companies will be evaluated positively by NJPA and reflected in the “value added” area of the evaluation. Please identify any Green characteristics of the equipment/products and related services in your proposal and identify the sanctioning body determining that characteristic. Where appropriate, please indicate which products have been certified as “green” and by which certifying agency.

4.27 On-Line Requisitioning systems: When applicable, on-line requisitioning systems will be viewed as a value-added characteristic. Proposer shall include documentation about user interfaces that make on-line ordering easy for NJPA Members as well as the ability to punch-out from mainstream e-Procurement or Enterprise Resource Planning (ERP) systems that NJPA Members may currently utilize.

4.28 Financing: The ability of the Proposer to provide financing options for the products and services being proposed will be viewed as a Value Added Attribute.

H. PROPOSAL OPENING PROCEDURE

4.29 Sealed and properly identified Proposer’s Responses for this RFP entitled FACILITIES MAINTENANCE, REPAIR AND OPERATING SUPPLIES will be received by Maureen Knight, Contracts and Compliance Manager, at NJPA Offices, 202 12th Street NE, Staples, MN 56479 until the deadline for receipt of, and proposal opening identified on page one of this RFP. **We document the receipt by using an atomic clock; an NJPA employee electronically time and date stamps all Proposals immediately upon receipt.** The NJPA Director of Contracts and Marketing, or Representative from the NJPA Proposal Evaluation Committee, will then read the Proposer’s names aloud. A summary of the responses to this RFP will be made available for public inspection in the NJPA office in Staples, MN. A letter or e-mail request is required to receive a complete RFP package. Send or communicate all requests

to the attention of Maureen Knight 202 12th Street Northeast Staples, MN 56479 or RFP@njpacoop.org to receive a complete copy of this RFP. Method of delivery needs to be indicated in the request; an email address is required for electronic transmission. Oral, facsimile, telephone or telegraphic Proposal Submissions or requests for this RFP are invalid and will not receive consideration. All Proposal Responses must be submitted in a sealed package. The outside of the package shall plainly identify FACILITIES MAINTENANCE, REPAIR AND OPERATING SUPPLIES. To avoid premature opening, it is the responsibility of the Proposer to label the Proposal Response properly.

I. NJPA'S RIGHTS RESERVED

4.30.1 Reject any and all Proposals received in response to this RFP;

4.30.2 Disqualify any Proposer whose conduct or Proposal fails to conform to the requirements of this RFP;

4.30.3 Have unlimited rights to duplicate all materials submitted for purposes of RFP evaluation, and duplicate all public information in response to data requests regarding the Proposal;

4.30.4 Consider a late modification of a Proposal if the Proposal itself was submitted on time and if the modifications were requested by NJPA and the modifications make the terms of the Proposal more favorable to NJPA, and accept such Proposal as modified;

4.30.5 At its sole discretion, reserve the right to waive any non-material deviations from the requirements and procedures of this RFP;

4.30.6 Extend the Contract, in increments determined by NJPA, not to exceed a total contract term of five years; and

4.30.7 Cancel the Request for Proposal at any time and for any reason with no cost or penalty to NJPA.

4.30.8 Correct or amend the RFP at any time with no cost or penalty to NJPA. If NJPA should correct or amend any segment of the RFP after submission of Proposals and prior to announcement of the Awarded Vendor, all Proposers will be afforded ample opportunity to revise their Proposal to accommodate the RFP amendment and the dates for submission of revised Proposals announced at that time. NJPA will not be liable for any errors in the RFP or other responses related to the RFP.

4.30.9 Extend proposal due dates.

5 PRICING

5.1 NJPA requests Potential Proposers respond to this RFP only if they are able to offer a wide array of equipment/products and services and at prices lower and better value than what they would ordinarily offer to single government agency, larger school district, or regional cooperative.

5.2 RFP is an Indefinite Quantity Equipment/Products and Related Service Price and Program Request with potential national sales distribution and service. If Proposer's solution requires additional supporting documentation, describe where it can be found in your submission. If Proposer offers the solution in an alternative fashion, describe your solution to be easily understood. All pricing must be copied on a CD or thumb drive along with other requested information as a part of a Proposer's Response.

5.3 Regardless of the payment method selected by NJPA or NJPA Member, a total cost associated with any purchase option of the equipment/products and services and being supplied must always be disclosed at the time of purchase.

5.4 All Proposers will be required to submit “Primary Pricing” in the form of either “Line-Item Pricing,” or “Percentage Discount from Catalog Pricing,” or a combination of these pricing strategies. Proposers are also encouraged to offer OPTIONAL pricing strategies such as but not limited to “Hot List,” “Sourced Product/Equipment” and “Volume Discounts,” as well as financing options such as leasing. All pricing documents should include an effective date, preferably in the top right corner of the first page of each pricing document.

A. LINE-ITEM PRICING

5.5 A pricing format where specific individual products and/or services are offered at specific individual Contract prices. Products/equipment and/or related services are individually priced and described by characteristics such as manufacture name, stock or part number, size, or functionality. This method of pricing offers the least amount of confusion as products/equipment and prices are individually identified however, Proposers with a large number of products/equipment to propose may find this method cumbersome. In these situations, a percentage discount from catalog or category pricing model may make more sense and increase the clarity of the contract pricing format.

5.6 All Line-Item Pricing items must be numbered, organized, sectioned, including SKU’s (when applicable) and easily understood by the Evaluation Committee and members.

5.7 Submit Line-Item Pricing items in an Excel spreadsheet format and include all appropriate identification information necessary to discern the line item from other line items in each Responder’s proposal.

5.8 The purpose for a searchable excel spreadsheet format for Line-Item Pricing is to be able to quickly find any particular item of interest. For that reason, Proposers are responsible for providing the appropriate product and service identification information along with the pricing information which is typically found on an invoice or price quote for such products/equipment and related services.

5.9 All products/equipment and related services typically appearing on an invoice or price quote must be individually priced and identified on the line-item price sheet, including any and all ancillary costs.

5.10 Proposers are asked to provide both a published “List” price as well as a “Proposed Contract Price” in their pricing matrix. Published List price will be the standard “quantity of one” price currently available to government and educational customers excluding cooperative and volume discounts.

B. PERCENTAGE DISCOUNT FROM CATALOG OR CATEGORY

5.11 A specific percentage discount from a Catalog or List price” defined as a published Manufacturer’s Suggested Retail Price (MSRP) for the products/equipment or related services being proposed.

5.12 Individualized percentage discounts can be applied to any number of defined product groupings.

5.13 A Percentage Discount from MSRP may be applied to all elements identified in MSRP including all Manufacturer Options applicable to the equipment/products or related services.

5.14 When a Proposer elects to use “Percentage Discount from Catalog or Category,” Proposer will be responsible for providing and maintaining current published MSRP with NJPA and must be included in their proposal and provided throughout the term of any Contract resulting from this RFP.

C. COST PLUS A PERCENTAGE OF COST

5.15 Cost plus a percentage of cost as a primary pricing mechanism is not desirable.

D. HOT LIST PRICING

5.16 Where applicable, a Vendor may opt to offer a specific selection of products/services, defined as Hot List pricing at greater discounts or related advantages than those listed in the standard Contract pricing. All product/service pricing, including the Hot List Pricing, must be submitted electronically provided in Excel format. Hot List pricing must be submitted in a Line-Item format. Equipment/products and related services may be added or removed from the “Hot List” at any time through an NJPA Price and Product Change Form.

5.17 Hot List program and pricing when applicable may also be used to discount and liquidate close-out and discontinued equipment/products and related services as long as those close-out and discontinued items are clearly labeled as such. Current ordering process and administrative fees apply. This option must be published and made available to all NJPA Members.

E. CEILING PRICE

5.18 Proposal pricing is to be established as a ceiling price. At no time may the proposed equipment/products and related services be offered pursuant to this Contract at prices above this ceiling price without request and approval by NJPA. Contract prices may be reduced to allow for volume considerations and commitments and to meet the specific and unique needs of an NJPA Member.

5.19 Allowable specific needs may include competitive situations, certain purchase volume commitments or the creation of custom programs based on the individual needs of NJPA Members.

F. VOLUME PRICE DISCOUNTS / ADDITIONAL QUANTITIES

5.20 Proposers are free to offer volume commitment discounts from the contract pricing documented in a Contract resulting from this RFP. Volume considerations shall be determined between the Vendor and individual NJPA Members on a case-by-case basis.

5.21 Nothing in this Contract establishes a favored member relationship between the NJPA or any NJPA Member and the Vendor. The Vendor will, upon request by NJPA Member, extend this same reduced price offered or delivered to another NJPA Member provided the same or similar volume commitment, specific needs, terms, and conditions, a similar time frame, seasonal considerations, locations, competitively situations and provided the same manufacturer support is available to the Vendor.

5.22 All price adjustments are to be offered equally to all NJPA Members exhibiting the same or substantially similar characteristics such as purchase volume commitments, and timing including the availability of special pricing from the Vendor’s suppliers.

5.23 The contract awarded vendor will accept orders for additional quantities at the same prices, terms and conditions, providing the NJPA Member exercises the option before a specific date, mutually agreed upon between member and contract awarded vendor at time of original purchase order. Any extension(s) of pricing beyond the specific date shall be upon mutual consent between the NJPA Member and the contract awarded vendor.

G. TOTAL COST OF ACQUISITION

5.24 The Total Cost of Acquisition for the equipment/products and related services being proposed, including those payable by NJPA Members to either the Proposer or a third party is the cost of the proposed equipment/products product/equipment and related services delivered and operational for its intended purpose in the end-user’s location. For example, if you are proposing equipment/products FOB Proposer’s dock., your proposal should identify your deviation from the “Total Cost of Acquisition” of contracted equipment/products. The Proposal should reflect that the “contract does not provide for delivery beyond Proposer’s dock, nor any set-up activities or costs associated with those delivery or set-up activities.” In contrast, proposed terms including all costs for product/equipment and services delivered and operational at to the end-user’s location would require a disclosure of “None.”

H. SOURCED PRODUCT/EQUIPMENT / OPEN MARKET ITEMS

5.25 A Sourced Good or an Open Market Item is a product that a member wants to buy under contract that is not currently available under the Vendor's NJPA contract. This method of procurement can be satisfied through a contract sourcing process. Sourcing options serve to provide a more complete contract solution to meet our members' needs. Sourced items are generally deemed incidental to the total transaction or purchase of contract items.

5.26 NJPA or NJPA Members may request product/equipment and/or related services that are within the related scope of this RFP, which are not included in an awarded Vendor's line-item product/equipment and related service list or catalog. These items are known as Sourced Product/Equipment or Open Market Items.

5.27 An awarded Vendor resulting from this RFP may "Source" equipment/products and related services for NJPA or an NJPA Member to the extent they:

5.27.1 Identify all such equipment, products and services as "Sourced Products/Equipment " or "Open Market Items" on any quotation issued in reference to an NJPA awarded contract, and provided to either NJPA or an NJPA Member; and

5.27.2 Follow all applicable acquisition regulations pertaining to the purchase of such equipment, products and services, as defined by NJPA or NJPA Member receiving quotation from Vendor; and

5.27.3 Ensure NJPA or the NJPA Member has determined the prices as quoted by the Vendor for such equipment, products and services are deemed to be fair and reasonable and are acceptable to the member/buyer; and

5.27.4 Identify all product/equipment sourced as a part of an NJPA contract purchase with all required NJPA reporting and fees applying.

5.28 Cost plus a percentage is an option in pricing of sourced goods.

I. PRODUCT & PRICE CHANGES

5.29 Requests for equipment/products or service changes, additions or deletions will be allowed at any time throughout the awarded contract term. All requests must be made in written format by completing the NJPA Price and Product Change Request Form (located at the end of this RFP and on the NJPA website) and signature of an authorized Vendor employee. All changes are subject to review and approval by the NJPA Contracts & Compliance Manager, signed in acceptance by the NJPA Executive Director and acknowledged by the NJPA Contract Council. Submit request via email to your Contract Manager and PandP@njpacoop.org.

5.30 NJPA's due diligence in analyzing any request for change is to determine if approval of the request is: 1) within the scope of the original RFP and 2) in the "Best Interests of NJPA and NJPA Members." A signed Price and Product Change form will be returned to vendor contact via email.

5.31 Vendor must complete this change request form and individually list or attach all items or services subject to change, provide sufficiently detailed explanation and documentation for the change, and include a complete restatement of pricing document in appropriate format (preferably Excel). The pricing document must identify all equipment/products and services being offered and must conform to the following NJPA product/price change naming convention: (Vendor Name) (NJPA Contract #) (effective pricing date); for example, "COMPANY 012411-CPY eff 02-12-2013."

5.32 New pricing restatement must include all equipment/products and services offered regardless of whether their prices have changed and include a new "effective date" on the pricing documents. This

requirement reduces confusion by providing a single, current pricing sheet for each vendor and creates a historical record of pricing.

5.33 ADDITIONS. New equipment/products and related services may be added to a contract if such additions are within the scope of the RFP. New equipment/products and related services may be added to a Contract resulting from this RFP at any time during that Contract to the extent those equipment/products and related services are within the scope of this RFP. Those requests are subject to review and approval of NJPA. Allowable new equipment/products and related services generally include new updated models of equipment/products and related services and or enhanced services previously offered which could reflect new technology and improved functionality.

5.34 DELETIONS. New equipment/products and related services may be deleted from a contract if an item or service is no longer available and thus not relevant to the contract; for example, discontinued, improved, etc.

5.35 PRICE CHANGES: Request prices changes in general terms along with the justification by product category for the change; for example, a 3% increase in XYZ Product Line is due to a 3% increase in petroleum, or this list of SKUs/ product descriptions is increasing X% due to X% increase in cost of raw materials.

5.35.1 *Price decreases:* NJPA expects Vendors to propose their very best prices and anticipates price reductions are due to advancement of technologies and market place efficiencies.

5.35.2 *Price increases:* Typical acceptable increase requests include increases to Vendor input costs such as petroleum or other applicable commodities, increases in product utility of new compared to old equipment/product or service, etc. Vendor must include reasonable documentation for the claims cited in their request along with detailed justification for why the increase is needed. Special details for price changes must be included with the request along with both current and proposed pricing. Appropriate documentation should be attached to this form, including letters from suppliers announcing price increases. Price increases will not exceed industry standard.

5.36 Submit the following documentation to request a pricing change:

5.36.1 Signed NJPA Price and Product Change Form

5.36.2 Single Statement of Pricing Excel spreadsheet identifying all equipment/products and services being offered and their pricing. Each complete pricing list will be identified by its "Effective Date." Each successive price listing identified by its "Effective Date" will create a "Product and Price History" for the Contract. Each subsequent pricing update will be saved using the naming convention of "(Vendor Name) pricing effective XX/XX/XXXX."

5.36.2.1 Include all equipment/products and services regardless of whether their prices have changed. By observing this convention we will:

5.36.2.1.1 Reduce confusion by providing a single, easy to find, current pricing sheet for each Vendor.

5.36.2.1.2 Create a historical record of pricing.

5.37 NJPA reserves the right to review additional catalogs being proposed as additions or replacements to determine if the represented products and services reflect and relate to the scope of this RFP. Each new catalog received may have the effect of adding new product offerings and deleting products no longer carried by the Vendor. New catalogs shall apply to the Contract only upon approval of the NJPA. Non-approved use of catalogs may result in termination for convenience. New price lists or catalogs found to

be offering non-contract items during the Contract may be grounds for terminating the Contract for convenience.

5.38 Proposers representing multiple manufacturers, or carrying multiple related product lines may also request the addition of new manufacturers or product lines to their Contract to the extent they remain within the scope of this RFP.

5.39 Proposers may use the multiple tabs available in an Excel workbook to separately list logical product groupings or to separately list product and service pricing as they see fit.

5.40 All equipment/products and services together with their pricing, whether changed within the request or remaining unchanged, will be stated on each “Pricing” sheet created as a result of each request for product, service, or pricing change.

5.41 Each subsequent “Single Statement of Product and Pricing” will be archived by its effective date therefore creating a product and price history for any Contract resulting from this RFP. Proposers are required to create a historical record of pricing annually by submitting updated pricing referred to as a “Single Statement of Product/Equipment and Related Services Contract Price Update”. This pricing update is required at a minimum of once per contract year.

J. PAYMENT TERMS

5.42 Payment terms will be defined by the Proposer in the Proposer’s Response. Proposers are encouraged to offer payment terms through P Card services if applicable.

5.43 If applicable, identify any leasing programs available to NJPA and NJPA Members as part of your proposal. Proposers should submit an example of the lease agreement to be used and should identify:

5.43.1 General leasing terms such as:

5.43.1.1 The percentage adjustment over/under an index rate used in calculating the internal rate of return for the lease; and

5.43.1.2 The index rate being adjusted; and

5.43.1.3 The “Purchase Option” at lease maturity (\$1, or fair market value); and

5.43.1.4 The available term in months of lease(s) available.

5.43.2 Leasing company information such as:

5.43.2.1 The name and address of the leasing company; and

5.43.2.2 Any ownership, common ownership, or control between the Proposer and the Leasing Company.

K. SALES TAX

5.44 Sales and other taxes shall not be included in the prices quoted. Vendor will charge state and local sales and other taxes on items for which a valid tax exemption certification has not been provided. Each NJPA Member is responsible for providing verification of tax exempt status to the Vendor. When ordering, NJPA Members must indicate that they are tax exempt entities. Except as set forth herein, no party shall be responsible for taxes imposed on another party as a result of or arising from the transactions contemplated by a Contract resulting from this RFP.

L. SHIPPING

5.45 NJPA desires an attractive freight program. A shipping program for material only proposals, or sections of proposals, must be defined as a part of the cost of equipment/products. If shipping is charged to NJPA or NJPA Member, only the actual cost of delivery may be added to an invoice. Shipping charges calculated as a percentage of the product price may not be used, unless such charges are lower than actual delivery charges. COD orders will be accepted if both parties agree. It is desired that delivery be made within ninety-days (90) of receipt of the Purchase Order.

5.46 Selection of a carrier for shipment or expedited shipping will be the option of the party paying for said shipping. Use of another carrier will be at the expense of the party who requested.

5.47 Proposers must define their shipping programs for Alaska and Hawaii and any location not served by conventional shipping services. Over-size and over-weight items and shipments may be subject to custom freight programs.

5.48 All shipping and re-stocking fees must be identified in the price program. Certain industries providing made to order product/equipment may not allow returns. Proposers will be evaluated based on the relative flexibility extended to NJPA and NJPA Members relating to those subjects.

5.49 Proposer agrees shipping errors will be at the expense of the Vendor.

5.50 Delivery effectiveness is very important aspect of this Contract. If completed deliveries are not made at the time agreed, NJPA or NJPA Member reserves the right to cancel and purchase elsewhere and hold Vendor accountable. If delivery dates cannot be met, Vendor agrees to advise NJPA or NJPA Member of the earliest possible shipping date for acceptance by NJPA or NJPA Member.

5.51 Delivered products/equipment must be properly packaged. Damaged equipment/products will not be accepted, or if the damage is not readily apparent at the time of delivery, the equipment/products shall be returned at no cost to NJPA or NJPA Member. NJPA and NJPA Members reserve the right to inspect the equipment/products at a reasonable time subsequent to delivery where circumstances or conditions prevent effective inspection of the equipment/products at the time of delivery.

5.52 Vendor shall deliver Contract conforming products/equipment in each shipment and may not substitute products/equipment without approval from NJPA or the NJPA Member.

5.53 NJPA reserves the right to declare a breach of Contract if the Vendor intentionally delivers substandard or inferior equipment/products which are not under Contract and described in its paper or electronic price lists or sourced upon request to any member under this Contract. In the event of the delivery of non-conforming equipment/products, NJPA Member will notify the Vendor as soon as possible and the Vendor will replace non-conforming equipment/products with conforming equipment/products acceptable to the NJPA member.

5.54 Throughout the term of the Contract, Proposer agrees to pay for return shipment on equipment/products that arrives in a defective or inoperable condition. Proposer must arrange for the return shipment of damaged equipment/products.

5.55 Vendor may not substitute equipment/products unless agreed to by both parties.

5.56 Unless contrary to other parts of this solicitation, if the product/equipment or the tender of delivery fail in any respect to conform to this Contract, the purchasing member may: 1) reject the whole, 2) accept the whole or 3) accept any commercial unit or units and reject the rest.

6 EVALUATION OF PROPOSALS

A. PROPOSAL EVALUATION PROCESS

6.1 The NJPA Proposal Evaluation Committee will evaluate proposals received based on a 1,000 point evaluation system. The Committee establishes both the evaluation criteria and designates the relative importance of those criteria by assigning possible scores for each category on Form G of this RFP.

6.2 NJPA shall use a final overall scoring system to include consideration for best price and cost evaluation. NJPA reserves the right to assign any number of point awards or penalties it considers warranted if a Proposer stipulates exceptions, exclusions, or limitations of liabilities. Strong consideration will be given to the best price as it relates to the quality of the product and service. However, price is ultimately only one of the factors taken into consideration in the evaluation and award.

6.3 Responses will be evaluated first for responsiveness and thereafter for content. The NJPA Board of Directors will make awards to the selected Proposer(s) based on the recommendations of the Proposal Evaluation Committee. To qualify for the final evaluation, a Proposer must have been deemed responsive as a result of the criteria set forth under “Proposer Responsiveness.”

B. PROPOSER RESPONSIVENESS

6.4 All responses are evaluated for level one and level two responsiveness. If a response does not reasonably and substantially conform to all the terms and conditions in the solicitation or it requests unreasonable exceptions, it may be considered non-responsive.

6.5 All proposals must contain answers or responses to the information requested in the proposal forms. The following items constitute the test for “Level One Responsiveness” and are determined on the proposal opening date. If these are not received, your response may be disqualified as non-responsive.

6.6 Level One Responsiveness includes:

- 6.6.1** received prior to the deadline for submission or it will be returned unopened;
- 6.6.2** properly addressed and identified as a sealed proposal with a specific opening date and time;
- 6.6.3** pricing document (with apparent discounts), sample certificate of liability insurance and all forms fully completed even if “not applicable” is the answer;
- 6.6.4** original signed, completed and dated RFP forms C, D, and F hard copy signed signature page Only from forms A and P from this RFP and if applicable, all counter signed addenda issued in relation to this RFP;
- 6.6.5** an electronic copy (CD or flash drive) of the entire response; and
- 6.6.6** falls within the scope as determined by the NJPAs Proposal Evaluation Committee.

6.7 “Level Two” responsiveness is determined through the evaluation of the remaining items listed under Proposal Evaluation Criteria below. These items are not arranged in order of importance and each item may encompass multiple areas of information requested. Any questions not answered will result in a loss of points from relevant Form G criteria and may lead to non-award if too many areas are unanswered resulting in the inability for evaluation team to effectively review your response.

C. PROPOSAL EVALUATION CRITERIA

6.8 Evaluation Criteria: Forms A and P includes a series of questions encompassing, but not limited to, the following categories:

- 6.8.1** Company Information & Financial Strength
- 6.8.2** Industry Requirements & Marketplace Success
- 6.8.3** Ability to Sell & Deliver Service Nationwide
- 6.8.4** Marketing Plan
- 6.8.5** Other Cooperative Procurement Contracts
- 6.8.6** Value Added Attributes
- 6.8.7** Payment Terms & Financing Options
- 6.8.8** Warranty
- 6.8.9** Equipment/Products/Services
- 6.8.10** Pricing & Delivery
- 6.8.11** Industry Specific Items

6.9 Evaluation of each Proposer's Response will take into consideration as a minimum response but not necessarily limited to these items.

D. OTHER CONSIDERATION

6.10 The Proposer is required to have extensive knowledge and at least three (3) years of experience with the related activities surrounding the selling of the equipment/products and/or related services.

6.11 NJPA reserves the right to accept or reject newly formed companies solely based on information provided in the proposal and/or its own investigation of the company.

6.12 If a manufacturer or supplier chooses not to produce or supply a full selection and representation of product/equipment and related services it has available which fall within the scope of this RFP, such action will be considered sufficient cause to reduce evaluation points.

6.13 NJPA reserves the right to request and test equipment/products and related services from the apparent successful Proposer. Prior to the award of the Contract, the apparent successful Proposer, if requested by NJPA, shall furnish current information and data regarding the Proposer's resources, personnel, and organization within three (3) days.

6.14 Past performance information is relevant information regarding a Proposer's actions under previously awarded contracts to schools, local, state, and governmental agencies and non-profit agencies. It includes the Proposer's record of conforming to specifications and standards of good workmanship. The Proposer's history for reasonable and cooperative behavior and commitment to member satisfaction shall be under evaluation. Ultimately, Past Performance Information can be defined as the Proposer's businesslike concern for the interests of the NJPA Member.

6.15 NJPA shall reserve the right to reject any or all proposals.

E. COST COMPARISON

6.16 NJPA uses a variety of evaluation methodologies, including but not limited to a cost comparison of specific and deemed to be like equipment/products. NJPA reserves the right to use this process in the event the Proposal Evaluation Committee feels it is necessary to make a final determination.

6.17 This process will be based on a point system with points being awarded for being low to high Proposer for each cost evaluation item selected. A "Market Basket" of identical (or substantially similar) equipment/products and related services may be selected by the NJPA Evaluation Committee and the unit

cost will be used as a basis for determining the point value. The “Market Basket” will be selected by NJPA from all product categories as determined appropriate by NJPA.

F. MARKETING PLAN

6.18 A key element of an NJPA awarded a contract will be based on your marketing response to this solicitation. An awarded Vendor’s sales force will be the primary source of communication to the customers and NJPA members directly relating to the contract success. Success in marketing is dependent on delivery of messaging and communication relating to the contract value, knowledge of contract, proper use and the delivery of contracted equipment/products and related services to the end user. Much of the success and sales reward is a direct result of the commitment to the Contract by the vendor and sales teams. NJPA reserves the right to deem a proposer non-responsive or to not award based on an unacceptable or incomplete marketing plan

6.19 NJPA marketing expectations include:

6.19.1 Vendors ability to demonstrate the leveraging of a national sales force and/or dealer network. Vendors must demonstrate the ability to sell, service and deliver products and equipment through acceptable distribution channels to customers and NJPA members in all 50 states. Demonstrate fully the sales and service capabilities of your company through your response; outline Vendor’s national sales force network in terms of numbers and geographic location and method of distribution of the equipment/products and related services. Service may be independent of the equipment/product sales pricing but is encouraged to be a part of your response and contract.

6.19.2 Vendor is invited to demonstrate the ability to successfully market, promote and communicate the opportunity of an NJPA contract to current and potential members nationwide. NJPA desires a marketing plan that communicates the value of the contract to members.

6.19.3 Vendor is expected to be receptive to NJPA sales trainings. Vendor shall provide a venue for appropriate personnel from both management and the sales force who will be trained. NJPA commits to providing contract sales training and awareness regarding all aspects of communicating the value of the contract itself including: the authority of NJPA to offer the contract to its Members, value and utility the contract delivers to NJPA Members, scope of NJPA Membership, authority of NJPA Members to utilize NJPA procurement contracts, marketing and sales methods, and overall vertical strategies.

6.19.4 Vendor is expected to demonstrate the intent to a commit to full embracement of the NJPA contract. Identify the appropriate levels of sales management and sales force that will need to understand the value of and the internal procedures necessary, to deliver the NJPA contract solution and message to NJPA and NJPA Members. NJPA shall provide a general schedule and a variety of methods surrounding when and how those individuals will be trained.

6.19.5 Vendor will outline their proposed involvement in the promotion of a contract resulting from this RFP through applicable industry trade show exhibits and related customer meetings. Proposers are encouraged to consider participation with NJPA at NJPA embraced national trade shows.

6.19.6 Vendor must exhibit the willingness and ability to actively market and develop contract specific marketing materials including, but not limited to:

6.19.6.1 Complete Marketing Plan. Proposer shall submit a marketing plan outlining how the Vendor will launch the NJPA contract to current and potential NJPA Members. NJPA requires the Awarded Vendors to embrace and actively promote the Contract in cooperation with the NJPA.

6.19.6.2 Printed Marketing Materials. Proposer will initially produce and thereafter maintain full color print advertisements in camera ready electronic format including company logo and contact information to be used in the NJPA directory and other approved marketing publications.

6.19.6.3 Contract announcements and advertisements. Proposer will outline in the marketing plan their anticipated contract announcements, advertisements in industry periodicals and other direct or indirect marketing activities promoting the awarded NJPA contract.

6.19.6.4 Proposer's Website. Proposer will identify how an Awarded Contract will be displayed and linked on the Proposer's website. An on-line shopping experience for NJPA Members is desired when applicable.

6.19.7 An NJPA Vendor Contract Launch will be scheduled during a reasonable time frame after the award and held at the NJPA office in Staples, MN.

6.20 Proposer shall identify their commitment to develop a sales/communication process to facilitate NJPA membership and establish status of current and potential agencies/members. Proposer should further express their commitment to capturing sufficient member information as is deemed necessary by NJPA.

G. CERTIFICATE OF INSURANCE

6.21 Vendors shall provide evidence of liability insurance coverage identified below in the form of a Certificate of Insurance or an ACCORD binder form with their proposal. Upon Award issued pursuant to this contract and prior to the execution of any commerce relating to such award, Vendor will be responsible for providing verification, in the form of a Certificate of Insurance identifying the coverage required below and identifying NJPA as a "Certificate Holder." Vendor will be responsible to maintain such insurance coverage at their own expense throughout the term of any contract resulting from this solicitation.

6.22 Any exceptions and/or assumptions to the insurance requirements *must* be identified on *Attachment C*. Exceptions and/or assumptions will be taken into consideration as part of the evaluation process; however, vendors must be specific. If vendors do not specify any exceptions and/or assumptions at time of proposal submission, NJPA will not consider any additional exceptions and/or assumptions during negotiations. Upon contract award, the successful vendor *must* provide the Certificate of Insurance identifying the coverage as specified.

6.23 Insurance Liability Limits: The awarded vendor must maintain, for the duration of its contract, \$1.5 million in General Liability insurance coverage or General Liability insurance in conjunction with an Umbrella for a total combined coverage of \$1.5 million. Work on the contract shall not begin until after the awarded vendor has submitted acceptable evidence of the required insurance coverage. Failure to maintain any required insurance coverage or acceptable alternative method of insurance will be deemed a breach of contract.

6.23.1 Minimum Scope and Limits of Insurance: Vendor shall provide coverage with limits of liability not less than those stated below. An excess liability policy or umbrella liability policy may be used to meet the minimum liability requirements provided that the coverage is written on a "following form" basis.

6.23.1.1 Commercial General Liability – Occurrence Form

Policy shall include bodily injury, property damage and broad form contractual liability and XCU coverage.

6.23.1.2 Each Occurrence

\$1,500,000

6.24 Insurance Requirements: The limits listed herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. NJPA in no way warrants that the minimum limits contained herein are sufficient to protect the Vendor from liabilities that might arise out of the performance of the work under this Contract by the Vendor, his agents, representatives, employees or subcontractors and Vendor is free to purchase additional insurance as may be determined necessary.

6.25 Acceptability of Insurers: Insurance is to be placed with insurers duly licensed or authorized to do business in the State of Minnesota and with an “A.M. Best” rating of not less than A- VII. NJPA in no way warrants that the above required minimum insurer rating is sufficient to protect the Vendor from potential insurer solvency.

6.26 Subcontractors: Vendors’ certificate(s) shall include all subcontractors as additional insureds under its policies **or** Vendor shall furnish to NJPA separate certificates for each subcontractor. All coverage for subcontractors shall be subject to the minimum requirements identified above.

H. ORDER PROCESS AND/OR FUNDS FLOW

6.27 Please propose an order process and funds flow. The Business-to-Government order process and/or funds flow model involves NJPA Members issuing Purchase Orders directly to a Vendor and pursuant to a Contract resulting from this RFP. Administrative fees may also be used for purposes as allowed by Minnesota State Law and approved by the Board of Directors.

6.28 Additional Terms and Conditions can be added at the PO level if both Vendor and Member agree.

I. ADMINISTRATIVE FEES

6.29 Proposer agrees to authorize and/or allow for an administrative fee payable to NJPA by an Awarded Vendor in exchange for its facilitation and marketing of a Contract resulting from this RFP to current and potential NJPA Members. This Administration Fee shall be:

6.29.1 Calculated as a percentage of the dollar volume of all equipment/products and services provided to and purchased by NJPA Members or calculated as reasonable and acceptable method applicable to the contracted transaction; and

6.29.2 Included in, and not added to, the pricing included in Proposer’s Response to the RFP; and

6.29.3 Designed to offset the anticipated costs of NJPA’s involvement in contract management, facilitating marketing efforts, Vendor training, and any order processing tasks relating to the Contract resulting from this RFP. Administrative fees may also be used for other purposes as allowed by Minnesota law. Administrative fees may also be used for other purposes as allowed by Minnesota law.

6.29.4 Typical administrative fees for a B-TO-G order process and funds flow is 2.0%. NJPA does not mandate a specific fee percentage, we merely state that 2% is a typical fee across our contracts. The administrative fee percent varies among vendors, industries and responses.

6.29.5 NJPA awarded contract holder is responsible for the Administrative Fee and related reporting.

6.30 The opportunity to propose these factors and an appropriate administrative fee is available in the Proposer’s Questionnaire Form P.

J. VALUE ADDED

6.31 Examples of Value Added Attributes: Value-Added attributes, products and services are items offered in addition to the products and services being proposed which adds value to those items being

proposed. The availability of a contract for maintenance or service after the initial sale, installation, and set-up may, for instance, be “Value Added Services” for products where a typical buyer may not have the ability to perform these functions.

6.32 Where to document Value Added Attributes: The opportunity to indicate value added dimensions and such advancements will be available in the Proposer’s Questionnaire and Proposer’s product and service submittal.

6.33 Value added equipment/products and services and expanded services, as they relate to this RFP, will be given positive consideration in the award selection. Consideration will be given to an expanded selection of FACILITIES MAINTENANCE, REPAIR AND OPERATING SUPPLIES and advances to provide products/services, supplies meeting and/or exceeding today’s industry standards and expectations. A value add would include a program or service that further serves the members needs above and possibly beyond standard expectation and complements the equipment/products and services and training. Value added could include areas of product and service, sales, ordering, delivery, performance, maintenance, technology, and service that furthers the functionality and effectiveness of the procurement process while remaining within the scope of this RFP.

6.34 Minority, Small Business, and Women Business Enterprise (WMBE) participation: It is the policy of some NJPA Members to involve Minority, Small Business, and WMBE contractors in the process to purchase product/equipment and related services. Vendors should document WMBE status for their organization AND any such status of their affiliates (i.e. Supplier networks) involved in carrying out the activities invited. The ability of a Proposer to provide “Credits” to NJPA and NJPA Members in these subject areas, either individually or through related entities involved in the transaction, will be evaluated positively by NJPA and reflected in the “value added” area of the evaluation. NJPA is committed to facilitating the realization of such “Credits” through certain structuring techniques for transactions resulting from this RFP.

6.35 Environmentally Preferred Purchasing Opportunities: There is a growing trend among NJPA Members to consider the environmental impact of the equipment/products and related services they purchase. “Green” characteristics demonstrated by responding companies will be evaluated positively by NJPA and reflected in the “value added” area of the evaluation. Please identify any Green characteristics of the product/equipment and related services in your proposal and identify the sanctioning body determining that characteristic. Where appropriate, please indicate which products have been certified as “green” and by which certifying agency.

6.36 On-Line Requisitioning systems: When applicable, on-line requisitioning systems will be viewed as a value-added characteristic. Proposer shall include documentation about user interfaces that make on-line ordering easy for NJPA Members as well as the ability to punch-out from mainstream e-Procurement or Enterprise Resource Planning (ERP) systems that NJPA Members may currently utilize.

6.37 Financing: The ability of the Proposer to provide financing options for the products and services being proposed will be viewed as a Value Added Attribute.

6.38 Technology: Technological advances, increased efficiencies, expanded service and other related improvements beyond today’s NJPA member’s needs and applicable standards.

K. WAIVER OF FORMALITIES

6.39 NJPA reserves the right to waive any minor formalities or irregularities in any proposal and to accept proposals, which, in its discretion and according to the law, may be in the best interest of its members.

7 POST AWARD OPERATING ISSUES

A. SUBSEQUENT AGREEMENTS

7.1 Purchase Order. Purchase Orders for equipment/products and/or related services may be executed between NJPA or NJPA Members (Purchaser) and awarded Vendor(s) or Vendor's sub-contractors pursuant to this invitation and any resulting Contract. NJPA Members are instructed to identify on the face of such Purchase Orders that "This purchase order is issued pursuant to NJPA procurement contract #XXXXXX." A Purchase Order is an offer to purchase product/equipment and related services at specified prices by NJPA or NJPA Members pursuant to a Contract resulting from this RFP. Purchase Order flow and procedure will be developed jointly between NJPA and an Awarded Vendor after an award is made.

7.2 Governing Law. Purchase Orders shall be construed in accordance with, and governed by, the laws of a competent jurisdiction with respect to the purchaser. Each and every provision of law and clause required by law to be included in the Purchase Order shall be read and enforced as though it were included. If through mistake or otherwise any such provision is not included, or is not currently included, then upon application of either party the Contract shall be physically amended to make such inclusion or correction. The venue for any litigation arising out of disputes related to Purchase Order(s) shall be a court of competent jurisdiction to the Purchaser.

7.3 Additional Terms and Conditions. Additional terms and conditions to a Purchase Order may be proposed by NJPA, NJPA Members, or Vendors. Acceptance of these additional terms and conditions is OPTIONAL to all parties to the Purchase Order. The purpose of these additional terms and conditions is to formally introduce job or industry specific requirements of law such as prevailing wage legislation. Additional terms and conditions can include specific local policy requirements and standard business practices of the issuing Member. Said additional terms and conditions shall not interfere with the general purpose, intent or currently established terms and conditions contain in this RFP document.

7.4 Specialized Service Requirements. In the event service requirements or specialized performance requirements such as e-commerce specifications, specialized delivery requirements, or other specifications and requirements not addressed in the Contract resulting from this RFP, NJPA Member and Vendor may enter into a separate, standalone agreement, apart from a Contract resulting from this RFP. Any proposed service requirements or specialized performance requirements require pre-approval by Vendor. Any separate agreement developed to address these specialized service or performance requirements is exclusively between the NJPA Member and Vendor. NJPA, its agents, Members and employees shall not be made party to any claim for breach of such agreement. Product sourcing is not considered a service. NJPA Members will need to conduct procurements for any specialized services not identified as a part or within the scope of the awarded Contract.

7.5 Performance Bond. At the request of the member, a Vendor will provide all performance bonds typically and customarily required in their industry. These bonds will be issued pursuant to the requirements of Purchase Orders for product/equipment and related services. If a purchase order is cancelled for lack of a required performance bond by the member agency, it shall be the recommendation of NJPA that the current pending Purchase Order be canceled. Each member has the final decision on Purchase Order continuation. ANY PERFORMANCE BONDING REQUIRED BY THE MEMBER OR CUSTOMER STATE LAWS OR LOCAL POLICY IS TO BE MUTUALLY AGREED UPON AND SECURED BETWEEN THE VENDOR AND THE CUSTOMER/MEMBER.

B. NJPA MEMBER SIGN-UP PROCEDURE

7.6 Awarded Vendors will be responsible for familiarizing their sales and service forces with the various forms of NJPA Membership documentation and shall encourage and assist potential Members in establishing Membership with NJPA. NJPA membership is at no cost, obligation or liability to the Member or the Vendor.

C. REPORTING OF SALES ACTIVITY

7.7 A report of the total gross dollar volume of all equipment/products and related services purchased by NJPA Members as it applies to this RFP and Contract will be provided quarterly to NJPA. The form and content of this reporting will provided by NJPA to include, but not limited to, name and address of purchasing agency, member number, amount of purchase, and a description of the items purchased.

7.7.1 Zero sales reports: Awarded Vendors are responsible for providing a quarterly sales report of contract sales every quarter regardless of the existence or amount of sales.

D. AUDITS

7.8 No more than once per calendar year during the Contract term, Vendor may be required to make available to NJPA the invoice reports and/or invoice documents from Vendor pertaining to all invoices sent by Vendor and all payments made by NJPA members for all equipment/products and related services purchased under the awarded Contract. NJPA must provide written notice of exercise of this requirement with no less than fourteen (14) business days' notice. NJPA may employ an independent auditor or NJPA may choose to conduct such audit on its own behalf. Upon approval and after the auditor has executed an appropriate confidentiality agreement, Vendor will permit the auditor to review the relevant Vendor documents. NJPA shall be responsible for paying the auditor's fees. The parties will make every reasonable effort to fairly and equitably resolve discrepancies to the satisfaction of both parties. Vendor agrees that the NJPA may audit their records with a reasonable notice to establish total compliance and to verify prices charged under of the Contract are being met. Vendor agrees to provide verifiable documentation and tracking in a timely manner.

E. HUB PARTNER

7.9 Hub Partner: NJPA Members may request to be served through a "Hub Partner" for the purposes of complying with a Law, Regulation, or Rule to which that individual NJPA Member deems to be applicable in their jurisdiction. Hub Partners may bring value to the proposed transactions through consultancy, Disadvantaged Business Entity Credits or other considerations.

7.10 Hub Partner Fees: Fees, costs, or expenses from this Hub Partner levied upon a transaction resulting from this contract, shall be payable by the NJPA Member. The fees, costs, or expenses levied by the Hub Vendor must be clearly itemized in the transaction; and to the extent that the Vendor stands in the chain of title during a transaction resulting from this RFP, the documentation shall be documented to show it is "Executed for the Benefit of [NJPA Member Name]."

F. TRADE-INS

7.11 The value in US Dollars for Trade-ins will be negotiated between NJPA or an NJPA Member, and an Awarded Vendor. That identified "Trade-In" value shall be viewed as a down payment and credited in full against the NJPA purchase price identified in a purchase order issued pursuant to any Awarded NJPA procurement contract. The full value of the trade-in will be consideration.

G. OUT OF STOCK NOTIFICATION

7.12 Vendor shall immediately notify NJPA members upon receipt of order(s) when an out-of-stock occurs. Vendor shall inform the NJPA member regarding the anticipated date of availability for the out-of-stock item(s), and may suggest equivalent substitute(s). The ordering organization shall have the option of accepting the suggested equivalent substitute, or canceling the item from the order. Under no circumstance is Proposer permitted to make unauthorized substitutions. Unfilled or substituted item(s) shall be indicated on the packing list.

H. TERMINATION OF CONTRACT RESULTING FROM THIS RFP

7.13 NJPA reserves the right to cancel the whole or any part of a resulting Contract due to failure by the Vendor to carry out any obligation, term or condition as described in the below procedure. Prior to any termination for cause, the NJPA will provide written notice to the Vendor, opportunity to respond and opportunity to cure. Some examples of material breach include, but are not limited to:

- 7.13.1** The Vendor provides products/equipment or related services that does not meet reasonable quality standards and is not remedied under the warranty;
- 7.13.2** The Vendor fails to ship the products/equipment or related services or provide the delivery and services within a reasonable amount of time;
- 7.13.3** NJPA has reason to believe the Vendor will not or cannot perform to the requirements or expectations of the Contract and issues a request for assurance and Vendor fails to respond;
- 7.13.4** The Vendor fails to observe any of the material terms and conditions of the Contract;
- 7.13.5** The Vendor fails to follow the established procedure for purchase orders, invoices and/or receipt of funds as established by the NJPA and the Vendor in the Contract.
- 7.13.6** The Vendor fails to report quarterly sales;
- 7.13.7** The Vendor fails to actively market this Contract within the guidelines provided in this RFP and the expectations of NJPA defined in the NJPA Contract Launch.
- 7.13.8** In the event the contract has no measurable and defining value or benefit to NJPA or the NJPA member.

7.14 Upon receipt of the written notice of concern, the Vendor shall have ten (10) business days to provide a satisfactory response to the NJPA. Failure on the part of the Vendor to reasonably address all issues of concern may result in Contract cancellation pursuant to this Section. If the issue is not resolved within sixty (60) days, contract will be terminated.

7.15 Any termination shall have no effect on purchases that are in progress at the time the cancellation is received by the NJPA. The NJPA reserves the right to cancel the Contract immediately for convenience, without penalty or recourse, in the event the Vendor is not responsive concerning the remedy, the performance, or the violation issue within the time frame, completely or in part.

7.16 NJPA reserves the right to cancel or suspend the use of any Contract resulting from this RFP if the Vendor files for bankruptcy protection or is acquired by an independent third party. Awarded Vendor will be responsible for disclosing to NJPA any litigation, bankruptcy or suspensions/disbarments that occur during the contract period. Failure to disclose may result in an immediate termination of the contract.

7.17 NJPA may execute Contract termination without cause with a required 60-day written notice of termination. Termination of Contract shall not relieve either party of financial, product or service obligations incurred or accrued prior to termination.

7.18 NJPA may cancel any Contract resulting from this solicitation without any further obligation if any NJPA employee significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the NJPA is found to be in collusion with any Proposer to this RFP for their personal gain. Such cancellation shall be effective upon written notice from the NJPA or a later date if so designated in the notice given. A terminated Contract shall not relieve either party of financial, product or service obligations due to participating member or NJPA.

7.19 Events of Automatic termination to include, but not limited to:

7.19.1 Vendor's failure to remedy a material breach of a Contract resulting from this RFP within sixty (60) days of receipt of notice from NJPA specifying in reasonable detail the nature of such breach; and/or,

7.19.2 Receipt of written information from any authorized agency finding activities of Vendors engaged in pursuant to a Contract resulting from this RFP to be in violation of the law.

8 GENERAL TERMS AND CONDITIONS

A. ADVERTISING A CONTRACT RESULTING FROM THIS RFP

8.1 Proposer/Vendor shall not advertise or publish information concerning this Contract prior to the award being announced by the NJPA. Once the award is made, a Vendor is expected to advertise the awarded Contract to both current and potential NJPA Members.

B. APPLICABLE LAW

8.2 NJPA's interest in a contract resulting from this RFP: Notwithstanding its own use, to the extent NJPA issues this RFP and any resulting contract for the use of its Members, NJPA's interests and liability for said use shall be limited to the competitive proposal process performed and terms and conditions relating to said contract and shall not extend to the products, services, or warranties of the Awarded Vendor or the intended or unintended effects of the product/equipment and services procured there from.

8.3 NJPA Compliance with Minnesota Procurement Law: NJPA will exhaust all avenues to comply with each unique state law or requirement whenever possible. It is the responsibility of each participating NJPA member to ensure to their satisfaction that NJPA contracting process falls within these laws and applicable laws are satisfied. An individual NJPA member using these contracts is deemed by their own accord to be in compliance with their own requirements and procurement regulations.

8.4 Governing Law with respect to delivery and acceptance: All applicable portions of the Minnesota Uniform Commercial Code, all other applicable Minnesota laws, and the applicable laws and rules of delivery and inspection of the Federal Acquisition Regulations (FAR) laws shall govern NJPA contracts resulting from this solicitation.

8.5 Jurisdiction: Any claims pertaining to this RFP and any resulting Contract that develop between NJPA and any other party must be brought forth only in courts in Todd County in the State of Minnesota unless otherwise agreed to.

8.5.1 Purchase Orders issued pursuant to a contract resulting from this solicitation shall be construed in accordance with, and governed by, the laws of a competent jurisdiction with respect to the purchaser.

8.6 Vendor Compliance with applicable law: Vendor(s) shall comply with all federal, state, or local laws applicable to or pertaining to the transaction, acquisition, manufacturer, suppliers or the sale of the equipment/products and relating services resulting from this RFP.

8.7 Other Laws, whether or not herein contained, shall be included by this reference. It shall be Proposer's/Vendor's responsibility to determine the applicability and requirements of any such laws and to abide by them.

8.8 Indemnity: Each party agrees it will be responsible for its own acts and the result thereof to the extent authorized by law and shall not be responsible for the acts of the other party and the results thereof. NJPA's

liability shall be governed by the provisions of the Minnesota Tort Claims Act, Minnesota Statutes, Section §3.736, and other applicable law.

8.9 Prevailing Wage: It shall be the responsibility of the Vendor to comply, when applicable, with prevailing wage legislation in effect in the jurisdiction of the purchaser (NJPA or NJPA Member). It shall be the responsibility of the Vendor to monitor the prevailing wage rates as established by the appropriate department of labor for any increase in rates during the term of this Contract and adjust wage rates accordingly.

8.10 Patent and Copyright Infringement: If an article sold and delivered to NJPA or NJPA Members hereunder shall be protected by any applicable patent or copyright, the Vendor agrees to indemnify and hold harmless NJPA and NJPA Members against any and all suits, claims, judgments, and costs instituted or recovered against it by any person on account of the use or sale of such articles by NJPA or NJPA Members in violation or right under such patent or copyright.

C. ASSIGNMENT OF CONTRACT

8.11 No right or interest in this Contract shall be assigned or transferred by the Vendor without prior written permission by the NJPA. No delegation of any duty of the Vendor shall be made without prior written permission of the NJPA. NJPA shall notify members by posting approved assignments on the NJPA website (www.njpacoop.org) within 15 days of NJPA's approval.

8.12 If the original Vendor sells or transfers all assets or the entire portion of the assets used to perform this Contract, a successor in interest must guarantee to perform all obligations under this Contract. NJPA reserves the right to reject the acquiring person or entity as a Vendor. A change of name agreement will not change the contractual obligations of the Vendor.

D. LIST OF PROPOSERS

8.13 NJPA will not maintain or communicate to a list of proposers. All interested proposers must respond to the solicitation as a result of NJPA solicitation advertisements indicated. Because of the wide scope of the potential Members and qualified national Vendors, NJPA has determined this to be the best method of fairly soliciting proposals.

E. CAPTIONS, HEADINGS, AND ILLUSTRATIONS

8.14 The captions, illustrations, headings, and subheadings in this solicitation are for convenience and ease of understanding and in no way define or limit the scope or intent of this request.

F. DATA PRACTICES

8.15 All materials submitted in response to this RFP will become property of the NJPA and will become public record in accordance with Minnesota Statutes, section 13.591, after the evaluation process is completed. If the Responder submits information in response to this RFP that it believes to be nonpublic information, as defined by the Minnesota Government Data Practices Act, Minnesota Statute § 13.37, the Responder must:

8.15.1 make the request within thirty days of award/non-award, and include the appropriate statutory justification. Pricing is generally not redactable. The NJPA Legal Department shall review the statement to determine whether the information shall be withheld. If the NJPA determines to disclose the information, the Bids & Contracts department of the NJPA shall inform the Proposer, in writing, of such determination; and

8.15.2 defend any action seeking release of the materials it believes to be nonpublic information, and indemnify and hold harmless the NJPA, its agents and employees, from any judgments or damages awarded against the NJPA in favor of the party requesting the materials, and any and all costs connected with that defense.

8.16 This indemnification survives the NJPA's award of a contract. In submitting a response to this RFP, the Responder agrees that this indemnification survives as long as the confidential information is in possession of the NJPA. When the situation warrants, Proposer may be able redact additional nonpublic information after the evaluation process if legal justification is provided and accepted by NJPA.

G. ENTIRE AGREEMENT

8.17 The Contract, as defined herein, shall constitute the entire understanding between the parties to that Contract. A Contract resulting from this RFP is formed when the NJPA Board of Directors approves and signs the applicable Contract Award & Acceptance document (Form E).

H. FORCE MAJEURE

8.18 Except for payments of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented due to force majeure. The term "force majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence including, but not limited to, the following: acts of God, acts of the public enemy, war, riots, strikes, mobilization, labor disputes, civil disorders, fire, flood, snow, earthquakes, tornadoes or violent wind, tsunamis, wind shears, squalls, Chinooks, blizzards, hail storms, volcanic eruptions, meteor strikes, famine, sink holes, avalanches, lockouts, injunctions-intervention-acts, terrorist events or failures or refusals to act by government authority and/or other similar occurrences where such party is unable to prevent by exercising reasonable diligence. The force majeure shall be deemed to commence when the party declaring force majeure notifies the other party of the existence of the force majeure and shall be deemed to continue as long as the results or effects of the force majeure prevent the party from resuming performance in accordance with a Contract resulting from this RFP. Force majeure shall not include late deliveries of equipment/products and services caused by congestion at a manufacturer's plant or elsewhere, an oversold condition of the market, inefficiencies, or other similar occurrences. If either party is delayed at any time by force majeure, then the delayed party shall notify the other party of such delay within forty-eight (48) hours.

I. GRATUITIES

8.19 NJPA may cancel an awarded Contract by written notice if it is found that gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the Vendor or any agent or representative of the Vendor, to any employee of the NJPA.

J. HAZARDOUS SUBSTANCES

8.20 Proper and applicable Material Safety Data Sheets (MSDS) that are in full compliance with OSHA's Hazard Communication Standard must be provided by the Vendor to NJPA or NJPA Member at the time of purchase.

K. LICENSES

8.21 Proposer shall maintain a current status on all required federal, state, and local licenses, bonds and permits required for the operation of the business that is anticipated to be conducted with NJPA and NJPA members by the Proposer.

8.22 All responding Proposers must be licensed (where required) and have the authority to sell and distribute offered equipment/products and related services to NJPA and NJPA Members nationally. Documentation of required said licenses and authorities, if applicable, is requested to be included in the proposer's response.

L. MATERIAL SUPPLIERS AND SUB-CONTRACTORS

8.23 The awarded Vendor shall be required to supply the names and addresses of sourcing suppliers and sub-contractors as a part of the purchase order when requested by NJPA or the NJPA member.

M. NON-WAIVER OF RIGHTS

8.24 No failure of either party to exercise any power given to it hereunder, nor to insistence upon strict compliance by the other party with its obligations hereunder, and no custom or practice of the parties at variance with the terms hereof, nor any payment under a Contract resulting from this RFP shall constitute a waiver of either party's right to demand exact compliance with the terms hereof. Failure by NJPA to take action or assert any right hereunder shall not be deemed as waiver of such right.

N. PROTESTS OF AWARDS MADE

8.25 Protests shall be filed with the NJPA's Executive Director and shall be resolved in accordance with appropriate Minnesota state statutes. Protests will only be accepted from Proposers. A protest must be in writing and filed with NJPA. A protest of an award or proposed award must be filed within ten (10) calendar days after the public notice or announcement of the award. A protest must include:

8.25.1 The name, address and telephone number of the protester;

8.25.2 The original signature of the protester or its representative (you must document the authority of the Representative);

8.25.3 Identification of the solicitation by RFP number;

8.25.4 Identification of the statute or procedure that is alleged to have been violated;

8.25.5 A precise statement of the relevant facts;

8.25.6 Identification of the issues to be resolved;

8.25.7 The aggrieved party's argument and supporting documentation;

8.25.8 The aggrieved party's statement of potential financial damages; and

8.25.9 A protest bond in the name of NJPA and in the amount of 10% of the aggrieved party's statement of potential financial damages.

O. SUSPENSION OR DISBARMENT STATUS

8.26 If within the past five (5) years, any firm, business, person or Proposer responding to NJPA solicitation and submitting a proposal has been lawfully terminated, suspended or precluded from participating in any public procurement activity with a federal, state or local government or education agency the Proposer must include a letter with its response setting forth the name and address of the public procurement unit, the effective date of the suspension or debarment, the duration of the suspension or debarment and the relevant circumstances relating to the suspension or debarment. Any failure to supply such a letter or to disclose

pertinent information may result in the cancellation of any Contract. By signing the proposal affidavit, the Proposer certifies that no current suspension or debarment exists.

P. AFFIRMATIVE ACTION AND IMMIGRATION STATUS CERTIFICATION

8.27 An Affirmative Action Plan, Certificate of Affirmative Action or other documentation regarding Affirmative Action may be required by NJPA or NJPA Members relating to a transaction from this RFP. Vendors shall comply with any such requirements or requests.

8.28 Immigration Status Certification may be required by NJPA or NJPA Members relating to a transaction from this RFP. Vendors shall comply with any such requirements or requests.

Q. SEVERABILITY

8.29 In the event that any of the terms of a Contract resulting from this RFP are in conflict with any rule, law, statutory provision or are otherwise unenforceable under the laws or regulations of any government or subdivision thereof, such terms shall be deemed stricken from an awarded Contract resulting from this RFP, but such invalidity or unenforceability shall not invalidate any of the other terms of an awarded Contract resulting from this RFP.

R. RELATIONSHIP OF PARTIES

8.30 No Contract resulting from this RFP shall be considered a contract of employment. The relationship between NJPA and an Awarded Contractor is one of independent contractors each free to exercise judgment and discretion with regard to the conduct of their respective businesses. The parties do not intend the proposed Contract to create, or is to be construed as creating a partnership, joint venture, master-servant, principal-agent, or any other relationship. Except as provided elsewhere in this RFP, neither party may be held liable for acts of omission or commission of the other party and neither party is authorized or has the power to obligate the other party by contract, agreement, warranty, representation or otherwise in any manner whatsoever except as may be expressly provided herein.

9 FORMS

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PROPOSER QUESTIONNAIRE- General Business Information
(Products, Pricing, Sector Specific, Services, Terms and Warranty are addressed on **Form P**)

Proposer Name: _____ Questionnaire completed by: _____

Please identify the person NJPA should correspond with from now through the Award process:

Name: _____ E-Mail address: _____

Provide an answer to all questions directly below each question (do not leave blank, mark NA if not applicable) and address all requests made in this RFP. Please supply any applicable supporting information and documentation you feel appropriate in addition to answers entered to the Word document. All information must be typed, organized, and easily understood by evaluators. ***Please use the Microsoft Word document version of this questionnaire to respond to the questions contained herein.***

Company Information & Financial Strength

- 1) Why did you respond to this RFP?
- 2) What are your company's expectations in the event of an award?
- 3) Provide the full legal name, address, tax identifications number, and telephone number for your business.
- 4) Demonstrate your financial strength and stability.
- 5) Are you now, or have you ever been the subject of a bankruptcy action? Please explain.
- 6) Provide a brief history of your company that includes your company's core values and business philosophy.
- 7) How long has your company been in the FACILITIES MAINTENANCE, REPAIR AND OPERATING SUPPLIES industry?
- 8) Is your organization best described as a manufacturer or a distributor/dealer/re-seller for a manufacturer of the products/equipment and related services being proposed?
 - a) If the Proposer is best described as a re-seller, manufacturer aggregate, or distributor, please provide evidence of your authorization as a dealer/re-seller/manufacturer aggregate for the manufacturer of the products/equipment and related services you are proposing.
 - b) If the Proposer is best described as a manufacturer, please describe your relationship with your sales/service force and/or Dealer Network in delivering the products/equipment and related services proposed.
 - c) Are these individuals your employees, or the employees of a third party?
 - d) If applicable, is the Dealer Network independent or company owned?
- 9) Please provide your bond rating, and/or a credit reference from your bank.
- 10) Provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held by your organization in pursuit of the commerce and business contemplated by this RFP.
- 11) Provide a detailed explanation outlining licenses and certifications both required to be held, and actually held, by third parties and sub-contractors to your organization in pursuit of the commerce contemplated by this RFP. If not applicable, please respond with "Not Applicable."
- 12) Provide all "Suspension or Disbarment" information as defined and required herein.
- 13) In addition to the \$1.5 million in General Liability and/or in conjunction with umbrella insurance coverage, what level of automobile and workers compensation insurance does your organization currently have? If none, please explain.
- 14) Within the RFP category there is potential to be several different sub-categories of solutions; list sub category title/s that best describe your equipment/products, services and supplies.

Industry Requirements & Marketplace Success

- 15) List and document recent industry awards and recognition.
- 16) Supply three references/testimonials from customers of like status to NJPA Members to include Government and Education agencies. Please include the customer's name, contact, and phone number.

- 17) Provide a list of your top 5 Government and/or Education customers (entity name is optional) including: entity type, the state the entity is located in, scope of the project/s, size of transaction/s and dollar volumes from the past 3 fiscal years.
- 18) What percentages of your current (within the past three (3) fiscal years) national sales are to the government and education verticals? Indicate government and education verticals individually.

Proposer's Ability to Sell and Deliver Service Nationwide

- 19) Please describe your company sales force in terms of numbers, geographic dispersion, and the proportion of their attention focused on the sale and services of the equipment/products contemplated in this RFP?
- 20) Please describe your dedicated dealer network and number of individual sales force within your dealer network in terms of numbers, geographic dispersion, and the proportion of their attention focused on the sales distribution and delivery of your equipment/products and related services contemplated in this RFP?
- 21) Please describe your dedicated company service force or dedicated network in terms of numbers, geographic dispersion, and the proportion of their attention focused on the sale of the equipment/products and related services contemplated in this RFP?
- 22) Please describe your dedicated dealer service force or network in terms of numbers geographic dispersion, and the proportion of their attention focused on the sale of the equipment/products and related services contemplated in this RFP? Additionally, please describe any applicable road service and do they offer the ability to service customers at the customer's location?
- 23) Describe in detail your customer service program regarding process and procedure. Please include, where appropriate, response time capabilities and commitments as a part of this RFP response and awarded contract.
- 24) Identify any geographic areas or NJPA market segments of the United States you will NOT be fully serving through the proposed contract.
- 25) Identify any of NJPA Member segments or defined NJPA verticals you will NOT be offering and promoting an awarded contract to? (Government, Education, Non-profit)
- 26) Define any specific requirements or restrictions as it applies to our members located off shores such as Hawaii and Alaska and the US Islands. Address your off shore shipping program on the Pricing form P of this document.

Marketing Plan

- 27) Describe your contract sales training program to your sales management, dealer network and/or direct sales teams relating to a NJPA awarded contract.
- 28) Describe how you would market/promote an NJPA Contract nationally to ensure success.
- 29) Describe your marketing material, and overall marketing ability, relating to promoting this type of partnership and contract opportunity. Please send a few representative samples of your marketing materials in electronic format.
- 30) Describe your use of technology and the internet to provide marketing and ensure national contract awareness.
- 31) Describe your perception of NJPA's role in marketing the contract and your contracted products/equipment and related services.
- 32) Describe in detail any unique marketing techniques and methods as a part of your proposal that would separate you from other companies in your industry.
- 33) Describe your company's Senior Management level commitment with regards to embracement, promoting, supporting and managing a resultant NJPA awarded contract
- 34) Do you view your products/equipment applicable to an E-procurement ordering process?
____ Yes ____ No
 - a) If yes, describe examples of E-procurement system/s or electronic marketplace solutions that your products/equipment was available through. Demonstrate the success of government and educations customers to ordering through E-procurement.
- 35) Please describe how you will communicate your NJPA pricing and pricing strategy to your sales force nationally?

Other Cooperative Procurement Contracts

- 36) Describe your level of experience with national, state and local cooperative contracts.
- 37) What is the annual dollar sales volume generated through each of the contract(s) identified in your answer to the previous question.
- 38) Identify any GSA Contracts held or utilized by the Proposer.

- 39) What is the annual combined dollar sales volume for each of these contracts?
- 40) If you are awarded the NJPA contract, are there any market segments or verticals (e.g., higher education, K-12 local governments, non-profits etc.) or geographical markets where the NJPA contract will not be your primary contract purchasing vehicle? If so, please identify those markets and which cooperative purchasing agreement will be your primary vehicle.
- 41) How would you leverage an NJPA awarded contract in your sales process?
- 42) Identify a proposed administrative fee payable to NJPA for facilitation, management and promotion of the NJPA contract, should you be awarded. This fee is typically calculated as a percentage of Contract sales and not a line item addition to the customers cost of goods.

Value Added

- 43) If applicable, describe any product/equipment training programs available as options for NJPA members. If applicable, do you offer equipment operator training as well as maintenance training? ____ Yes ____ No
- 44) Is this training standard as a part of a purchase or optional?
- 45) Describe current technological advances your proposed equipment/products and related services offer.
- 46) Describe your "Green" program as it relates to your company, your products/equipment, and your recycling program, including a list of all green products accompanied by the certifying agency for each (if applicable).
- 47) Describe any Women or Minority Business Entity (WMBE) or Small Business Entity (SBE) accreditations and the general minority and small business program of your organization as it relates to a Contract resulting from this RFP.
- 48) Identify any other unique or custom value added attributes of your company or your products/equipment or related services. What makes your proposed solutions unique in your industry as it applies to NJPA members?
- 49) Other than what you have already demonstrated or described, what separates your company, your products/equipment and related services from your competition?
- 50) Identify and describe any service contract options included in the proposal, or offered as a proposed option, for the products/equipment being offered.
- 51) Identify your ability and willingness to offer an awarded contract to qualifying member agencies in Canada specifically and internationally in general.
- 52) Describe any unique distribution and/or delivery methods or options offered in your proposal.

NOTE: Questions regarding Payment Terms, Warranty, Products/Equipment/Services, Pricing and Delivery, and Industry Specific Items are addressed on Form P.

Signature: _____ Date: _____

**PROPOSER INFORMATION**

Company Name: _____

Address: _____

City/State/Zip: _____

Phone: _____ Fax: _____

Toll Free Number: _____ E-mail: _____

Web site: _____

Voids sometimes exist between management (those who respond to RFPs) and sales staff (those who contact NJPA Members) that result in communication problems. Due to this fact, provide the names of your key sales people, phone numbers, and geographic territories for which they are responsible

COMPANY PERSONNEL CONTACTS**Authorized Signer for your organization*:**

Name: _____

Email: _____ Phone: _____

* By executing Form F, the "Proposer's Assurance of Compliance," you are certifying this person identified here has their authorization to sign on behalf of your organization:

Author of your proposal response

Name: _____ Title: _____

Email: _____ Phone: _____

Your Primary Contact person regarding your proposal:

Name: _____ Title: _____

Email: _____ Phone: _____

Other important contact information:

Name: _____ Title: _____

Email: _____ Phone: _____

Name: _____ Title: _____

Email: _____ Phone: _____

Form C**EXCEPTIONS TO PROPOSAL, TERMS, CONDITIONS
AND SOLUTIONS REQUEST**

Company Name: _____

Note: **Original must be signed** and inserted in the inside front cover pouch.

Any exceptions to the Terms, Conditions, Specifications, or Proposal Forms contained herein shall be noted in writing and included with the proposal submittal. Proposer acknowledges that the exceptions listed may or may not be accepted by NJPA and may or may not be included in the final contract. NJPA may clarify exceptions listed here and document the results of those clarifications in the appropriate section below.

Section/page	Term, Condition, or Specification	Exception	NJPA ACCEPTS

Proposer's Signature: _____ Date: _____

NJPA's clarification on exception/s listed above:

**Contract Award
RFP 091214**

FORM D



Formal Offering of Proposal
(To be completed Only by Proposer)

FACILITIES MAINTENANCE, REPAIR AND OPERATING SUPPLIES

In compliance with the Request for Proposal (RFP) for FACILITIES MAINTENANCE, REPAIR AND OPERATING SUPPLIES the undersigned warrants that I/we have examined this RFP and, being familiar with all of the instructions, terms and conditions, general specifications, expectations, technical specifications, service expectations and any special terms, do hereby propose, fully commit and agree to furnish the defined equipment/products and related services in full compliance with all terms, conditions of this RFP, any applicable amendments of this RFP, and all Proposer's Response documentation. Proposer further understands they accept the full responsibility as the sole source of responsibility of the proposed response herein and that the performance of any sub-contractors employed by the Proposer in fulfillment of this proposal is the sole responsibility of the Proposer.

Company Name: _____ Date: _____

Company Address: _____

City: _____ State: _____ Zip: _____

Contact Person: _____ Title: _____

Authorized Signature (ink only): _____
(Name printed or typed)



Contract Acceptance and Award

(To be completed only by NJPA)

NJPA 091214 # _____

Proposer's full legal name

Your proposal is hereby accepted and awarded. As an awarded Proposer, you are now bound to provide the defined product/equipment and services contained in your proposal offering according to all terms, conditions, and pricing set forth in this RFP, any amendments to this RFP, your Response, and any exceptions accepted or rejected by NJPA on Form C.

The effective start date of the Contract will be _____, 20_____ and continue for four years from the board award date. This contract has the consideration of a fifth year renewal option at the discretion of NJPA.

National Joint Powers Alliance® (NJPA)

NJPA Authorized signature: _____
NJPA Executive Director (Name printed or typed)

Awarded this _____ day of _____, 20_____ **NJPA Contract Number 091214**

NJPA Authorized signature: _____
NJPA Board Member (Name printed or typed)

Executed this _____ day of _____, 20_____ **NJPA Contract Number 091214**

Proposer hereby accepts contract award including all accepted exceptions and NJPA clarifications identified on FORM C.

Vendor Name _____

Vendor Authorized signature: _____
(Name printed or typed)

Title: _____

Executed this _____ day of _____, 20_____ **NJPA Contract Number 091214**

PROPOSER ASSURANCE OF COMPLIANCE



Proposal Affidavit Signature Page

PROPOSER'S AFFIDAVIT

The undersigned, representing the persons, firms and corporations joining in the submission of the foregoing proposal (such persons, firms and corporations hereinafter being referred to as the "Proposer"), being duly sworn on his/her oath, states to the best of his/her belief and knowledge:

1. The undersigned certifies the Proposer is submitting their proposal under their true and correct name, the Proposer has been properly originated and legally exists in good standing in its state of residence, that the Proposer possesses, or will possess prior to the delivery of any equipment/products and related services, all applicable licenses necessary for such delivery to NJPA members agencies nationally, and that they are authorized to act on behalf of, and encumber the "Proposer" in this Contract; and
2. To the best of my knowledge, no Proposer or Potential Proposer, nor any person duly representing the same, has directly or indirectly entered into any agreement or arrangement with any other Proposers, Potential Proposers, any official or employee of the NJPA, or any person, firm or corporation under contract with the NJPA in an effort to influence either the offering or non-offering of certain prices, terms, and conditions relating to this RFP which tends to, or does, lessen or destroy free competition of the Contract sought for by this RFP; and
3. The Proposer or any person on his/her behalf, has not agreed, connived or colluded to produce a deceptive show of competition in the manner of the proposal or award of the referenced contract; and
4. Neither the Proposer nor any officer, director, partner, member or associate of the Proposer, nor any of its employees directly involved in obtaining contracts with the NJPA or any subdivision of the NJPA, has been convicted of false pretenses, attempted false pretenses or conspiracy to commit false pretenses, bribery, attempted bribery or conspiracy to bribe under the laws of any state or federal government for acts or omissions after January 1, 1985; and
5. The Proposer has examined and understands the terms, conditions, scope, contract opportunity, specifications request and other documents of this solicitation and that any and all exceptions have been noted in writing and have been included with the proposal submittal; and
6. If awarded a contract, the Proposer will provide the equipment/products and/or services to qualifying members of the NJPA in accordance with the terms, conditions, scope of this RFP, Proposer offered specifications and other documents of this solicitation; and
7. The undersigned, being familiar with and understand the expectations requested and outlined in this RFP under consideration, hereby proposes to deliver through valid requests, Purchase Orders or other acceptable forms ordering and procurement by NJPA Members. Unless otherwise indicated, requested and agreed to on a valid purchase order per this RFP, only new, unused and first quality equipment/products and related services are to be transacted with NJPA Members relating to an awarded contract; and
8. The Proposer has carefully checked the accuracy of all proposed products/equipment and related services and listed total price per unit of purchase in this proposal to include shipping and delivery considerations. In addition, the Proposer accepts all general terms and conditions of this RFP, including all responsibilities of commitment as outlined and proposed; and

9. In submitting this proposal, it is understood that the right is reserved by the NJPA to reject any or all proposals and it is agreed by all parties that this proposal may not be withdrawn during a period of 90 days from the date proposals were opened regarding this RFP; and
10. The Proposer certifies that in performing this Contract they will comply with all applicable provisions of the federal, state, and local laws, regulations, rules, and orders; and
11. The Proposer understands that submitted proposals which are marked “confidential” in their entirety, or those in which a significant portion of the submitted proposal is marked “nonpublic” **will not** be accepted by NJPA. Pursuant to Minnesota Statute §13.37 only specific parts of the proposal may be labeled a “trade secret.” All proposals are nonpublic until the contract is awarded; at which time, both successful and unsuccessful vendors’ proposals become public information.
12. The Proposer understands and agrees that NJPA will not be responsible for any information contained within the proposal.
13. By signing below, the Proposer understands it is his or her responsibility as the Vendor to act in protection of labeled information and agree to defend and indemnify NJPA for honoring such designation. Proposer duly realizes failure to so act will constitute a complete waiver and all submitted information will become public information; additionally failure to label any information that is released by NJPA shall constitute a complete waiver of any and all claims for damages caused by the release of the information.

[The rest of this page has been left intentionally blank. Signature page below]

By signing below, Proposer is acknowledging that he or she has read, understands and agrees to comply with the terms and conditions specified above.

Company Name: _____

Contact Person for Questions: _____

(Must be individual who is responsible for filling out this Proposer's Response form)

Address: _____

City/State/Zip: _____

Telephone Number: _____ Fax Number: _____

E-mail Address: _____

Authorized Signature: _____

Authorized Name (typed): _____

Title: _____

Date: _____

Notarized

Subscribed and sworn to before me this _____ day of _____, 20_____

Notary Public in and for the County of _____ State of _____

My commission expires: _____

Signature: _____



OVERALL EVALUATION AND CRITERIA

For the Proposed Subject FACILITIES MAINTENANCE, REPAIR AND OPERATING SUPPLIES

Conformance to Terms & Conditions	50	
Financial, Industry Requirements & Marketplace Success	75	
Proposer's Ability to Sell and Deliver Service Nationwide	100	
Proposer's Marketing Plan	50	
Value Added Attributes	75	
Warranty	50	
Equipment/Products and Related Services	200	
Pricing	400	
TOTAL POINTS	1000	

Reviewed by: _____ Its _____

_____ Its _____

Form P



PROPOSER QUESTIONNAIRE

Payment Terms, Warranty, Products/Equipment/Services, Pricing and Delivery, Industry Specific

Proposer Name: _____

Questionnaire completed by: _____

Payment Terms and Financing Options

- 1) Identify your payment terms if applicable. (Net 30, etc.)
- 2) Identify any applicable leasing or other financing options as defined herein.
- 3) Briefly describe your proposed order process for this proposal and contract award. (Note: order process may be modified or refined during an NJPA member's final Contract phase process).
 - a. Please specify if you will be including your dealer network in this proposal. If so, please specify how involved they will be. (For example, will the Dealer accept the P.O.?), and how are we to verify the specific dealer is part of your network?
- 4) Do you accept the P-card procurement and payment process?

Warranty

- 5) Describe, in detail, your Manufacture Warranty Program including conditions and requirements to qualify, claims procedure, and overall structure.
- 6) Do all warranties cover all products/equipment parts and labor?
- 7) Do warranties impose usage limit restrictions?
- 8) Do warranties cover the expense of technicians travel time and mileage to perform warranty repairs?
- 9) Please list any other limitations or circumstances that would not be covered under your warranty.
- 10) Please list any geographic regions of the United States for which you cannot provide a certified technician to perform warranty repairs. How will NJPA Members in these regions be provided service for warranty repair?

Equipment/Product/Services, Pricing, and Delivery

- 11) Provide a general narrative description of the equipment/products and related services you are offering in your proposal.
- 12) Provide a general narrative description of your pricing model identifying how the model works (line item and/or published catalog percentage discount).
- 13) Please quantify the discount range presented in this response pricing as a percentage discount from MSRP/published list.
- 14) Provide an overall proposed statement of method of pricing for individual line items, percentage discount off published product/equipment catalogs and/or category pricing percentage discount with regard to all equipment/products and related services and being proposed. Provide a SKU number for each item being proposed.
- 15) Propose a strategy, process, and specific method of facilitating "Sourced Equipment/Products and/or related Services" (AKA, "Open Market" items or "Non-Standard Options").
- 16) Describe your NJPA customer volume rebate programs, as applicable.
- 17) Identify any Total Cost of Acquisition (as defined herein) cost(s) which is **NOT** included "Pricing" submitted with your proposal response. Identify to whom these charges are payable to and their relationship to Proposer.
- 18) If freight, delivery or shipping is an additional cost to the NJPA member, describe in detail the complete shipping and delivery program.

19) As an important part of the evaluation of your offer, indicate the level of pricing you are offering.

Prices offered in this proposal are:

- _____ a. Pricing is the same as typically offered to an individual municipality, Higher Ed or school district.
- _____ b. Pricing is the same as typically offered to GPOs, cooperative procurement organizations or state purchasing departments.
- _____ c. Better than typically offered to GPOs, cooperative procurement organizations or state purchasing departments.
- _____ d. Other; please describe.

20) Do you offer quantity or volume discounts?

_____ YES _____ NO Outline guidelines and program.

21) Describe in detail your proposed exchange and return program(s) and policy(s).

22) Specifically identify those shipping and delivery and exchange and returns programs as they relate to Alaska and Hawaii and any related off shore delivery of contracted products/ equipment and related services

23) Please describe any self-audit process/program you plan to employ to verify compliance with your anticipated contract with NJPA. Please be as specific as possible.

Industry Specific Items

n/a

Signature: _____ Date: _____



10 PRE-SUBMISSION CHECKLIST

Check when Completed	Contents of Your Bid Proposal	Hard Copy Required Signed and Dated	Electronic Copy Required - CD or Flash Drive
	Form A: Proposer Questionnaire with all questions answered completely	X - signature page only	X
	Form B: Proposer Information		X
	Form C: Exceptions to Proposal, Terms, Conditions, and Solutions Request	X	X
	Form D: Formal Offering of Proposal	X	X
	Form E. Contract Acceptance and Award		X
	Form F: Proposers Assurance of Compliance	X	X
	Form P: Proposer Questionnaire with all questions answered completely	X-signature page only	X
	Certificate of Insurance with \$1.5 million coverage	X	X
	Copy of all RFP Addendums issued by NJPA	X	X
	Pricing for all Products/Equipment/Services within the RFP being proposed		X
	Entire Proposal submittal including signed documents and forms.		X
	All forms in the Hard Copy Required Signed and Dated should be inserted in the front of the submitted response, unbound.		
	Package containing your proposal labeled and sealed with the following language: "Competitive Proposal Enclosed, Hold for Public Opening XX-XX-XXXX"		
	Response Package mailed and delivered prior to deadline to: NJPA, 202 12th St NE, Staples, MN 56479		



11 NJPA VENDOR PRICE AND PRODUCT CHANGE REQUEST FORM

Section 1. Instructions For Vendor

Pursuant the NJPA RFP, requests for equipment/products or service changes, additions or deletions will be allowed at any time throughout the awarded contract term. All requests must be made in written format by completing sections 2, 3 and 4 of the NJPA Price and Product Change Request Form and signature of an authorized Vendor employee in section 5. All changes are subject to review and approval by the NJPA Contracts & Compliance Manager, signed in acceptance by the NJPA Executive Director and acknowledged by the NJPA Contract Council. Submit request via email to your Contract Manager **AND: PandP@njpacoop.org**.

NJPA's due diligence in analyzing any request for change is to determine if approval of the request is: 1) within the scope of the original RFP and 2) in the "Best Interests of NJPA and NJPA Members." A signed Price and Product Change form will be returned to vendor contact via email.

Vendor must complete this change request form and individually list or attach all items or services subject to change, provide sufficiently detailed explanation and documentation for the change, and include a complete restatement of pricing document in appropriate format (preferably Excel). The pricing document must identify all equipment/products and services being offered and must conform to the following NJPA product/price change naming convention: (Vendor Name) (NJPA Contract #) (effective pricing date); for example, "COMPANY 012411-CPY eff 02-12-2013."

NOTE: New pricing restatement must include all equipment/products and services offered regardless of whether their prices have changed and include a new "effective date" on the pricing documents. This requirement reduces confusion by providing a single, current pricing sheet for each vendor and creates a historical record of pricing.

ADDITIONS. New equipment/products and related services may be added to a contract if such additions are within the scope of the RFP.

DELETIONS. New equipment/products and related services may be deleted from a contract if an item or service is no longer available and thus not relevant to the contract; for example, discontinued, improved, etc.

PRICE CHANGES: Request prices changes in general terms along with the justification by product category for the change; for example, a 3% increase in XYZ Product Line is due to a 3% increase in petroleum, or this list of SKUs/ product descriptions is increasing X% due to X% increase in cost of raw materials.

Price decreases: NJPA expects Vendors to propose their very best prices and anticipates price reductions are due to advancement of technologies and market place efficiencies.

Price increases: Typical acceptable increase requests include increases to Vendor input costs such as petroleum or other applicable commodities, increases in product utility of new compared to old equipment/products or service, etc. Vendor must include reasonable documentation for the claims cited in their request along with detailed justification for why the increase is needed. Special details for price changes must be included with the request along with both current and proposed pricing. Appropriate documentation should be attached to this form, including letters from suppliers announcing price increases.

Refer to section 4 of the RFP for complete "Pricing" details.

Section 2. Vendor Name and Type of Change Request

AWARDED
VENDOR NAME:

NJPA
CONTRACT
NUMBER:

CHECK ALL CHANGES THAT APPLY:

- | | |
|--------------------------|--|
| <input type="checkbox"/> | Adding Equipment/ Products /Services |
| <input type="checkbox"/> | Deleting/Discontinuing Equipment/Products/Services |
| <input type="checkbox"/> | Price Increase |
| <input type="checkbox"/> | Price Decrease |



11 NJPA VENDOR PRICE AND PRODUCT CHANGE REQUEST FORM

Section 3. Detailed Explanation of Need for Changes

List equipment/products and/or services that are changing, being added or deleted from previous contract price list along with the percentage change for each item or category. (Attach a separate, detailed document if more than 10 items.)

Provide a general statement and documentation explaining the reasons for these price and/or equipment/product/service changes.

SAMPLES: 1-All paper equipment/products and services increased 5% in price due to transportation and fuel costs (see attached documentation of raw materials increase). 2-The 6400 series floor polisher is added to the product list as a new model replacing the 5400 series. The 6400 series 3% increase reflects technological improvements made that improve the rate of efficiency and useful life. The 5400 series is now included in the "Hot List" at a 20% discount from previous pricing until remaining inventory is liquidated.

If adding equipment/products/services, provide a general statement how these are in the scope.

If changing prices and/or adding equipment/products/services, provide a general statement that the pricing or equipment/products/services is consistent with existing NJPA contract pricing.



11 NJPA VENDOR PRICE AND PRODUCT CHANGE REQUEST FORM

Section 4. Complete Restatement of Pricing Submitted

A COMPLETE restatement of the pricing including all new and existing equipment/products and services is attached and/or has been emailed to PandP@njpacoop.org.

☐ Yes

☐ No

Section 5. Signatures

Vendor Authorized Signature

Date

Print Name and Title of Authorized Signer

NJPA Executive Director Signature

Date



Appendix A

NJPA The National Joint Powers Alliance® (NJPA), on behalf of NJPA and its current and potential Member agencies to include all Government, Higher Education, K12 Education, Non-Profit, Tribal Government, and all other Public Agencies located nationally in all fifty states, Canada, and internationally, issues this Request For Proposal (RFP) to result in a national contract solution.

For your reference, the links below include some, but not all, of the entities included in this proposal:

http://www.usa.gov/Agencies/Local_Government/Cities.shtml

<http://nces.ed.gov/globallocator/>

<https://harvester.census.gov/imls/search/index.asp>

<http://nccsweb.urban.org/PubApps/search.php>

<http://www.usa.gov/Government/Tribal-Sites/index.shtml>

<http://www.usa.gov/Agencies/State-and-Territories.shtml>

<http://www.nreca.coop/about-electric-cooperatives/member-directory/>

[Oregon](#)

[Hawaii](#)

[Washington](#)

EXHIBIT B- SUPPLEMENTAL PURCHASE PROVISIONS

Section 0400
CITY OF AUSTIN
PURCHASING OFFICE

The following Supplemental Purchasing Provisions apply to this contract:

1. **INSURANCE:** Insurance is required for this contract.

A. **General Requirements:** See Section 0300, Standard Purchase Terms and Conditions, paragraph 32, entitled Insurance, for general insurance requirements.

- i. The Contractor shall provide a Certificate of Insurance as verification of coverages required below to the City at the below address prior to contract execution and within 14 calendar days after written request from the City. Failure to provide the required Certificate of Insurance may subject the Offer to disqualification from consideration for award
- ii. The Contractor shall not commence work until the required insurance is obtained and until such insurance has been reviewed by the City. Approval of insurance by the City shall not relieve or decrease the liability of the Contractor hereunder and shall not be construed to be a limitation of liability on the part of the Contractor.
- iii. The Contractor must also forward a Certificate of Insurance to the City whenever a previously identified policy period has expired, or an extension option or holdover period is exercised, as verification of continuing coverage.
- iv. The Certificate of Insurance, and updates, shall be mailed to the following address:

City of Austin Purchasing Office
P. O. Box 1088
Austin, Texas 78767

B. **Specific Coverage Requirements:** The Contractor shall at a minimum carry insurance in the types and amounts indicated below for the duration of the Contract, including extension options and hold over periods, and during any warranty period. These insurance coverages are required minimums and are not intended to limit the responsibility or liability of the Contractor.

- i. **Worker's Compensation and Employers' Liability Insurance:** Coverage shall be consistent with statutory benefits outlined in the Texas Worker's Compensation Act (Section 401). The minimum policy limits for Employer's Liability are \$100,000 bodily injury each accident, \$500,000 bodily injury by disease policy limit and \$100,000 bodily injury by disease each employee.
 - (1) The Contractor's policy shall apply to the State of Texas and include these endorsements in favor of the City of Austin:
 - (a) Waiver of Subrogation, Form WC420304, or equivalent coverage
 - (b) Thirty (30) days Notice of Cancellation, Form WC420601, or equivalent coverage
- ii. **Commercial General Liability Insurance:** The minimum bodily injury and property damage per occurrence are \$500,000 for coverages A (Bodily Injury and Property Damage) and B (Personal and Advertising Injury).
 - (1) The policy shall contain the following provisions:
 - (a) Contractual liability coverage for liability assumed under the Contract and all other Contracts related to the project.
 - (b) Contractor/Subcontracted Work.
 - (c) Products/Completed Operations Liability for the duration of the warranty period.
 - (d) If the project involves digging or drilling provisions must be included that provide Explosion, Collapse, and/or Underground Coverage.
 - (2) The policy shall also include these endorsements in favor of the City of Austin:
 - (a) Waiver of Subrogation, Endorsement CG 2404, or equivalent coverage
 - (b) Thirty (30) days Notice of Cancellation, Endorsement CG 0205, or equivalent coverage

EXHIBIT B- SUPPLEMENTAL PURCHASE PROVISIONS

Section 0400 CITY OF AUSTIN PURCHASING OFFICE

- (c) The City of Austin listed as an additional insured, Endorsement CG 2010, or equivalent coverage
- iii. **Business Automobile Liability Insurance:** The Contractor shall provide coverage for all owned, non-owned and hired vehicles with a minimum combined single limit of \$500,000 per occurrence for bodily injury and property damage. Alternate acceptable limits are \$250,000 bodily injury per person, \$500,000 bodily injury per occurrence and at least \$100,000 property damage liability per accident.
- (1) The policy shall include these endorsements in favor of the City of Austin:
- (a) Waiver of Subrogation, Endorsement CA0444, or equivalent coverage
- (b) Thirty (30) days Notice of Cancellation, Endorsement CA0244, or equivalent coverage
- (c) The City of Austin listed as an additional insured, Endorsement CA2048, or equivalent coverage.
- C. **Endorsements:** The specific insurance coverage endorsements specified above, or their equivalents must be provided. In the event that endorsements, which are the equivalent of the required coverage, are proposed to be substituted for the required coverage, copies of the equivalent endorsements must be provided for the City's review and approval.
2. **TERM OF CONTRACT:**
- A. The Contract shall be in effect for an initial term of 15 months and may be extended thereafter for up to one additional 12 month periods, subject to the approval of the Contractor and the City Purchasing Officer or his designee.
3. **QUANTITIES:** The quantities listed herein are estimates for the period of the Contract. The City reserves the right to purchase more or less of these quantities as may be required during the Contract term. Quantities will be as needed and specified by the City for each order. Unless specified in the solicitation, there are no minimum order quantities.
4. **DELIVERY REQUIREMENTS:**
- | | |
|--|----------------------------------|
| Location: | Days: |
| See departmental purchase order for delivery | 1 business day/next day delivery |
| _____ | _____ |
| _____ | |
| _____ | |
- A. Delivery is to be made within 1 business day after the order is placed (either verbally or in writing). All orders must be shipped complete unless arrangements for partial shipments are made in advance.
- B. The Contractor shall provide, with each delivery, a Shipping or Delivery Ticket showing the description of each item, quantity, and unit price.
- C. The Contractor shall confirm the quantity to be shipped on all orders within two (2) hours of notification or order from the City.
- D. Unless requested by the City, deliveries shall not be made on City-recognized legal holidays (see paragraph 51 in Section 0300).
5. **INVOICES and PAYMENT:** (reference paragraphs 12 and 13 in Section 0300)

EXHIBIT B- SUPPLEMENTAL PURCHASE PROVISIONS

Section 0400 CITY OF AUSTIN PURCHASING OFFICE

- A. Invoices shall contain a unique invoice number and the information required in Section 0300, paragraph 12, entitled "Invoices." Invoices received without all required information cannot be processed and will be returned to the vendor.

Invoices shall be mailed to the below address:

	City of Austin
Department	See specific departmental purchase order for billing address
Attn:	
Address	
City, State Zip Code	

- B. The Contractor agrees to accept payment by either credit card, check or Electronic Funds Transfer (EFT) for all goods and/or services provided under the Contract. The Contractor shall factor the cost of processing credit card payments into the Offer. There shall be no additional charges, surcharges, or penalties to the City for payments made by credit card.

6. **RESTOCKING FEES:**

- A. The Contractor may bill the City restocking fees (if included in their Offer) for parts that are ordered by the City under the contract and returned for refund. The Contractor is not obligated to accept for refund any part that is not resalable and/or not in the same condition as when purchased.
- B. Restocking fees may be charged to the City when multiple parts or groups of parts are returned for refund at one time due to the City inventory warehouse cleaning, unless these parts are returned at an annual pre-arranged date. The date for the annual return shall be mutually agreed upon between the City and the Contractor.

7. **HAZARDOUS MATERIALS:**

- A. If this Solicitation involves hazardous materials, the Offeror shall furnish with the Offer Material Safety Data Sheets (MSDS), (OSHA Form 20), on all chemicals and hazardous materials specifying the generic and trade name of product, product specification, and full hazard information including receiving and storage hazards. Instructions, special equipment needed for handling, information on approved containers, and instructions for the disposal of the material are also required.
- B. Failure to submit the MSDS as part of the Offer may subject the Offer to disqualification from consideration for award.
- C. The MSDS, instructions and information required in paragraph "A" must be included with each shipment under the contract.

8. **RECYCLED PRODUCTS:**

- A. The City prefers that Offerors offer products that contain recycled materials. When a recycled product is offered by the Offeror, the Offeror must state in their Offer the percentage of the product that is recycled and must include a list of the recycled materials that are contained in the product.
- B. The recycled content of paper products offered to the City shall be in accordance with the Federal Environmental Protection Agency's Recycled Product Procurement Guidelines. These guidelines are available at <http://www.epa.gov/cpg/>.

EXHIBIT B- SUPPLEMENTAL PURCHASE PROVISIONS

Section 0400 CITY OF AUSTIN PURCHASING OFFICE

- C. Contract award for paper products will be made for recycled products unless the cost is more than 10% above the lowest price for non-recycled paper products as required in the City's Comprehensive Recycling Resolution.

9. **PUBLISHED PRICE LISTS:**

- A. Offerors may quote using published price lists in the following ways:
- Offerors may quote one discount from a Published Price List for all offered items to be covered in the Contract. The discount must remain firm during the life of the Contract.
 - Offerors may quote their dealer cost, plus a percentage markup to be added to the cost. The percentage markup must remain firm during the life of the contract.
- B. Two (2) copies of the list upon which the discounts or markups are based shall be submitted with the Offer. All price lists identified in the Offer shall clearly include the Offeror's name and address, the solicitation number, prices, title of the discount and number, and the latest effective date of the price list. If the Offer is based on a discount or markup on a manufacturer's price list, the price list must also include the manufacturer's name, the manufacturer's latest effective date, and the manufacturer's price schedule. All price lists submitted become part of the Offer.
- C. The price list may be superseded or replaced during the Contract term only if price revisions are the result of the manufacturer's official price list revision. Written notification from the Contractor of price changes, along with two (2) copies of the revised list must be submitted to the Buyer in the Purchasing Office with the effective date of change to be at least 30 calendar days (30 unless a different period is inserted) after written notification. The City reserves the right to refuse any list revision.
- D. The discounts or markups on equipment rental, material, supplies, parts, and contract services shall be fixed throughout the term of the Contract, and are not subject to increase.
- E. Failure to submit written notification of price list revisions will result in the rejection of new prices being invoiced. The City will only pay invoices according to the last approved price list.

10. **BUY AMERICAN ACT – SUPPLIES:** (applicable to certain Contracts with Federal funding).

- A. In accordance with applicable Federal Regulations, the City is restricted from purchasing supplies that are not domestic end products, for use within the United States. Offerors shall deliver only domestic end products except to the extent that it specified delivery of foreign end products in the Buy American Act Certificate. (See Section 0300, paragraph 55 for additional guidelines).
- B. Offerors shall sign and return with their Offer, the **Buy American Act Certificate** included in the Solicitation.

11. **CONTRACT MANAGER:** The following person is designated as Contract Manager, and will act as the contact point between the City and the Contractor during the term of the Contract:

Claudia Rodriguez

Email: ClaudiaR.Rodriguez@austintexas.gov

Phone: 512-974-2959

Exhibit D
City of Austin, Texas
NON-DISCRIMINATION AND NON-RETALIATION CERTIFICATION

City of Austin, Texas

Equal Employment/Fair Housing Office

To: City of Austin, Texas,

I hereby certify that our firm complies with the Code of the City of Austin, Section 5-4-2 as reiterated below, and agrees:

- (1) Not to engage in any discriminatory employment practice defined in this chapter.
- (2) To take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without discrimination being practiced against them as defined in this chapter, including affirmative action relative to employment, promotion, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation, and selection for training or any other terms, conditions or privileges of employment.
- (3) To post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Equal Employment/Fair Housing Office setting forth the provisions of this chapter.
- (4) To state in all solicitations or advertisements for employees placed by or on behalf of the Contractor, that all qualified applicants will receive consideration for employment without regard to race, creed, color, religion, national origin, sexual orientation, gender identity, disability, sex or age.
- (5) To obtain a written statement from any labor union or labor organization furnishing labor or service to Contractors in which said union or organization has agreed not to engage in any discriminatory employment practices as defined in this chapter and to take affirmative action to implement policies and provisions of this chapter.
- (6) To cooperate fully with City and the Equal Employment/Fair Housing Office in connection with any investigation or conciliation effort of the Equal Employment/Fair Housing Office to ensure that the purpose of the provisions against discriminatory employment practices are being carried out.
- (7) To require of all subcontractors having 15 or more employees who hold any subcontract providing for the expenditure of \$2,000 or more in connection with any contract with the City subject to the terms of this chapter that they do not engage in any discriminatory employment practice as defined in this chapter

For the purposes of this Offer and any resulting Contract, Contractor adopts the provisions of the City's Minimum Standard Non-Discrimination and Non-Retaliation Policy set forth below.

City of Austin
Minimum Standard Non-Discrimination and Non-Retaliation in Employment Policy

As an Equal Employment Opportunity (EEO) employer, the Contractor will conduct its personnel activities in accordance with established federal, state and local EEO laws and regulations.

The Contractor will not discriminate against any applicant or employee based on race, creed, color, national origin, sex, age, religion, veteran status, gender identity, disability, or sexual orientation. This policy covers all aspects of employment, including hiring, placement, upgrading, transfer, demotion, recruitment,

recruitment advertising, selection for training and apprenticeship, rates of pay or other forms of compensation, and layoff or termination.

The Contractor agrees to prohibit retaliation, discharge or otherwise discrimination against any employee or applicant for employment who has inquired about, discussed or disclosed their compensation.

Further, employees who experience discrimination, sexual harassment, or another form of harassment should immediately report it to their supervisor. If this is not a suitable avenue for addressing their complaint, employees are advised to contact another member of management or their human resources representative. No employee shall be discriminated against, harassed, intimidated, nor suffer any reprisal as a result of reporting a violation of this policy. Furthermore, any employee, supervisor, or manager who becomes aware of any such discrimination or harassment should immediately report it to executive management or the human resources office to ensure that such conduct does not continue.

Contractor agrees that to the extent of any inconsistency, omission, or conflict with its current non-discrimination and non-retaliation employment policy, the Contractor has expressly adopted the provisions of the City's Minimum Non-Discrimination Policy contained in Section 5-4-2 of the City Code and set forth above, as the Contractor's Non-Discrimination Policy or as an amendment to such Policy and such provisions are intended to not only supplement the Contractor's policy, but will also supersede the Contractor's policy to the extent of any conflict.

UPON CONTRACT AWARD, THE CONTRACTOR SHALL PROVIDE THE CITY A COPY OF THE CONTRACTOR'S NON-DISCRIMINATION AND NON-RETALIATION POLICIES ON COMPANY LETTERHEAD, WHICH CONFORMS IN FORM, SCOPE, AND CONTENT TO THE CITY'S MINIMUM NON-DISCRIMINATION AND NON-RETALIATION POLICIES, AS SET FORTH HEREIN, **OR** THIS NON-DISCRIMINATION AND NON-RETALIATION POLICY, WHICH HAS BEEN ADOPTED BY THE CONTRACTOR FOR ALL PURPOSES WILL BE CONSIDERED THE CONTRACTOR'S NON-DISCRIMINATION AND NON-RETALIATION POLICY WITHOUT THE REQUIREMENT OF A SEPARATE SUBMITTAL.

Sanctions:

Our firm understands that non-compliance with Chapter 5-4 and the City's Non-Retaliation Policy may result in sanctions, including termination of the contract and suspension or debarment from participation in future City contracts until deemed compliant with the requirements of Chapter 5-4 and the Non-Retaliation Policy.

Term:

The Contractor agrees that this Section 0800 Non-Discrimination and Non-Retaliation Certificate of the Contractor's separate conforming policy, which the Contractor has executed and filed with the City, will remain in force and effect for one year from the date of filing. The Contractor further agrees that, in consideration of the receipt of continued Contract payment, the Contractor's Non-Discrimination and Non-Retaliation Policy will automatically renew from year-to-year for the term of the underlying Contract.

Dated this 24 day of July, 2017

CONTRACTOR
Authorized
Signature

Title

BULLCHASE, INC.
Manicue Galea
PRESIDENT

Exhibit E
City of Austin, Texas
Section 0805
NON-SUSPENSION OR DEBARMENT CERTIFICATION

The City of Austin is prohibited from contracting with or making prime or sub-awards to parties that are suspended or debarred or whose principals are suspended or debarred from Federal, State, or City of Austin Contracts. Covered transactions include procurement contracts for goods or services equal to or in excess of \$25,000.00 and all non-procurement transactions. This certification is required for all Vendors on all City of Austin Contracts to be awarded and all contract extensions with values equal to or in excess of \$25,000.00 or more and all non-procurement transactions.

The Offeror hereby certifies that its firm and its principals are not currently suspended or debarred from bidding on any Federal, State, or City of Austin Contracts.

Contractor's Name:

BULLCHASE, INC.

Signature of Officer or
Authorized
Representative:

Marianne Galea

Date:

7-24-17

Printed Name:

MARIANNE GALEA

Title

PRESIDENT

Exhibit F
CITY OF AUSTIN
PURCHASING OFFICE
STANDARD PURCHASE TERMS AND CONDITIONS

By submitting an Offer in response to the Solicitation, the Contractor agrees that the Contract shall be governed by the following terms and conditions. Unless otherwise specified in the Contract, Sections 3, 4, 5, 6, 7, 8, 20, 21, and 36 shall apply only to a Solicitation to purchase Goods, and Sections 9, 10, 11 and 22 shall apply only to a Solicitation to purchase Services to be performed principally at the City's premises or on public rights-of-way.

1. **CONTRACTOR'S OBLIGATIONS**. The Contractor shall fully and timely provide all Deliverables described in the Solicitation and in the Contractor's Offer in strict accordance with the terms, covenants, and conditions of the Contract and all applicable Federal, State, and local laws, rules, and regulations.
2. **EFFECTIVE DATE/TERM**. Unless otherwise specified in the Solicitation, this Contract shall be effective as of the date the contract is signed by the City, and shall continue in effect until all obligations are performed in accordance with the Contract.
3. **CONTRACTOR TO PACKAGE DELIVERABLES**: The Contractor will package Deliverables in accordance with good commercial practice and shall include a packing list showing the description of each item, the quantity and unit price. Unless otherwise provided in the Specifications or Supplemental Terms and Conditions, each shipping container shall be clearly and permanently marked as follows: (a) The Contractor's name and address, (b) the City's name, address and purchase order or purchase release number and the price agreement number if applicable, (c) Container number and total number of containers, e.g. box 1 of 4 boxes, and (d) the number of the container bearing the packing list. The Contractor shall bear cost of packaging. Deliverables shall be suitably packed to secure lowest transportation costs and to conform with requirements of common carriers and any applicable specifications. The City's count or weight shall be final and conclusive on shipments not accompanied by packing lists.
4. **SHIPMENT UNDER RESERVATION PROHIBITED**: The Contractor is not authorized to ship the Deliverables under reservation and no tender of a bill of lading will operate as a tender of Deliverables.
5. **TITLE & RISK OF LOSS**: Title to and risk of loss of the Deliverables shall pass to the City only when the City actually receives and accepts the Deliverables.
6. **DELIVERY TERMS AND TRANSPORTATION CHARGES**: Deliverables shall be shipped F.O.B. point of delivery unless otherwise specified in the Supplemental Terms and Conditions. Unless otherwise stated in the Offer, the Contractor's price shall be deemed to include all delivery and transportation charges. The City shall have the right to designate what method of transportation shall be used to ship the Deliverables. The place of delivery shall be that set forth in the block of the purchase order or purchase release entitled "Receiving Agency".
7. **RIGHT OF INSPECTION AND REJECTION**: The City expressly reserves all rights under law, including, but not limited to the Uniform Commercial Code, to inspect the Deliverables at delivery before accepting them, and to reject defective or non-conforming Deliverables. If the City has the right to inspect the Contractor's, or the Contractor's Subcontractor's, facilities, or the Deliverables at the Contractor's, or the Contractor's Subcontractor's, premises, the Contractor shall furnish, or cause to be furnished, without additional charge, all reasonable facilities and assistance to the City to facilitate such inspection.
8. **NO REPLACEMENT OF DEFECTIVE TENDER**: Every tender or delivery of Deliverables must fully comply with all provisions of the Contract as to time of delivery, quality, and quantity. Any non-complying tender shall constitute a breach and the Contractor shall not have the right to substitute a conforming tender; provided, where the time for performance has not yet expired, the Contractor may notify the City of the intention to cure and may then make a conforming tender within the time allotted in the contract.
9. **PLACE AND CONDITION OF WORK**: The City shall provide the Contractor access to the sites where the Contractor is to perform the services as required in order for the Contractor to perform the services in a timely and efficient manner, in accordance with and subject to the applicable security laws, rules, and regulations. The Contractor acknowledges that it has satisfied itself as to the nature of the City's service requirements and specifications, the location and essential characteristics of the work sites, the quality and quantity of materials, equipment, labor and facilities necessary to perform the services, and any other condition or state of fact which could in any way affect performance of the Contractor's obligations under the contract. The Contractor hereby releases and holds the City

**CITY OF AUSTIN
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STANDARD PURCHASE TERMS AND CONDITIONS**

harmless from and against any liability or claim for damages of any kind or nature if the actual site or service conditions differ from expected conditions.

10. WORKFORCE

- A. The Contractor shall employ only orderly and competent workers, skilled in the performance of the services which they will perform under the Contract.
- B. The Contractor, its employees, subcontractors, and subcontractor's employees may not while engaged in participating or responding to a solicitation or while in the course and scope of delivering goods or services under a City of Austin contract or on the City's property .
 - i. use or possess a firearm, including a concealed handgun that is licensed under state law, except as required by the terms of the contract; or
 - ii. use or possess alcoholic or other intoxicating beverages, illegal drugs or controlled substances, nor may such workers be intoxicated, or under the influence of alcohol or drugs, on the job.
- C. If the City or the City's representative notifies the Contractor that any worker is incompetent, disorderly or disobedient, has knowingly or repeatedly violated safety regulations, has possessed any firearms, or has possessed or was under the influence of alcohol or drugs on the job, the Contractor shall immediately remove such worker from Contract services, and may not employ such worker again on Contract services without the City's prior written consent.

- 11. COMPLIANCE WITH HEALTH, SAFETY, AND ENVIRONMENTAL REGULATIONS:** The Contractor, its Subcontractors, and their respective employees, shall comply fully with all applicable federal, state, and local health, safety, and environmental laws, ordinances, rules and regulations in the performance of the services, including but not limited to those promulgated by the City and by the Occupational Safety and Health Administration (OSHA). In case of conflict, the most stringent safety requirement shall govern. The Contractor shall indemnify and hold the City harmless from and against all claims, demands, suits, actions, judgments, fines, penalties and liability of every kind arising from the breach of the Contractor's obligations under this paragraph.

12. INVOICES:

- A. The Contractor shall submit separate invoices in duplicate on each purchase order or purchase release after each delivery. If partial shipments or deliveries are authorized by the City, a separate invoice must be sent for each shipment or delivery made.
- B. **Proper Invoices must include a unique invoice number, the purchase order or delivery order number and the master agreement number if applicable, the Department's Name, and the name of the point of contact for the Department.** Invoices shall be itemized and transportation charges, if any, shall be listed separately. A copy of the bill of lading and the freight waybill, when applicable, shall be attached to the invoice. The Contractor's name and, if applicable, the tax identification number on the invoice must exactly match the information in the Vendor's registration with the City. Unless otherwise instructed in writing, the City may rely on the remittance address specified on the Contractor's invoice.
- C. Invoices for labor shall include a copy of all time-sheets with trade labor rate and Deliverables order number clearly identified. Invoices shall also include a tabulation of work-hours at the appropriate rates and grouped by work order number. Time billed for labor shall be limited to hours actually worked at the work site.
- D. Unless otherwise expressly authorized in the Contract, the Contractor shall pass through all Subcontract and other authorized expenses at actual cost without markup.
- E. Federal excise taxes, State taxes, or City sales taxes must not be included in the invoiced amount. The City will furnish a tax exemption certificate upon request.

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13. PAYMENT:

- A. All proper invoices received by the City will be paid within thirty (30) calendar days of the City's receipt of the Deliverables or of the invoice, whichever is later.
- B. **If payment is not timely made, (per paragraph A), interest shall accrue on the unpaid balance at the lesser of the rate specified in Texas Government Code Section 2251.025 or the maximum lawful rate; except, if payment is not timely made for a reason for which the City may withhold payment hereunder, interest shall not accrue until ten (10) calendar days after the grounds for withholding payment have been resolved.**
- C. If partial shipments or deliveries are authorized by the City, the Contractor will be paid for the partial shipment or delivery, as stated above, provided that the invoice matches the shipment or delivery.
- D. The City may withhold or set off the entire payment or part of any payment otherwise due the Contractor to such extent as may be necessary on account of:
 - i. delivery of defective or non-conforming Deliverables by the Contractor;
 - ii. third party claims, which are not covered by the insurance which the Contractor is required to provide, are filed or reasonable evidence indicating probable filing of such claims;
 - iii. failure of the Contractor to pay Subcontractors, or for labor, materials or equipment;
 - iv. damage to the property of the City or the City's agents, employees or contractors, which is not covered by insurance required to be provided by the Contractor;
 - v. reasonable evidence that the Contractor's obligations will not be completed within the time specified in the Contract, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay;
 - vi. failure of the Contractor to submit proper invoices with all required attachments and supporting documentation; or
 - vii. failure of the Contractor to comply with any material provision of the Contract Documents.
- E. Notice is hereby given of Article VIII, Section 1 of the Austin City Charter which prohibits the payment of any money to any person, firm or corporation who is in arrears to the City for taxes, and of §2-8-3 of the Austin City Code concerning the right of the City to offset indebtedness owed the City.
- F. Payment will be made by check unless the parties mutually agree to payment by credit card or electronic transfer of funds. The Contractor agrees that there shall be no additional charges, surcharges, or penalties to the City for payments made by credit card or electronic funds transfer.
- G. The awarding or continuation of this contract is dependent upon the availability of funding. The City's payment obligations are payable only and solely from funds Appropriated and available for this contract. The absence of Appropriated or other lawfully available funds shall render the Contract null and void to the extent funds are not Appropriated or available and any Deliverables delivered but unpaid shall be returned to the Contractor. The City shall provide the Contractor written notice of the failure of the City to make an adequate Appropriation for any fiscal year to pay the amounts due under the Contract, or the reduction of any Appropriation to an amount insufficient to permit the City to pay its obligations under the Contract. In the event of non or inadequate appropriation of funds, there will be no penalty nor removal fees charged to the City.

- 14. TRAVEL EXPENSES:** All travel, lodging and per diem expenses in connection with the Contract for which reimbursement may be claimed by the Contractor under the terms of the Solicitation will be reviewed against the City's Travel Policy as published and maintained by the City's Controller's Office and the Current United States General Services Administration Domestic Per Diem Rates (the "Rates") as published and maintained on the Internet at:

<http://www.gsa.gov/portal/category/21287>

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No amounts in excess of the Travel Policy or Rates shall be paid. All invoices must be accompanied by copies of detailed itemized receipts (e.g. hotel bills, airline tickets). No reimbursement will be made for expenses not actually incurred. Airline fares in excess of coach or economy will not be reimbursed. Mileage charges may not exceed the amount permitted as a deduction in any year under the Internal Revenue Code or Regulations.

15. FINAL PAYMENT AND CLOSE-OUT:

- A. If an MBE/WBE Program Compliance Plan is required by the Solicitation, and the Contractor has identified Subcontractors, the Contractor is required to submit a Contract Close-Out MBE/WBE Compliance Report to the Project manager or Contract manager no later than the 15th calendar day after completion of all work under the contract. Final payment, retainage, or both may be withheld if the Contractor is not in compliance with the requirements of the Compliance Plan as accepted by the City.
- B. The making and acceptance of final payment will constitute:
 - i. a waiver of all claims by the City against the Contractor, except claims (1) which have been previously asserted in writing and not yet settled, (2) arising from defective work appearing after final inspection, (3) arising from failure of the Contractor to comply with the Contract or the terms of any warranty specified herein, (4) arising from the Contractor's continuing obligations under the Contract, including but not limited to indemnity and warranty obligations, or (5) arising under the City's right to audit; and
 - ii. a waiver of all claims by the Contractor against the City other than those previously asserted in writing and not yet settled.

16. SPECIAL TOOLS & TEST EQUIPMENT: If the price stated on the Offer includes the cost of any special tooling or special test equipment fabricated or required by the Contractor for the purpose of filling this order, such special tooling equipment and any process sheets related thereto shall become the property of the City and shall be identified by the Contractor as such.

17. AUDITS and RECORDS:

- A. The Contractor agrees that the representatives of the Office of the City Auditor or other authorized representatives of the City shall have access to, and the right to audit, examine, or reproduce, any and all records of the Contractor related to the performance under this Contract. The Contractor shall retain all such records for a period of three (3) years after final payment on this Contract or until all audit and litigation matters that the City has brought to the attention of the Contractor are resolved, whichever is longer. The Contractor agrees to refund to the City any overpayments disclosed by any such audit.
- B. Records Retention:
 - i. Contractor is subject to City Code chapter 2-11 (Records Management), and as it may subsequently be amended. For purposes of this subsection, a Record means all books, accounts, reports, files, and other data recorded or created by a Contractor in fulfillment of the Contract whether in digital or physical format, except a record specifically relating to the Contractor's internal administration.
 - ii. All Records are the property of the City. The Contractor may not dispose of or destroy a Record without City authorization and shall deliver the Records, in all requested formats and media, along with all finding aids and metadata, to the City at no cost when requested by the City
 - iii. The Contractor shall retain all Records for a period of three (3) years after final payment on this Contract or until all audit and litigation matters that the City has brought to the attention of the Contractor are resolved, whichever is longer.
- C. The Contractor shall include sections A and B above in all subcontractor agreements entered into in connection with this Contract.

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18. SUBCONTRACTORS:

- A. If the Contractor identified Subcontractors in an MBE/WBE Program Compliance Plan or a No Goals Utilization Plan the Contractor shall comply with the provisions of Chapters 2-9A, 2-9B, 2-9C, and 2-9D, as applicable, of the Austin City Code and the terms of the Compliance Plan or Utilization Plan as approved by the City (the "Plan"). The Contractor shall not initially employ any Subcontractor except as provided in the Contractor's Plan. The Contractor shall not substitute any Subcontractor identified in the Plan, unless the substitute has been accepted by the City in writing in accordance with the provisions of Chapters 2-9A, 2-9B, 2-9C and 2-9D, as applicable. No acceptance by the City of any Subcontractor shall constitute a waiver of any rights or remedies of the City with respect to defective Deliverables provided by a Subcontractor. If a Plan has been approved, the Contractor is additionally required to submit a monthly Subcontract Awards and Expenditures Report to the Contract Manager and the Purchasing Office Contract Compliance Manager no later than the tenth calendar day of each month.
- B. Work performed for the Contractor by a Subcontractor shall be pursuant to a written contract between the Contractor and Subcontractor. The terms of the subcontract may not conflict with the terms of the Contract, and shall contain provisions that:
 - i. require that all Deliverables to be provided by the Subcontractor be provided in strict accordance with the provisions, specifications and terms of the Contract;
 - ii. prohibit the Subcontractor from further subcontracting any portion of the Contract without the prior written consent of the City and the Contractor. The City may require, as a condition to such further subcontracting, that the Subcontractor post a payment bond in form, substance and amount acceptable to the City;
 - iii. require Subcontractors to submit all invoices and applications for payments, including any claims for additional payments, damages or otherwise, to the Contractor in sufficient time to enable the Contractor to include same with its invoice or application for payment to the City in accordance with the terms of the Contract;
 - iv. require that all Subcontractors obtain and maintain, throughout the term of their contract, insurance in the type and amounts specified for the Contractor, with the City being a named insured as its interest shall appear; and
 - v. require that the Subcontractor indemnify and hold the City harmless to the same extent as the Contractor is required to indemnify the City.
- C. The Contractor shall be fully responsible to the City for all acts and omissions of the Subcontractors just as the Contractor is responsible for the Contractor's own acts and omissions. Nothing in the Contract shall create for the benefit of any such Subcontractor any contractual relationship between the City and any such Subcontractor, nor shall it create any obligation on the part of the City to pay or to see to the payment of any moneys due any such Subcontractor except as may otherwise be required by law.
- D. The Contractor shall pay each Subcontractor its appropriate share of payments made to the Contractor not later than ten (10) calendar days after receipt of payment from the City.

19. WARRANTY-PRICE:

- A. The Contractor warrants the prices quoted in the Offer are no higher than the Contractor's current prices on orders by others for like Deliverables under similar terms of purchase.
- B. The Contractor certifies that the prices in the Offer have been arrived at independently without consultation, communication, or agreement for the purpose of restricting competition, as to any matter relating to such fees with any other firm or with any competitor.
- C. In addition to any other remedy available, the City may deduct from any amounts owed to the Contractor, or otherwise recover, any amounts paid for items in excess of the Contractor's current prices on orders by others for like Deliverables under similar terms of purchase.

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20. **WARRANTY – TITLE:** The Contractor warrants that it has good and indefeasible title to all Deliverables furnished under the Contract, and that the Deliverables are free and clear of all liens, claims, security interests and encumbrances. The Contractor shall indemnify and hold the City harmless from and against all adverse title claims to the Deliverables.
21. **WARRANTY – DELIVERABLES:** The Contractor warrants and represents that all Deliverables sold the City under the Contract shall be free from defects in design, workmanship or manufacture, and conform in all material respects to the specifications, drawings, and descriptions in the Solicitation, to any samples furnished by the Contractor, to the terms, covenants and conditions of the Contract, and to all applicable State, Federal or local laws, rules, and regulations, and industry codes and standards. Unless otherwise stated in the Solicitation, the Deliverables shall be new or recycled merchandise, and not used or reconditioned.
- A. Recycled Deliverables shall be clearly identified as such.
 - B. The Contractor may not limit, exclude or disclaim the foregoing warranty or any warranty implied by law; and any attempt to do so shall be without force or effect.
 - C. Unless otherwise specified in the Contract, the warranty period shall be at least one year from the date of acceptance of the Deliverables or from the date of acceptance of any replacement Deliverables. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand either repair the non-conforming Deliverables, or replace the non-conforming Deliverables with fully conforming Deliverables, at the City's option and at no additional cost to the City. All costs incidental to such repair or replacement, including but not limited to, any packaging and shipping costs, shall be borne exclusively by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach of warranty, but failure to give timely notice shall not impair the City's rights under this section.
 - D. If the Contractor is unable or unwilling to repair or replace defective or non-conforming Deliverables as required by the City, then in addition to any other available remedy, the City may reduce the quantity of Deliverables it may be required to purchase under the Contract from the Contractor, and purchase conforming Deliverables from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such Deliverables from another source.
 - E. If the Contractor is not the manufacturer, and the Deliverables are covered by a separate manufacturer's warranty, the Contractor shall transfer and assign such manufacturer's warranty to the City. If for any reason the manufacturer's warranty cannot be fully transferred to the City, the Contractor shall assist and cooperate with the City to the fullest extent to enforce such manufacturer's warranty for the benefit of the City.
22. **WARRANTY – SERVICES:** The Contractor warrants and represents that all services to be provided the City under the Contract will be fully and timely performed in a good and workmanlike manner in accordance with generally accepted industry standards and practices, the terms, conditions, and covenants of the Contract, and all applicable Federal, State and local laws, rules or regulations.
- A. The Contractor may not limit, exclude or disclaim the foregoing warranty or any warranty implied by law, and any attempt to do so shall be without force or effect.
 - B. Unless otherwise specified in the Contract, the warranty period shall be at least one year from the Acceptance Date. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand perform the services again in accordance with above standard at no additional cost to the City. All costs incidental to such additional performance shall be borne by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach warranty, but failure to give timely notice shall not impair the City's rights under this section.
 - C. If the Contractor is unable or unwilling to perform its services in accordance with the above standard as required by the City, then in addition to any other available remedy, the City may reduce the amount of services it may be

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required to purchase under the Contract from the Contractor, and purchase conforming services from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such services from another source.

23. **ACCEPTANCE OF INCOMPLETE OR NON-CONFORMING DELIVERABLES:** If, instead of requiring immediate correction or removal and replacement of defective or non-conforming Deliverables, the City prefers to accept it, the City may do so. The Contractor shall pay all claims, costs, losses and damages attributable to the City's evaluation of and determination to accept such defective or non-conforming Deliverables. If any such acceptance occurs prior to final payment, the City may deduct such amounts as are necessary to compensate the City for the diminished value of the defective or non-conforming Deliverables. If the acceptance occurs after final payment, such amount will be refunded to the City by the Contractor.
24. **RIGHT TO ASSURANCE:** Whenever one party to the Contract in good faith has reason to question the other party's intent to perform, demand may be made to the other party for written assurance of the intent to perform. In the event that no assurance is given within the time specified after demand is made, the demanding party may treat this failure as an anticipatory repudiation of the Contract.
25. **STOP WORK NOTICE:** The City may issue an immediate Stop Work Notice in the event the Contractor is observed performing in a manner that is in violation of Federal, State, or local guidelines, or in a manner that is determined by the City to be unsafe to either life or property. Upon notification, the Contractor will cease all work until notified by the City that the violation or unsafe condition has been corrected. The Contractor shall be liable for all costs incurred by the City as a result of the issuance of such Stop Work Notice.
26. **DEFAULT:** The Contractor shall be in default under the Contract if the Contractor (a) fails to fully, timely and faithfully perform any of its material obligations under the Contract, (b) fails to provide adequate assurance of performance under Paragraph 24, (c) becomes insolvent or seeks relief under the bankruptcy laws of the United States or (d) makes a material misrepresentation in Contractor's Offer, or in any report or deliverable required to be submitted by the Contractor to the City.
27. **TERMINATION FOR CAUSE:** In the event of a default by the Contractor, the City shall have the right to terminate the Contract for cause, by written notice effective ten (10) calendar days, unless otherwise specified, after the date of such notice, unless the Contractor, within such ten (10) day period, cures such default, or provides evidence sufficient to prove to the City's reasonable satisfaction that such default does not, in fact, exist. The City may place Contractor on probation for a specified period of time within which the Contractor must correct any non-compliance issues. Probation shall not normally be for a period of more than nine (9) months, however, it may be for a longer period, not to exceed one (1) year depending on the circumstances. If the City determines the Contractor has failed to perform satisfactorily during the probation period, the City may proceed with suspension. In the event of a default by the Contractor, the City may suspend or debar the Contractor in accordance with the "City of Austin Purchasing Office Probation, Suspension and Debarment Rules for Vendors" and remove the Contractor from the City's vendor list for up to five (5) years and any Offer submitted by the Contractor may be disqualified for up to five (5) years. In addition to any other remedy available under law or in equity, the City shall be entitled to recover all actual damages, costs, losses and expenses, incurred by the City as a result of the Contractor's default, including, without limitation, cost of cover, reasonable attorneys' fees, court costs, and prejudgment and post-judgment interest at the maximum lawful rate. All rights and remedies under the Contract are cumulative and are not exclusive of any other right or remedy provided by law.
28. **TERMINATION WITHOUT CAUSE:** The City shall have the right to terminate the Contract, in whole or in part, without cause any time upon thirty (30) calendar days' prior written notice. Upon receipt of a notice of termination, the Contractor shall promptly cease all further work pursuant to the Contract, with such exceptions, if any, specified in the notice of termination. The City shall pay the Contractor, to the extent of funds Appropriated or otherwise legally available for such purposes, for all goods delivered and services performed and obligations incurred prior to the date of termination in accordance with the terms hereof.
29. **FRAUD:** Fraudulent statements by the Contractor on any Offer or in any report or deliverable required to be submitted by the Contractor to the City shall be grounds for the termination of the Contract for cause by the City and may result in legal action.

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30. DELAYS:

- A. The City may delay scheduled delivery or other due dates by written notice to the Contractor if the City deems it is in its best interest. If such delay causes an increase in the cost of the work under the Contract, the City and the Contractor shall negotiate an equitable adjustment for costs incurred by the Contractor in the Contract price and execute an amendment to the Contract. The Contractor must assert its right to an adjustment within thirty (30) calendar days from the date of receipt of the notice of delay. Failure to agree on any adjusted price shall be handled under the Dispute Resolution process specified in paragraph 48. However, nothing in this provision shall excuse the Contractor from delaying the delivery as notified.
- B. Neither party shall be liable for any default or delay in the performance of its obligations under this Contract if, while and to the extent such default or delay is caused by acts of God, fire, riots, civil commotion, labor disruptions, sabotage, sovereign conduct, or any other cause beyond the reasonable control of such Party. In the event of default or delay in contract performance due to any of the foregoing causes, then the time for completion of the services will be extended; provided, however, in such an event, a conference will be held within three (3) business days to establish a mutually agreeable period of time reasonably necessary to overcome the effect of such failure to perform.

31. INDEMNITY:

- A. Definitions:
 - i. "Indemnified Claims" shall include any and all claims, demands, suits, causes of action, judgments and liability of every character, type or description, including all reasonable costs and expenses of litigation, mediation or other alternate dispute resolution mechanism, including attorney and other professional fees for:
 - (1) damage to or loss of the property of any person (including, but not limited to the City, the Contractor, their respective agents, officers, employees and subcontractors; the officers, agents, and employees of such subcontractors; and third parties); and/or
 - (2) death, bodily injury, illness, disease, worker's compensation, loss of services, or loss of income or wages to any person (including but not limited to the agents, officers and employees of the City, the Contractor, the Contractor's subcontractors, and third parties),
 - ii. "Fault" shall include the sale of defective or non-conforming Deliverables, negligence, willful misconduct, or a breach of any legally imposed strict liability standard.
- B. **THE CONTRACTOR SHALL DEFEND (AT THE OPTION OF THE CITY), INDEMNIFY, AND HOLD THE CITY, ITS SUCCESSORS, ASSIGNS, OFFICERS, EMPLOYEES AND ELECTED OFFICIALS HARMLESS FROM AND AGAINST ALL INDEMNIFIED CLAIMS DIRECTLY ARISING OUT OF, INCIDENT TO, CONCERNING OR RESULTING FROM THE FAULT OF THE CONTRACTOR, OR THE CONTRACTOR'S AGENTS, EMPLOYEES OR SUBCONTRACTORS, IN THE PERFORMANCE OF THE CONTRACTOR'S OBLIGATIONS UNDER THE CONTRACT. NOTHING HEREIN SHALL BE DEEMED TO LIMIT THE RIGHTS OF THE CITY OR THE CONTRACTOR (INCLUDING, BUT NOT LIMITED TO, THE RIGHT TO SEEK CONTRIBUTION) AGAINST ANY THIRD PARTY WHO MAY BE LIABLE FOR AN INDEMNIFIED CLAIM.**

32. INSURANCE: (reference Section 0400 for specific coverage requirements). The following insurance requirement applies. (Revised March 2013).

- A. General Requirements.
 - i. The Contractor shall at a minimum carry insurance in the types and amounts indicated in Section 0400, Supplemental Purchase Provisions, for the duration of the Contract, including extension options and hold over periods, and during any warranty period.
 - ii. The Contractor shall provide Certificates of Insurance with the coverages and endorsements required in Section 0400, Supplemental Purchase Provisions, to the City as verification of coverage prior to contract execution and within fourteen (14) calendar days after written request from the

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City. Failure to provide the required Certificate of Insurance may subject the Offer to disqualification from consideration for award. The Contractor must also forward a Certificate of Insurance to the City whenever a previously identified policy period has expired, or an extension option or hold over period is exercised, as verification of continuing coverage.

- iii. The Contractor shall not commence work until the required insurance is obtained and until such insurance has been reviewed by the City. Approval of insurance by the City shall not relieve or decrease the liability of the Contractor hereunder and shall not be construed to be a limitation of liability on the part of the Contractor.
- iv. The City may request that the Contractor submit certificates of insurance to the City for all subcontractors prior to the subcontractors commencing work on the project.
- v. The Contractor's and all subcontractors' insurance coverage shall be written by companies licensed to do business in the State of Texas at the time the policies are issued and shall be written by companies with A.M. Best ratings of B+VII or better.
- vi. The "other" insurance clause shall not apply to the City where the City is an additional insured shown on any policy. It is intended that policies required in the Contract, covering both the City and the Contractor, shall be considered primary coverage as applicable.
- vii. If insurance policies are not written for amounts specified in Section 0400, Supplemental Purchase Provisions, the Contractor shall carry Umbrella or Excess Liability Insurance for any differences in amounts specified. If Excess Liability Insurance is provided, it shall follow the form of the primary coverage.
- viii. The City shall be entitled, upon request, at an agreed upon location, and without expense, to review certified copies of policies and endorsements thereto and may make any reasonable requests for deletion or revision or modification of particular policy terms, conditions, limitations, or exclusions except where policy provisions are established by law or regulations binding upon either of the parties hereto or the underwriter on any such policies.
- ix. The City reserves the right to review the insurance requirements set forth during the effective period of the Contract and to make reasonable adjustments to insurance coverage, limits, and exclusions when deemed necessary and prudent by the City based upon changes in statutory law, court decisions, the claims history of the industry or financial condition of the insurance company as well as the Contractor.
- x. The Contractor shall not cause any insurance to be canceled nor permit any insurance to lapse during the term of the Contract or as required in the Contract.
- xi. The Contractor shall be responsible for premiums, deductibles and self-insured retentions, if any, stated in policies. Self-insured retentions shall be disclosed on the Certificate of Insurance.
- xii. The Contractor shall provide the City thirty (30) calendar days' written notice of erosion of the aggregate limits below occurrence limits for all applicable coverages indicated within the Contract.
- xiii. The insurance coverages specified in Section 0400, Supplemental Purchase Provisions, are required minimums and are not intended to limit the responsibility or liability of the Contractor.

B. Specific Coverage Requirements: Specific insurance requirements are contained in Section 0400, Supplemental Purchase Provisions

33. **CLAIMS:** If any claim, demand, suit, or other action is asserted against the Contractor which arises under or concerns the Contract, or which could have a material adverse affect on the Contractor's ability to perform thereunder, the Contractor shall give written notice thereof to the City within ten (10) calendar days after receipt of notice by the

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Contractor. Such notice to the City shall state the date of notification of any such claim, demand, suit, or other action; the names and addresses of the claimant(s); the basis thereof; and the name of each person against whom such claim is being asserted. Such notice shall be delivered personally or by mail and shall be sent to the City and to the Austin City Attorney. Personal delivery to the City Attorney shall be to City Hall, 301 West 2nd Street, 4th Floor, Austin, Texas 78701, and mail delivery shall be to P.O. Box 1088, Austin, Texas 78767.

34. **NOTICES**: Unless otherwise specified, all notices, requests, or other communications required or appropriate to be given under the Contract shall be in writing and shall be deemed delivered three (3) business days after postmarked if sent by U.S. Postal Service Certified or Registered Mail, Return Receipt Requested. Notices delivered by other means shall be deemed delivered upon receipt by the addressee. Routine communications may be made by first class mail, telefax, or other commercially accepted means. Notices to the Contractor shall be sent to the address specified in the Contractor's Offer, or at such other address as a party may notify the other in writing. Notices to the City shall be addressed to the City at P.O. Box 1088, Austin, Texas 78767 and marked to the attention of the Contract Administrator.
35. **RIGHTS TO BID, PROPOSAL AND CONTRACTUAL MATERIAL**: All material submitted by the Contractor to the City shall become property of the City upon receipt. Any portions of such material claimed by the Contractor to be proprietary must be clearly marked as such. Determination of the public nature of the material is subject to the Texas Public Information Act, Chapter 552, Texas Government Code.
36. **NO WARRANTY BY CITY AGAINST INFRINGEMENTS**: The Contractor represents and warrants to the City that: (i) the Contractor shall provide the City good and indefeasible title to the Deliverables and (ii) the Deliverables supplied by the Contractor in accordance with the specifications in the Contract will not infringe, directly or contributorily, any patent, trademark, copyright, trade secret, or any other intellectual property right of any kind of any third party; that no claims have been made by any person or entity with respect to the ownership or operation of the Deliverables and the Contractor does not know of any valid basis for any such claims. The Contractor shall, at its sole expense, defend, indemnify, and hold the City harmless from and against all liability, damages, and costs (including court costs and reasonable fees of attorneys and other professionals) arising out of or resulting from: (i) any claim that the City's exercise anywhere in the world of the rights associated with the City's ownership, and if applicable, license rights, and its use of the Deliverables infringes the intellectual property rights of any third party; or (ii) the Contractor's breach of any of Contractor's representations or warranties stated in this Contract. In the event of any such claim, the City shall have the right to monitor such claim or at its option engage its own separate counsel to act as co-counsel on the City's behalf. Further, Contractor agrees that the City's specifications regarding the Deliverables shall in no way diminish Contractor's warranties or obligations under this paragraph and the City makes no warranty that the production, development, or delivery of such Deliverables will not impact such warranties of Contractor.
37. **CONFIDENTIALITY**: In order to provide the Deliverables to the City, Contractor may require access to certain of the City's and/or its licensors' confidential information (including inventions, employee information, trade secrets, confidential know-how, confidential business information, and other information which the City or its licensors consider confidential) (collectively, "Confidential Information"). Contractor acknowledges and agrees that the Confidential Information is the valuable property of the City and/or its licensors and any unauthorized use, disclosure, dissemination, or other release of the Confidential Information will substantially injure the City and/or its licensors. The Contractor (including its employees, subcontractors, agents, or representatives) agrees that it will maintain the Confidential Information in strict confidence and shall not disclose, disseminate, copy, divulge, recreate, or otherwise use the Confidential Information without the prior written consent of the City or in a manner not expressly permitted under this Agreement, unless the Confidential Information is required to be disclosed by law or an order of any court or other governmental authority with proper jurisdiction, provided the Contractor promptly notifies the City before disclosing such information so as to permit the City reasonable time to seek an appropriate protective order. The Contractor agrees to use protective measures no less stringent than the Contractor uses within its own business to protect its own most valuable information, which protective measures shall under all circumstances be at least reasonable measures to ensure the continued confidentiality of the Confidential Information.
38. **PUBLICATIONS**: All published material and written reports submitted under the Contract must be originally developed material unless otherwise specifically provided in the Contract. When material not originally developed is included in a report in any form, the source shall be identified.

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39. **ADVERTISING**: The Contractor shall not advertise or publish, without the City's prior consent, the fact that the City has entered into the Contract, except to the extent required by law.
40. **NO CONTINGENT FEES**: The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Contract upon any agreement or understanding for commission, percentage, brokerage, or contingent fee, excepting bona fide employees of bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the City shall have the right, in addition to any other remedy available, to cancel the Contract without liability and to deduct from any amounts owed to the Contractor, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.
41. **GRATUITIES**: The City may, by written notice to the Contractor, cancel the Contract without liability if it is determined by the City that gratuities were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the City of Austin with a view toward securing the Contract or securing favorable treatment with respect to the awarding or amending or the making of any determinations with respect to the performing of such contract. In the event the Contract is canceled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold the amount of the cost incurred by the Contractor in providing such gratuities.
42. **PROHIBITION AGAINST PERSONAL INTEREST IN CONTRACTS**: No officer, employee, independent consultant, or elected official of the City who is involved in the development, evaluation, or decision-making process of the performance of any solicitation shall have a financial interest, direct or indirect, in the Contract resulting from that solicitation. Any willful violation of this section shall constitute impropriety in office, and any officer or employee guilty thereof shall be subject to disciplinary action up to and including dismissal. Any violation of this provision, with the knowledge, expressed or implied, of the Contractor shall render the Contract voidable by the City.
43. **INDEPENDENT CONTRACTOR**: The Contract shall not be construed as creating an employer/employee relationship, a partnership, or a joint venture. The Contractor's services shall be those of an independent contractor. The Contractor agrees and understands that the Contract does not grant any rights or privileges established for employees of the City.
44. **ASSIGNMENT-DELEGATION**: The Contract shall be binding upon and enure to the benefit of the City and the Contractor and their respective successors and assigns, provided however, that no right or interest in the Contract shall be assigned and no obligation shall be delegated by the Contractor without the prior written consent of the City. Any attempted assignment or delegation by the Contractor shall be void unless made in conformity with this paragraph. The Contract is not intended to confer rights or benefits on any person, firm or entity not a party hereto; it being the intention of the parties that there be no third party beneficiaries to the Contract.
45. **WAIVER**: No claim or right arising out of a breach of the Contract can be discharged in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is supported by consideration and is in writing signed by the aggrieved party. No waiver by either the Contractor or the City of any one or more events of default by the other party shall operate as, or be construed to be, a permanent waiver of any rights or obligations under the Contract, or an express or implied acceptance of any other existing or future default or defaults, whether of a similar or different character.
46. **MODIFICATIONS**: The Contract can be modified or amended only by a writing signed by both parties. No pre-printed or similar terms on any the Contractor invoice, order or other document shall have any force or effect to change the terms, covenants, and conditions of the Contract.
47. **INTERPRETATION**: The Contract is intended by the parties as a final, complete and exclusive statement of the terms of their agreement. No course of prior dealing between the parties or course of performance or usage of the trade shall be relevant to supplement or explain any term used in the Contract. Although the Contract may have been substantially drafted by one party, it is the intent of the parties that all provisions be construed in a manner to be fair to both parties, reading no provisions more strictly against one party or the other. Whenever a term defined by the Uniform Commercial Code, as enacted by the State of Texas, is used in the Contract, the UCC definition shall control, unless otherwise defined in the Contract.

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48. DISPUTE RESOLUTION:

- A. If a dispute arises out of or relates to the Contract, or the breach thereof, the parties agree to negotiate prior to prosecuting a suit for damages. However, this section does not prohibit the filing of a lawsuit to toll the running of a statute of limitations or to seek injunctive relief. Either party may make a written request for a meeting between representatives of each party within fourteen (14) calendar days after receipt of the request or such later period as agreed by the parties. Each party shall include, at a minimum, one (1) senior level individual with decision-making authority regarding the dispute. The purpose of this and any subsequent meeting is to attempt in good faith to negotiate a resolution of the dispute. If, within thirty (30) calendar days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will proceed directly to mediation as described below. Negotiation may be waived by a written agreement signed by both parties, in which event the parties may proceed directly to mediation as described below.
- B. If the efforts to resolve the dispute through negotiation fail, or the parties waive the negotiation process, the parties may select, within thirty (30) calendar days, a mediator trained in mediation skills to assist with resolution of the dispute. Should they choose this option, the City and the Contractor agree to act in good faith in the selection of the mediator and to give consideration to qualified individuals nominated to act as mediator. Nothing in the Contract prevents the parties from relying on the skills of a person who is trained in the subject matter of the dispute or a contract interpretation expert. If the parties fail to agree on a mediator within thirty (30) calendar days of initiation of the mediation process, the mediator shall be selected by the Travis County Dispute Resolution Center (DRC). The parties agree to participate in mediation in good faith for up to thirty (30) calendar days from the date of the first mediation session. The City and the Contractor will share the mediator's fees equally and the parties will bear their own costs of participation such as fees for any consultants or attorneys they may utilize to represent them or otherwise assist them in the mediation.

49. **JURISDICTION AND VENUE:** The Contract is made under and shall be governed by the laws of the State of Texas, including, when applicable, the Uniform Commercial Code as adopted in Texas, V.T.C.A., Bus. & Comm. Code, Chapter 1, excluding any rule or principle that would refer to and apply the substantive law of another state or jurisdiction. All issues arising from this Contract shall be resolved in the courts of Travis County, Texas and the parties agree to submit to the exclusive personal jurisdiction of such courts. The foregoing, however, shall not be construed or interpreted to limit or restrict the right or ability of the City to seek and secure injunctive relief from any competent authority as contemplated herein.

50. **INVALIDITY:** The invalidity, illegality, or unenforceability of any provision of the Contract shall in no way affect the validity or enforceability of any other portion or provision of the Contract. Any void provision shall be deemed severed from the Contract and the balance of the Contract shall be construed and enforced as if the Contract did not contain the particular portion or provision held to be void. The parties further agree to reform the Contract to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this section shall not prevent this entire Contract from being void should a provision which is the essence of the Contract be determined to be void.

51. **HOLIDAYS:** The following holidays are observed by the City:

<u>Holiday</u>	<u>Date Observed</u>
New Year's Day	January 1
Martin Luther King, Jr.'s Birthday	Third Monday in January
President's Day	Third Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Veteran's Day	November 11

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Thanksgiving Day	Fourth Thursday in November
Friday after Thanksgiving	Friday after Thanksgiving
Christmas Eve	December 24
Christmas Day	December 25

If a Legal Holiday falls on Saturday, it will be observed on the preceding Friday. If a Legal Holiday falls on Sunday, it will be observed on the following Monday.

52. **SURVIVABILITY OF OBLIGATIONS:** All provisions of the Contract that impose continuing obligations on the parties, including but not limited to the warranty, indemnity, and confidentiality obligations of the parties, shall survive the expiration or termination of the Contract.

53. **NON-SUSPENSION OR DEBARMENT CERTIFICATION:**

The City of Austin is prohibited from contracting with or making prime or sub-awards to parties that are suspended or debarred or whose principals are suspended or debarred from Federal, State, or City of Austin Contracts. By accepting a Contract with the City, the Vendor certifies that its firm and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.

54. **EQUAL OPPORTUNITY**

A. **Equal Employment Opportunity:** No Contractor, or Contractor's agent, shall engage in any discriminatory employment practice as defined in Chapter 5-4 of the City Code. No Offer submitted to the City shall be considered, nor any Purchase Order issued, or any Contract awarded by the City unless the Offeror has executed and filed with the City Purchasing Office a current Non-Discrimination Certification. Non-compliance with Chapter 5-4 of the City Code may result in sanctions, including termination of the contract and the Contractor's suspension or debarment from participation on future City contracts until deemed compliant with Chapter 5-4.

B. **Americans with Disabilities Act (ADA) Compliance:** No Contractor, or Contractor's agent, shall engage in any discriminatory practice against individuals with disabilities as defined in the ADA, including but not limited to: employment, accessibility to goods and services, reasonable accommodations, and effective communications.

55. **INTERESTED PARTIES DISCLOSURE**

As a condition to entering the Contract, the Business Entity constituting the Offeror must provide the following disclosure of Interested Parties to the City prior to the award of a contract with the City on Form 1295 "Certificate of Interested Parties" as prescribed by the Texas Ethics Commission for any contract award requiring council authorization. The Certificate of Interested Parties Form must be completed on the Texas Ethics Commission website, printed, and signed by the authorized agent of the Business Entity with acknowledgment that disclosure is made under oath and under penalty of perjury. The City will submit the "Certificate of Interested Parties" to the Texas Ethics Commission within 30 days of receipt from the successful Offeror. The Offeror is reminded that the provisions of Local Government Code 176, regarding conflicts of interest between the bidders and local officials remains in place. Link to Texas Ethics Commission Form 1295 process and procedures below:

https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm

56. **BUY AMERICAN ACT-SUPPLIES (Applicable to certain Federally funded requirements)**

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- A. Definitions. As used in this paragraph –
- i. "Component" means an article, material, or supply incorporated directly into an end product.
 - ii. "Cost of components" means -
 - (1) For components purchased by the Contractor, the acquisition cost, including transportation costs to the place of incorporation into the end product (whether or not such costs are paid to a domestic firm), and any applicable duty (whether or not a duty-free entry certificate is issued); or
 - (2) For components manufactured by the Contractor, all costs associated with the manufacture of the component, including transportation costs as described in paragraph (1) of this definition, plus allocable overhead costs, but excluding profit. Cost of components does not include any costs associated with the manufacture of the end product.
 - iii. "Domestic end product" means-
 - (1) An unmanufactured end product mined or produced in the United States; or
 - (2) An end product manufactured in the United States, if the cost of its components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. Components of foreign origin of the same class or kind as those that the agency determines are not mined, produced, or manufactured in sufficient and reasonably available commercial quantities of a satisfactory quality are treated as domestic. Scrap generated, collected, and prepared for processing in the United States is considered domestic.
 - iv. "End product" means those articles, materials, and supplies to be acquired under the contract for public use.
 - v. "Foreign end product" means an end product other than a domestic end product.
 - vi. "United States" means the 50 States, the District of Columbia, and outlying areas.
- B. The Buy American Act (41 U.S.C. 10a - 10d) provides a preference for domestic end products for supplies acquired for use in the United States.
- C. The City does not maintain a list of foreign articles that will be treated as domestic for this Contract; but will consider for approval foreign articles as domestic for this product if the articles are on a list approved by another Governmental Agency. The Offeror shall submit documentation with their Offer demonstrating that the article is on an approved Governmental list.
- D. The Contractor shall deliver only domestic end products except to the extent that it specified delivery of foreign end products in the provision of the Solicitation entitled "Buy American Act Certificate".



201 S. Lakeline Blvd. Ste 503
Cedar Park, Texas 78613

Exhibit G-Workflow Statement

July 7, 2017

Ms. Rodriquez,

Below is the information you requested. Please review and let me know if you have any questions or need further information.

Work Flow

Bullchase will conduct the services reflected below. We take great pride in our excellent customer service which includes responding to bid / quote requests, placing orders, and responding to and handling all other customer service requests both prior to and after order placement. Bullchase has an online procurement system which can be customized to meet specific customer needs. Invoicing is handled by Bullchase and can be customized to meet the customer's needs. Order fulfillment (delivery) will be provided by Grainger.

	Bullchase	Grainger
Customer Service	X	
Ordering System	X	
Order Placement	X	
Order Fulfillment		X
Invoicing	X	
Service after the sale	X	

What would occur if Bullchase defaulted?

Bullchase has been in existence for over 9 years with an excellent track record and extensive knowledge and experience in government procurement. We have been a member of the Grainger DA program since 2007. During that time we have grown our business from inception to over \$12 million per year. As a Grainger DA member, we purchase products from Grainger under contract and resell those products to our government customers. Since we take ownership at the time an order is placed, there would be no default that would occur between Bullchase and the City of Austin. We are aligned to multiple government contracts such as NJPA, TXMAS, E&I, BuyBoard, etc. and have an outstanding performance record. We do business with several government entities and would be happy to provide you with references that we have been servicing for many years, who can attest to our outstanding service.

Effective Dates and terms of contract

- Estimated effective date 7/15/17
- Runs through Grainger contract period
(Through 10/21/18 with 1 year extension to 10/21/19)
- \$50K per year, \$100k

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July 7, 2017
Bullchase, Inc.

Insurance

Certificate of insurance previously provided.

Certification

SMBR certification – please see attached.

Other certifications – please see attached.

Contact Person

Marianne Galea

888-558-2855 ext 1001 (phone)

512-750-5786 (cell)

marianne@bullchase.com

Sincerely,



Marianne Galea
President